

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to provide an
3 appropriation to the department of transportation; to provide an appropriation to the state
4 auditor; to provide an appropriation to the legislative assembly; to provide an appropriation to
5 the legislative council; to provide an appropriation to the judicial branch; to provide contingent
6 appropriations to the state board of higher education, department of transportation, and
7 superintendent of public instruction; to create and enact a new section to chapter 44-04 and a
8 new section to chapter 54-52.6 of the North Dakota Century Code, relating to open records
9 requests submitted by members of the legislative assembly and the legislative council and the
10 defined benefit retirement plan; to amend and reenact subdivision c of subsection 1 of section
11 15-10-17, section 48-08-04, subsections 3 and 4 of section 54-52-17, section 55-01-02.1,
12 subsection 3 of section 57-38-01.7 as amended in section 1 of of House Bill No. 1462, as
13 approved by the sixty-fourth legislative assembly, subdivision b of subsection 3 of section
14 57-51.1-03 as amended in section 5 of House Bill No. 1476, as approved by the sixty-fourth
15 legislative assembly, and subsection 2 of section 61-16.1-09, of the North Dakota Century
16 Code, and sections 1 and 2 of Senate Bill No. 2019, as approved by the sixty-fourth legislative
17 assembly, relating to North Dakota university system personnel, the use of legislative meeting
18 rooms, the defined benefit retirement plan, operation of the heritage center building, income tax
19 credits for charitable contributions to private education institutions, eminent domain and water
20 resource boards, and an appropriation to the parks and recreation department; to repeal section
21 54-44-06 of the North Dakota Century Code and section 5 of House Bill No. 1003, as approved
22 by the sixty-fourth legislative assembly, relating to duties of the office of management and
23 budget as to the school fund and contingent appropriations for higher education capital projects;
24 to provide an exemption; to provide for various transfers and contingent transfers; and to
25 provide statements of legislative intent; to provide for legislative management studies and

1 reports; to provide for budget section reports; to provide an effective date; and to declare an
2 emergency.

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

4 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
5 as may be necessary, are appropriated out of any moneys in the general fund in the state
6 treasury, not otherwise appropriated, and from special funds derived from federal funds and
7 other income, to the office of management and budget for the purpose of defraying the
8 expenses of that agency, for the biennium beginning July 1, 2015, and ending June 30, 2017,
9 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
12 Salaries and wages	\$19,803,315	\$313,779	\$20,117,094
13 Accrued leave payments	570,412	(570,412)	0
14 Operating expenses	14,356,788	(150,003)	14,206,785
15 Emergency commission contingency fund	700,000	0	700,000
16 Capital assets	2,251,065	5,278,944	7,530,009
17 Grants	430,000	125,000	555,000
18 Guardianship grants	828,600	1,109,200	1,937,800
19 Prairie public broadcasting	1,337,138	1,862,862	3,200,000
20 State student internship program	200,000	50,000	250,000
21 Energy impact funding pool	0	14,700,000	14,700,000
22 Health insurance pool – temporary	0	5,000,000	5,000,000
23 — employees			
24 Total all funds	\$40,477,318	\$27,719,370	\$68,196,688
25 Less estimated income	8,730,630	10,894,705	19,625,335
26 Total general fund	\$31,746,688	\$16,824,665	\$48,571,353
27 <u>Salaries and wages</u>	<u>\$19,803,315</u>	<u>\$224,939</u>	<u>\$20,028,254</u>
28 <u>Accrued leave payments</u>	<u>570,412</u>	<u>(570,412)</u>	<u>0</u>
29 <u>Operating expenses</u>	<u>14,356,788</u>	<u>(150,003)</u>	<u>14,206,785</u>
30 <u>Emergency commission contingency fund</u>	<u>700,000</u>	<u>0</u>	<u>700,000</u>

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1	Capital assets	2,251,065	1,738,944	3,990,009
2	Grants	430,000	125,000	555,000
3	Guardianship grants	828,600	500,000	1,328,600
4	Prairie public broadcasting	1,337,138	362,862	1,700,000
5	State student internship program	200,000	50,000	250,000
6	Health insurance pool - temporary	0	5,000,000	5,000,000
7	employees			
8	Total all funds	\$40,477,318	\$7,281,330	\$47,758,648
9	Less estimated income	8,730,630	2,689,760	11,420,390
10	Total general fund	\$31,746,688	\$4,591,570	\$36,338,258
11	Full-time equivalent positions	130.50	(8.00)	122.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

16	<u>One-Time Funding Description</u>	<u>2013-15</u>	<u>2015-17</u>
17	Capitol complex parking lot repairs	\$4,000,000	\$0
18	Health insurance pool	2,000,000	0
19	Exterior restoration of legislative and j-wing	1,500,000	0
20	Repair and cleaning capitol and j-wing	1,200,000	0
21	Capitol south entrance	1,000,000	0
22	Prairie public broadcasting	600,000	1,500,000
23	Prairie public broadcasting	600,000	0
24	North Dakota 125th anniversary coordinator	190,000	0
25	Energy impact funding	8,500,000	0
26	Transfer to property tax relief	315,210,000	0
27	Information technology hardware relocation study	200,000	0
28	Student internship	0	50,000
29	Facility projects	0	2,205,000
30	Facility projects	0	205,000
31	Signage on the capitol grounds	0	1,400,000

1	West parking lot repair	0	1,300,000
2	<u>West parking lot repair</u>	<u>0</u>	<u>50,000</u>
3	ACA health insurance	0	5,000,000
4	Energy impact pool	0	14,700,000
5	Total all funds	\$334,400,000	\$26,155,000
6	Less estimated income	5,500,000	12,400,000
7	Total general fund	\$328,900,000	\$13,755,000
8	<u>Facility management projects</u>	<u>0</u>	<u>1,825,009</u>
9	<u>Legislative wing electrical-related repairs</u>	<u>0</u>	<u>310,000</u>
10	<u>Total all funds</u>	<u>\$334,400,000</u>	<u>\$8,840,009</u>
11	<u>Less estimated income</u>	<u>5,500,000</u>	<u>4,210,000</u>
12	<u>Total general fund</u>	<u>\$328,900,000</u>	<u>\$4,630,009</u>

13 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
14 2017-19 biennium. The office of management and budget shall report to the appropriations
15 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the
16 biennium beginning July 1, 2015, and ending June 30, 2017.

17 **SECTION 3. APPROPRIATION - TRANSFER ~~PROPERTY~~ - TAX RELIEF**

18 **SUSTAINABILITY FUND TO GENERAL FUND.** There is appropriated out of any moneys in the
19 ~~property~~ tax relief ~~sustainability~~ fund in the state treasury, not otherwise appropriated, the sum
20 of \$657,000,000, or so much of the sum as may be necessary, which the director of the office of
21 management and budget shall transfer to the general fund during the biennium beginning
22 July 1, 2015, and ending June 30, 2017.

23 **SECTION 4. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET -**

24 **TARGETED MARKET EQUITY POOL - LEGISLATIVE MANAGEMENT REPORT.** There is
25 appropriated out of any moneys in the general fund in the state treasury, not otherwise
26 appropriated, the sum of \$3,750,000, or so much of the sum as may be necessary, and from
27 special funds derived from federal funds and other income, the sum of \$740,000, or so much of
28 the sum as may be necessary, to the office of management and budget for a state agency
29 targeted market equity salary funding pool to provide compensation adjustments for state
30 employees in accordance with the provisions of this section. The market equity increases must
31 be prioritized based on a statewide plan prepared by the office of management and budget

1 within the funding available in the pool. The plan must address occupational market disparities,
2 economic growth areas, recruitment and retention challenges, and external pay inequities for
3 employees who are critical to the mission of the agency. The plan must give priority to
4 employees whose salary is in the first or second quartile of their assigned salary range and
5 employees whose salary is below the average classified state employee salary level.

6 One-half of the market equity pool funding is available for market equity adjustments in
7 July 2015, to be paid in August 2015, and any remaining funding in the pool is available for
8 market equity adjustments in July 2016, to be paid in August 2016. The market equity
9 adjustments must be provided after any general compensation increase authorized by the
10 sixty-fourth legislative assembly for these respective months and are independent of the
11 general compensation increases. Employees whose documented performance levels do not
12 meet standards are not eligible for the market equity increases. Notwithstanding any other
13 provision of law, the office of management and budget shall transfer appropriation authority from
14 the targeted market equity salary pool line item included in section 1 of this Act to eligible
15 agencies for approved market equity salary adjustments. The office of management and budget
16 shall provide a report to the legislative management regarding its statewide plan and any
17 appropriation authority transferred from the pool.

18 Employees in the following agencies are eligible to receive a targeted market equity salary
19 adjustment under this section:

- 20 1. Adjutant general;
- 21 2. Veterans' home;
- 22 3. State department of health;
- 23 4. Department of human services; and
- 24 5. Protection and advocacy project.

25 **SECTION 5. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE**
26 **AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY -**
27 **EMERGENCY COMMISSION APPROVAL - LEGISLATIVE MANAGEMENT REPORT.** There is
28 appropriated out of any moneys in the general fund in the state treasury, not otherwise
29 appropriated, the sum of \$2,400,000, or so much of the sum as may be necessary, and from
30 special funds derived from federal funds and other income, the sum of \$5,565,000, or so much
31 of the sum as may be necessary, to the office of management and budget for a state agency

1 energy development impact funding pool, for the biennium beginning July 1, 2015, and ending
2 June 30, 2017. The funds provided under this section are considered a one-time funding item
3 and may not be continued into the biennium beginning July 1, 2017, and ending June 30, 2019.

4 A state agency may submit an application to the office of management and budget for a
5 transfer of appropriation authority from the state agency energy development impact funding
6 pool for employee housing rental assistance and temporary salary increases for employees
7 affected by energy development. As part of the application, an agency must document how the
8 agency will discontinue energy impact adjustments for employees at the end of the biennium.
9 The office of management and budget, subject to emergency commission approval, shall
10 transfer appropriation authority from the state agency energy development impact funding pool
11 to eligible agencies for approved applications.

12 The office of management and budget shall provide a report to the legislative management
13 regarding distributions from the energy development impact funding pool. Each agency
14 receiving a distribution from the energy impact funding pool must provide a report to the
15 legislative management regarding its plan to discontinue energy impact adjustments for
16 employees at the end of the biennium beginning July 1, 2015, and ending June 30, 2017.

17 **SECTION 6. GENERAL FUND APPROPRIATION AND TRANSFER - HIGHWAY FUND**
18 **APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

- 19 1. There is appropriated out of any moneys in the general fund in the state treasury, not
20 otherwise appropriated, the sum of \$18,000,000, which the director of the office of
21 management and budget shall transfer to the highway fund during the biennium
22 beginning July 1, 2015, and ending June 30, 2017.
- 23 2. There is appropriated out of any moneys in the highway fund in the state treasury, not
24 otherwise appropriated, the sum of \$18,000,000, or so much of the sum as may be
25 necessary, to the department of transportation for the purpose of state highway
26 investments, for the biennium beginning July 1, 2015, and ending June 30, 2017.

27 **SECTION 7. CONTINGENT GENERAL FUND TRANSFER AND HIGHWAY FUND**
28 **APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

- 29 1. Subject to the provisions of this section, there is appropriated out of any moneys in the
30 general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000,
31 which the director of the office of management and budget shall transfer to the

1 highway fund, during the biennium beginning July 1, 2015, and ending June 30, 2017.
2 If a transfer of funds occurs under this subsection, there is appropriated out of any
3 moneys in the highway fund in the state treasury, not otherwise appropriated, the sum
4 of \$20,000,000, or so much of the sum as may be necessary, to the department of
5 transportation for the purpose of enhanced state highway investments, for the
6 biennium beginning July 1, 2015, and ending June 30, 2017.

- 7 2. a. The transfer and appropriation in subsection 1 of this section is available only if
8 the director of the office of management and budget determines actual general
9 fund revenues for the period beginning February 1, 2015, and ending June 30,
10 2015, exceed the legislative estimates made at the close of the 2015 legislative
11 session for general fund revenues during the same period by at least
12 \$20,000,000.
- 13 b. For purposes of this subsection, "estimated general fund revenues" excludes
14 transfers to the general fund from the strategic investment and improvements
15 fund, property tax relief fund, the lottery, the mill and elevator, and gas tax
16 administration.

17 **SECTION 8. CONTINGENT GENERAL FUND AND STRATEGIC INVESTMENT AND**
18 **IMPROVEMENTS FUND APPROPRIATIONS AND TRANSFERS - STATE BOARD OF**
19 **HIGHER EDUCATION - DEPARTMENT OF TRANSPORTATION - BUDGET SECTION**
20 **APPROVAL - BUDGET SECTION REPORT.**

- 21 1. Subject to the provisions of this section, there is appropriated out of any moneys in the
22 general fund in the state treasury, not otherwise appropriated, the sum of \$25,850,000,
23 or so much of the sum as may be necessary, to the state board of higher education for
24 the Valley City state university fine arts building project, including the demolition of two
25 existing buildings, for the biennium beginning July 1, 2015, and ending June 30, 2017.
- 26 2. Subject to the provisions of this section, the director of the office of management and
27 budget shall transfer the sum of \$25,850,000 from the strategic investment and
28 improvements fund to the highway fund during the biennium beginning July 1, 2015,
29 and ending June 30, 2017. If a transfer of funds occurs under this subsection, there is
30 appropriated out of any moneys in the highway fund in the state treasury, not
31 otherwise appropriated, the sum of \$25,850,000, or so much of the sum as may be

1 necessary, to the department of transportation for the purpose of enhanced state
2 highway investments, for the biennium beginning July 1, 2015, and ending June 30,
3 2017.

4 3. Subject to the provisions of this section, there is appropriated out of any moneys in the
5 general fund in the state treasury, not otherwise appropriated, the sum of \$46,000,000,
6 or so much of the sum as may be necessary, to the state board of higher education for
7 the North Dakota state university Dunbar Hall project, for the biennium beginning
8 July 1, 2015, and ending June 30, 2017.

9 4. Subject to the provisions of this section, the director of the office of management and
10 budget shall transfer the sum of \$46,000,000 from the general fund to the highway
11 fund during the biennium beginning July 1, 2015, and ending June 30, 2017. If a
12 transfer of funds occurs under this subsection, there is appropriated out of any
13 moneys in the highway fund in the state treasury, not otherwise appropriated, the sum
14 of \$46,000,000, or so much of the sum as may be necessary, to the department of
15 transportation for the purpose of enhanced state highway investments, for the
16 biennium beginning July 1, 2015, and ending June 30, 2017.

17 5. a. The appropriations and transfers in subsections 1 and 2 of this section are
18 available only if the director of the office of management and budget determines
19 actual general fund revenues for the period beginning July 1, 2015, and ending
20 December 31, 2015, exceed the legislative estimates made at the close of the
21 2015 legislative session for general fund revenues during the same period by at
22 least \$126,000,000, or if the director of the office of management and budget
23 determines actual general fund revenues for the period beginning July 1, 2015,
24 and ending June 30, 2016, exceed the legislative estimates made at the close of
25 the 2015 legislative session for general fund revenues during the same period by
26 at least \$126,000,000. If the appropriations and transfers under this subdivision
27 become available, the state board of higher education shall provide a report to
28 the budget section regarding the status of the Valley City state university fine arts
29 building project.

30 b. The appropriations and transfers in subsections 3 and 4 of this section are
31 available, subject to budget section approval, only if the director of the office of

1 management and budget determines actual general fund revenues for the period
2 beginning July 1, 2015, and ending December 31, 2016, exceed the legislative
3 estimates made at the close of the 2015 legislative session for general fund
4 revenues during the same period by at least \$250,000,000. Additionally, the
5 appropriation in subsection 3 is available only if the state board of higher
6 education certifies to the budget section that the Dunbar Hall project conforms to
7 the university system master plan and space utilization study and the board
8 receives budget section approval to proceed with the project. The board may not
9 seek approval from the budget section to proceed with the project until the state
10 auditor's office performance audit of the university system space utilization study
11 is completed.

- 12 c. For purposes of this subsection, "estimated general fund revenues" excludes the
13 unobligated general fund balance on July 1, 2015, and transfers to the general
14 fund from the strategic investment and improvements fund, tax relief fund, the
15 lottery, the mill and elevator, and gas tax administration.

16 **SECTION 9. APPROPRIATION - STATE AUDITOR.** There is appropriated out of special
17 funds derived from other income from fees charged to the North Dakota university system, not
18 otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to
19 the state auditor for the purpose of conducting information technology security audits of the
20 eleven institutions in the North Dakota university system, for the biennium beginning July 1,
21 2015, and ending June 30, 2017.

22 **SECTION 10. APPROPRIATION - LEGISLATIVE ASSEMBLY - MEETING ROOMS -**
23 **REPORTS TO LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE.** There is
24 appropriated out of any moneys in the general fund in the state treasury, not otherwise
25 appropriated, the sum of \$160,000 or so much of the sum as may be necessary, to the
26 legislative assembly for the purpose of purchasing and installing audio and visual equipment,
27 tables, chairs, and other furnishings in legislative meeting rooms within the facility space
28 expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative
29 assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding
30 appropriated in this section is considered a one-time funding item.

1 The state court administrator shall provide periodic reports to the legislative procedure and
2 arrangements committee during the 2015-16 interim regarding the status of the facility space
3 expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative
4 assembly.

5 **SECTION 11. APPROPRIATION - LEGISLATIVE COUNCIL - CONSULTANTS FOR**
6 **INTERIM STUDY.** There is appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be
8 necessary, to the legislative council for the purpose of contracting with consultants to study oil
9 and gas tax incentives and oil and gas recovery techniques, for the biennium beginning July 1,
10 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time
11 funding item.

12 **SECTION 12. APPROPRIATION - JUDICIAL WING REMODELING PROJECT.** There is
13 appropriated out of any moneys in the general fund in the state treasury, not otherwise
14 appropriated, the sum of \$65,693, or so much of the sum as may be necessary, to the judicial
15 branch for the purpose of defraying the additional costs of the remodeling project in the judicial
16 wing, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided
17 in this section is considered a one-time funding item.

18 **SECTION 13. CONTINGENT APPROPRIATION - DEPARTMENT OF PUBLIC**
19 **INSTRUCTION - TRANSPORTATION GRANTS.** If any funding appropriated to the
20 superintendent of public instruction for integrated formula payments to school districts remains
21 after the superintendent complies with all statutory payment obligations imposed for the
22 biennium beginning July 1, 2015, and ending June 30, 2017, the superintendent shall provide
23 up to \$3,000,000 of the funds remaining for additional transportation grants. The superintendent
24 shall prorate the available funding according to the percentage of the total transportation
25 formula amount to which each school district is entitled.

26 **SECTION 14. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The estimated income
27 line item in section 1 of this Act includes ~~\$1,400,000~~ \$1,710,000 from the capitol building fund, of
28 which \$1,400,000 is for capitol building entrance and signage projects and \$310,000 is for
29 legislative wing electrical and ceiling repairs.

30 **SECTION 15. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**
31 **ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION.** The grants line item in section 1

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1 of this Act includes the sum of \$500,000 from the general fund for the purpose of providing
2 community service supervision grants. The director of the office of management and budget
3 shall distribute the grant funds on or before August first during each year of the biennium
4 beginning July 1, 2015, and ending June 30, 2017, to North Dakota community corrections
5 association regions as follows:

6 Barnes County	\$12,121
7 Bismarck (urban)	27,057
8 Bismarck (rural)	14,223
9 Devils Lake	14,329
10 Dickinson	16,911
11 Fargo	32,169
12 Grand Forks	26,404
13 Jamestown	18,511
14 Minot	21,592
15 Richland County	13,241
16 Rugby	15,543
17 Sargent County	10,781
18 Wells County	10,919
19 Williston	<u>16,199</u>
20 Total	\$250,000

21 Any moneys in the community service supervision fund are appropriated to the office of
22 management and budget for distribution to community corrections association regions on or
23 before August first of each year during the biennium beginning July 1, 2015, and ending
24 June 30, 2017.

25 **SECTION 16. EXEMPTION.** The amount appropriated for the fiscal management division,
26 as contained in section 1 of chapter 15 of the 2013 Session Laws is not subject to the
27 provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for
28 continued development and operating costs of the accounting, management, and payroll
29 systems, during the biennium beginning July 1, 2015, and ending June 30, 2017.

30 **SECTION 17. INTENT.** Within the authority included in section 1 of this Act are the following
31 grants and special items:

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

5 **SECTION 18. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
6 of the office of management and budget may transfer to each eligible agency appropriated
7 general fund spending authority from the state student internship program line item contained in
8 section 1 of this Act.

9 ~~**SECTION 11. OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY**~~
10 ~~**DEVELOPMENT IMPACT FUNDING POOL.** The office of management and budget may~~
11 ~~transfer to each eligible agency appropriation authority from the energy development impact~~
12 ~~funding pool line item contained in section 1 of this Act, for the biennium beginning July 1, 2015,~~
13 ~~and ending June 30, 2017. The funds provided under this section are considered a one-time~~
14 ~~funding item.~~

15 **SECTION 19. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
16 **HEALTH INSURANCE POOL.** The office of management and budget may transfer to each
17 eligible agency appropriation authority from the health insurance pool - temporary employees
18 line item contained in section 1 of this Act. Transfers may be made for the purpose of providing
19 temporary employee health insurance adjustments for state employees, including institutions of
20 higher education, determined to be full time based on guidelines developed by the office of
21 management and budget in accordance with the shared responsibility provisions of the
22 Affordable Care Act for the biennium beginning July 1, 2015, and ending June 30, 2017.

23 **SECTION 20. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**
24 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line
25 items, as it relates to compensation increases authorized in section ~~4221~~ of this Act, for the
26 biennium beginning July 1, 2015, and ending June 30, 2017. The agencies shall notify the office
27 of management and budget of any transfer made pursuant to this section.

28 **SECTION 21. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.** It is
29 the intent of the sixty-fourth legislative assembly that 2015-17 biennium compensation
30 adjustments for classified state employees for each year of the biennium are to be a
31 performance component in a range of two to four percent based on documented performance.

1 Increases for classified state employees are not to be the same percentage increase for each
2 employee. The increases for the first year of the biennium are to be given beginning with the
3 month of July 2015, to be paid in August 2015, and for the second year of the biennium are to
4 be given beginning with the month of July 2016, to be paid in August 2016.

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

8 The office of management and budget shall develop guidelines for use by state agencies for
9 providing compensation adjustments for regular classified employees. The guidelines must
10 follow section 54-44.3-01.2, compensation philosophy statement.

11 Compensation adjustments for regular nonclassified state employees, excluding employees
12 under the control of the state board of higher education, are to be in a range of two to four
13 percent based on market and documented performance and are not to be the same percentage
14 increase for each employee.

15 Employees whose overall documented performance level does not meet standards are not
16 eligible for any salary increase.

17 **SECTION 22. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.** The funding
18 appropriated to the department of human services in Senate Bill No. 2289 as approved by the
19 sixty-fourth legislative assembly, relating to assistive technology services is considered one-time
20 funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

21 **SECTION 23. STUDENT LOAN TRUST FUND - STATE DEPARTMENT OF HEALTH -**
22 **DENTAL LOAN REPAYMENT PROGRAM.** The estimated income line item of section 1 of
23 House Bill No. 1004, as approved by the sixty-fourth legislative assembly, includes the sum of
24 \$360,000, or so much of the sum as may be necessary, from the student loan trust fund for the
25 dental loan repayment program administered by the state department of health for the biennium
26 beginning July 1, 2015, and ending June 30, 2017.

27 **SECTION 24. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North
28 Dakota Century Code is amended and reenacted as follows:

29 c. Appoint and remove all university system office personnel, fix their salaries within
30 the limits of legislative appropriations, fix their terms of office, and prescribe their
31 duties. The board shall adopt a policy that provides that each vice chancellor in

1 the university system office is considered to have resigned the individual's
2 position as a vice chancellor upon the appointment of a commissioner of higher
3 education.

4 **SECTION 25.** A new section to chapter 44-04 of the North Dakota Century Code is created
5 and enacted as follows:

6 **Requests for records by members of the legislative assembly and the legislative**
7 **council.**

8 Notwithstanding section 44-04-18.6, any record of the legislative council relating to a
9 request for public records made by the legislative council on behalf of a member of the
10 legislative assembly is a public record. The legislative council shall maintain a written or digital
11 record of any request for public records made on behalf of a member of the legislative assembly
12 which identifies the member of the legislative assembly who made the request.

13 **SECTION 26. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is
14 amended and reenacted as follows:

15 **48-08-04. Use of legislative assembly rooms and halls.**

16 During the interim between legislative sessions, the committee rooms, halls, passageways,
17 and other space in the capitol used by the legislative assembly, including the pioneer room and
18 three additional meeting rooms comprising approximately four thousand square feet in the
19 judicial wing of the capitol, may not be used without authorization of the legislative council.

20 **SECTION 27. AMENDMENT.** Subsection 3 of section 54-52-17 of the North Dakota
21 Century Code is amended and reenacted as follows:

22 3. Retirement dates are defined as follows:

23 a. Normal retirement date, except for a national guard security officer or firefighter
24 or a peace officer or correctional officer employed by the bureau of criminal
25 investigation or by a political subdivision, is:

26 (1) The first day of the month next following the month in which the member
27 attains the age of sixty-five years; or

28 (2) When the member has a combined total of years of service credit and years
29 of age equal to eighty-five and has not received a retirement benefit under
30 this chapter.

1 b. Normal retirement date for members first enrolled after December 31, 2015,
2 except for a national guard security officer or firefighter, a peace officer or
3 correctional officer employed by the bureau of criminal investigation or by a
4 political subdivision, or a supreme court or district court judge, is:

5 (1) The first day of the month next following the month in which the member
6 attains the age of sixty-five years; or

7 (2) When the member has a combined total of years of service credit and years
8 of age equal to ninety and the member attains a minimum age of sixty and
9 has not received a retirement benefit under this chapter.

10 ~~b.c.~~ Normal retirement date for a national guard security officer or firefighter is the first
11 day of the month next following the month in which the national guard security
12 officer or firefighter attains the age of fifty-five years and has completed at least
13 three eligible years of employment as a national guard security officer or
14 firefighter.

15 ~~e.d.~~ Normal retirement date for a peace officer or correctional officer employed by a
16 political subdivision is:

17 (1) The first day of the month next following the month in which the peace
18 officer or correctional officer attains the age of fifty-five years and has
19 completed at least three eligible years of employment as a peace officer or
20 correctional officer; or

21 (2) When the peace officer or correctional officer has a combined total of years
22 of service credit and years of age equal to eighty-five and has not received
23 a retirement benefit under this chapter.

24 ~~d.e.~~ Normal retirement date for a peace officer employed by the bureau of criminal
25 investigation is:

26 (1) The first day of the month next following the month in which the peace
27 officer attains the age of fifty-five years and has completed at least three
28 eligible years of employment as a peace officer; or

29 (2) When the peace officer has a combined total of years of service credit and
30 years of age equal to eighty-five and has not received a retirement benefit
31 under this chapter.

1 | e.f. Postponed retirement date is the first day of the month next following the month
2 | in which the member, on or after July 1, 1977, actually severs or has severed the
3 | member's employment after reaching the normal retirement date.

4 | f.g. Early retirement date, except for a national guard security officer or firefighter or a
5 | peace officer or correctional officer employed by the bureau of criminal
6 | investigation or by a political subdivision, is the first day of the month next
7 | following the month in which the member attains the age of fifty-five years and
8 | has completed three years of eligible employment. For a national guard security
9 | officer or firefighter, early retirement date is the first day of the month next
10 | following the month in which the national guard security officer or firefighter
11 | attains the age of fifty years and has completed at least three years of eligible
12 | employment. For a peace officer or correctional officer employed by the bureau of
13 | criminal investigation or by a political subdivision, early retirement date is the first
14 | day of the month next following the month in which the peace officer or
15 | correctional officer attains the age of fifty years and has completed at least three
16 | years of eligible employment.

17 | g.h. Disability retirement date is the first day of the month after a member becomes
18 | permanently and totally disabled, according to medical evidence called for under
19 | the rules of the board, and has completed at least one hundred eighty days of
20 | eligible employment. For supreme and district court judges, permanent and total
21 | disability is based solely on a judge's inability to perform judicial duties arising out
22 | of physical or mental impairment, as determined pursuant to rules adopted by the
23 | board or as provided by subdivision a of subsection 3 of section 27-23-03. A
24 | member is eligible to receive disability retirement benefits only if the member:
25 | (1) Became disabled during the period of eligible employment; and
26 | (2) Applies for disability retirement benefits within twelve months of the date the
27 | member terminates employment.

28 | A member is eligible to continue to receive disability benefits as long as the
29 | permanent and total disability continues and the member submits the necessary
30 | documentation and undergoes medical testing required by the board, or for as
31 | long as the member participates in a rehabilitation program required by the

1 board, or both. If the board determines that a member no longer meets the
2 eligibility definition, the board may discontinue the disability retirement benefit.
3 The board may pay the cost of any medical testing or rehabilitation services it
4 deems necessary and these payments are appropriated from the retirement fund
5 for those purposes.

6 **SECTION 28. AMENDMENT.** Subsection 4 of section 54-52-17 of the North Dakota
7 Century Code is amended and reenacted as follows:

8 4. The board shall calculate retirement benefits as follows:

9 a. Normal retirement benefits for all retirees, except supreme and district court
10 judges, reaching normal retirement date equal an annual amount, payable

11 monthly, comprised of a service benefit and a prior service benefit, as defined in
12 this chapter, which is determined as follows:

13 (1) Service benefit equals two percent of final average salary multiplied by the
14 number of years of service employment.

15 (2) Prior service benefit equals two percent of final average salary multiplied by
16 the number of years of prior service employment.

17 b. Normal retirement benefits for all supreme and district court judges under the
18 public employees retirement system reaching normal retirement date equal an
19 annual amount, payable monthly, comprised of a benefit as defined in this
20 chapter, determined as follows:

21 (1) Benefits must be calculated from the time of appointment or election to the
22 bench and must equal three and one-half percent of final average salary
23 multiplied by the first ten years of judicial service, two and eighty hundredths
24 percent of final average salary multiplied by the second ten years of judicial
25 service, and one and one-fourth percent of final average salary multiplied by
26 the number of years of judicial service exceeding twenty years.

27 (2) Service benefits must include, in addition, an amount equal to the percent
28 specified in subdivision a of final average salary multiplied by the number of
29 years of nonjudicial employee service and employment.

30 c. Postponed retirement benefits are calculated as for single life benefits for those
31 members who retired on or after July 1, 1977.

- 1 d. Early retirement benefits are calculated as for single life benefits accrued to the
2 date of termination of employment, but must be actuarially reduced to account for
3 benefit payments beginning prior to the normal retirement date, which is the
4 earlier of age sixty-five or the age at which current service plus age equals
5 eighty-five. Except for a national guard security officer or firefighter, a peace
6 officer or correctional officer employed by the bureau of criminal investigation or
7 by a political subdivision, or a supreme court or district court judge, early
8 retirement benefits for members first enrolled after December 31, 2015, are
9 calculated for single life benefits accrued to the date of termination of
10 employment, but must be reduced by fixed rate of eight percent per year to
11 account for benefit payments beginning before the normal retirement date. A
12 retiree, other than a supreme or district court judge, is eligible for early retirement
13 benefits only after having completed three years of eligible employment. A
14 supreme or district court judge retiree is eligible for early retirement benefits only
15 after having completed five years of eligible employment.
- 16 e. Except for supreme and district court judges, disability retirement benefits are
17 twenty-five percent of the member's final average salary. Disability retirement
18 benefits for supreme and district court judges are seventy percent of final
19 average salary reduced by the member's primary social security benefits and by
20 any workforce safety and insurance benefits paid. The minimum monthly
21 disability retirement benefit under this section is one hundred dollars.

22 **SECTION 29.** A new section to chapter 54-52.6 of the North Dakota Century Code is
23 created and enacted as follows:

24 **Changes to election.**

- 25 1. In this section the term "participating member" is limited in application to a participating
26 member who elected to participate in the defined contribution retirement plan
27 established under this chapter as an active employee of a participating employer, is an
28 actively participating member of the defined contribution plan as of the effective date
29 of this Act, and is an active employee with a participating employer on the date an
30 election is made under this section. The term does not include a participant who is not
31 actively employed with a participating employer on the date of transfer of the funds.

1 under this section, has taken a distribution from the defined contribution plan, is
2 retired, is no longer actively employed with a participating employer, or who is a
3 member who has a qualified domestic relations order or other court order on the
4 member's account.

5 2. Notwithstanding any other provision of law, the board shall provide an opportunity for
6 each participating member to elect in writing to terminate membership in the defined
7 contribution retirement plan under this chapter and to elect to become a participating
8 member in the public employees retirement system under chapter 54-52.

9 3. The board shall establish a three-calendar-month election period beginning not later
10 than February 1, 2016. A participating member who does not make a written election
11 or who does not file the election with the North Dakota public employees retirement
12 system office during the period specified in this section continues to be a member of
13 the defined contribution plan. A participating member who makes and files a written
14 election with the North Dakota public employees retirement system office under this
15 section ceases to be a member of the defined contribution plan upon receipt by the
16 public employees retirement system of the accumulated fund balance of the member's
17 defined contribution plan under this chapter and waives all rights to that employee's
18 accumulated fund balance under the defined contribution plan. If the executive director
19 of the North Dakota public employees retirement system determines a participating
20 member was not adequately notified of the option to make an election under this
21 section, the executive director may provide that participating member a reasonable
22 time, not to exceed three months, within which to make that election.

23 4. The public employees retirement system shall credit the transferring employee with
24 the service credit and salary history reflected on the public employees retirement
25 system's electronic database.

26 5. The board shall determine the method by which a participating member may make a
27 written election under this section. If the participating member is married at the time of
28 the election, the election is not effective unless the election is signed by the
29 individual's spouse. However, the executive director of the North Dakota public
30 employees retirement system may waive this spousal signature requirement if the
31 spouse's signature cannot be obtained because of extenuating circumstances.

1 6. For a participating member who elects to terminate membership in the defined
2 contribution plan under this section, the board shall transfer that member's
3 accumulated fund balance, less any rollovers from other plans made into the defined
4 contribution plan, to the public employees retirement system under chapter 54-52. If
5 funds are transferred from the defined contribution plan to the defined benefit plan
6 under an election made under this section, the board shall record this transfer to the
7 defined benefit plan as employee and employer contributions in the same manner as
8 transferred by the defined contribution provider. If a participating member has a
9 separate account attributable to rollover contributions to the defined contribution plan
10 pursuant to section 54-52.6-09.1, the participating member shall make an election to
11 receive a distribution of the entire amount held in the rollover account at the time of
12 transfer.

13 7. A participating member who elects a transfer under this section is entitled to vested
14 employer contribution amounts under section 54-52-11.1 prospectively from the date
15 of transfer. A participating member who elects a transfer under this section must be
16 assessed and required to pay monthly to the defined benefit plan an additional
17 employee contribution of an additional two percent of the monthly salary or wages paid
18 to the member.

19 **SECTION 30. AMENDMENT.** Section 55-01-02.1 of the North Dakota Century Code is
20 amended and reenacted as follows:

21 **55-01-02.1. Society to have jurisdiction over heritage center.**

22 The society has jurisdiction over the administration and operations of the North Dakota
23 heritage center building. The director of the office of management and budget is responsible for
24 maintenance of the heritage center building. The society shall maintain the collections displayed
25 and stored at the heritage center and shall provide, or arrange, for the security of those
26 collections. The society shall establish a policy that authorizes the consumption of alcoholic
27 beverages, including distilled spirits as defined in section 5-01-01, at the heritage center during
28 an event that is open only to invited guests and if the alcoholic beverages are dispensed by a
29 qualified alcoholic beverage licensee.

1 **SECTION 31. AMENDMENT.** Subsection 3 of section 57-38-01.7 of the North Dakota
2 Century Code as amended by section 1 of House Bill No. 1462, as approved by the sixty-fourth
3 legislative assembly, is amended and reenacted as follows:

- 4 3. At the election of the taxpayer, there must be allowed, subject to the applicable
5 limitations provided in this subsection, as a nonrefundable credit against the
6 income tax liability under section 57-38-30 or, in the case of contributions by a
7 passthrough entity, under section 57-38-30.3 for the taxable year, an amount
8 equal to fifty percent of the aggregate amount of charitable contributions made by
9 the taxpayer during the year directly to nonprofit private institutions of primary
10 education, located within the state. The amount allowable as a credit under this
11 subsection for any taxable year may not exceed twenty percent of the taxpayer's
12 total income tax under this chapter for the year, or two thousand five hundred
13 dollars, whichever is less.

14 **SECTION 32.** Subdivision b of subsection 3 of section 57-51.1-03 of the North Dakota
15 Century Code as amended in section 5 of House Bill No. 1476, as approved by the sixty-fourth
16 legislative assembly, is amended and reenacted as follows:

- 17 b. The incremental production from a tertiary recovery project ~~that does not use~~
18 ~~carbon dioxide and~~ which has been certified as a qualified project by the
19 industrial commission is exempt from any taxes imposed under this chapter for a
20 period of ten years from the date the incremental production begins. Incremental
21 production from a tertiary recovery project ~~that uses carbon dioxide in a~~ from a
22 horizontal well drilled and completed ~~outside~~ within the Bakken and Three Forks
23 formations, ~~and ten miles [16.10 kilometers] or more outside an established field~~
24 ~~in which the industrial commission has defined the pool to include the Bakken or~~
25 ~~Three Forks formation and~~ which has been certified as a qualified project by the
26 industrial commission is not exempt from July 1, 2015, through June 30, 2017,
27 and is thereafter exempt from any taxes imposed under this chapter for a period
28 of five years from July 1, 2017, or the date the incremental production begins,
29 whichever is later.

30 **SECTION 33. AMENDMENT.** Subsection 2 of section 61-16.1-09 of the North Dakota
31 Century Code is amended and reenacted as follows:

1 2. Exercise the power of eminent domain in the manner provided by title 32 for the
2 purpose of acquiring and securing any rights, titles, interests, estates, or easements
3 necessary or proper to carry out the duties imposed by this chapter, ~~and particularly to,~~
4 A water resource board may acquire the necessary rights in land for the construction
5 of dams, flood control projects, and other water conservation, distribution, and supply
6 works of any nature and to permit the flooding of lands, ~~and to.~~ In addition, a water
7 resource board may secure the right of access to ~~such~~these dams and other devices
8 and the right of public access to any impounded waters ~~impounded thereby.~~ ~~Provided,~~
9 ~~however, that when~~if the interest sought to be acquired is a right of way for anya
10 project authorized in this chapter for which federal ~~or state~~ funds have been
11 appropriated or state funds have been appropriated by the legislative assembly for a
12 specific project, the ~~district~~board, after making a written offer to purchase the right of
13 way and depositing the amount of the offer with the clerk of the district court of the
14 county wherein the right of way is located, may ~~thereupon~~ take immediate possession
15 of the right of way, as authorized by section 16 of article I of the Constitution of North
16 Dakota. Within thirty days after notice has been given in writing to the landowner by
17 the clerk of the district court that a deposit has been made for the taking of a right of
18 way as authorized in this subsection, the owner of the property taken may appeal to
19 the district court by serving a notice of appeal upon the acquiring agency, and the
20 matter must be tried at the next regular or special term of court with a jury unless a
21 jury be waived, in the manner prescribed for trials under chapter 32-15.

22 **SECTION 34.** Section 1 of Senate Bill No. 2019, as approved by the sixty-fifth legislative
23 assembly, is amended and reenacted as follows:

24 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much
25 of the funds as may be necessary, are appropriated out of any moneys in the general
26 fund in the state treasury, not otherwise appropriated, and from special funds derived
27 from federal funds and other income, to the parks and recreation department for the
28 purpose of defraying the expenses of the parks and recreation department, for
29 providing funding to the Lewis and Clark interpretive center, and for providing a grant
30 to the International Peace Garden, for the biennium beginning July 1, 2015, and
31 ending June 30, 2017, as follows:

1	Subdivision 1.			
2		PARKS AND RECREATION DEPARTMENT		
3			Adjustments or	
4		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
5	Administration	\$2,573,593	\$598,129	\$3,171,722
6	Accrued leave payments	181,577	(181,577)	0
7	Park operations and maintenance	15,045,525	20,128,406	35,173,931
8	Recreation	5,585,875	2,021,544	7,607,419
9	Total all funds	\$23,386,570	\$22,566,502	\$45,953,072
10	Less estimated income	10,505,431	4,357,404	14,862,835
11	Total general fund	\$12,881,139	\$18,209,098	\$31,090,237
12	Recreation	5,585,875	1,711,245	7,297,120
13	Total all funds	\$23,386,570	\$22,256,203	\$45,642,773
14	Less estimated income	10,505,431	4,357,404	14,862,835
15	Total general fund	\$12,881,139	\$17,898,799	\$30,779,938
16	Full-time equivalent positions	55.00	11.00	66.00
17	Subdivision 2.			
18		INTERNATIONAL PEACE GARDEN		
19			Adjustments or	
20		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
21	International Peace Garden	\$973,699	\$535,297	\$1,508,996
22	Total general fund	\$973,699	\$535,297	\$1,508,996
23	Subdivision 3.			
24		LEWIS AND CLARK INTERPRETIVE CENTER		
25			Adjustments or	
26		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
27	Lewis and Clark interpretive center	\$0	\$1,005,279	\$1,005,279
28	Total general fund	\$0	\$1,005,279	\$1,005,279
29	Subdivision 4.			
30		BILL TOTAL		

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$13,854,838	\$19,749,674	\$33,604,512
Grand total special funds	10,505,431	4,357,404	14,862,835
Grand total all funds	\$24,360,269	\$24,107,078	\$48,467,347
Grand total general fund	\$13,854,838	\$19,439,375	\$33,294,213
Grand total special funds	10,505,431	4,357,404	14,862,835
Grand total all funds	\$24,360,269	\$23,796,779	\$48,157,048

SECTION 35. Section 2 of Senate Bill No. 2019, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIFTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-third legislative assembly for the 2013-15 biennium and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act:

	One-Time Funding Description	2013-15
	<u>2015-17</u>	
Parks enhancements	\$3,897,800	\$14,750,000
Parks equipment	350,000	600,000
Lewis and Clark interpretive center grant	1,350,000	0
Parks strategic plans	100,000	0
Community grant program	500,000	500,000
International Peace Garden capital projects	1,250,000	335,297
Trail lease renewals	0	200,000
Web application for snowmobile registration	0	310,299
Statewide comprehensive outdoor recreation plan	0	90,000
Repairs at Lewis and Clark interpretive center	0	75,000
50th anniversary	0	25,000
Retirement leave payouts	0	100,000
International Peace Garden demolition project	0	200,000
Total all funds	\$7,447,800	\$17,185,596

1	Less estimated income	1,270,300	345,000
2	Total general fund	\$6,177,500	\$16,840,596
3	Total all funds	\$7,447,800	\$16,875,297
4	Less estimated income	1,270,300	345,000
5	Total general fund	\$6,177,500	\$16,530,297

6 The 2015-17 one-time funding amounts are not a part of the entity's base budget for the
7 2017-19 biennium. The parks and recreation department shall report to the appropriations
8 committees of the sixty-fifth legislative assembly on the use of this one-time funding for the
9 biennium beginning July 1, 2015, and ending June 30, 2017.

10 **SECTION 36. REPEAL.** Section 54-44-06 of the North Dakota Century Code is repealed.

11 **SECTION 37. REPEAL.** Section 5 of House Bill No. 1003, as approved by the sixty-fourth
12 legislative assembly, is repealed.

13 **SECTION 38. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION -**
14 **SEVERANCE PAY.** Notwithstanding any policy adopted by the board, the state board of higher
15 education or an institution under its control may not approve or provide severance pay to any
16 employee whose employment is terminated as a result of the transfer of positions from the state
17 board of higher education to the attorney general as provided in House Bill No. 1003 as
18 approved by the sixty-fourth legislative assembly.

19 **SECTION 39. LEGISLATIVE INTENT - OIL AND GAS IMPACT GRANTS TO AIRPORTS.**
20 It is the intent of the sixty-fourth legislative assembly that of the funding designated for grants to
21 airports impacted by oil and gas development included in subsection 1 of section 5 of House Bill
22 No. 1176, as approved by the sixty-fourth legislative assembly, a grant award of at least
23 \$39,000,000 be awarded to the airport in the hub city as defined under section 57-51-01 that
24 received the highest total allocation under subsection 1 of section 57-51-15 for the period
25 beginning September 1, 2013, and ending August 31, 2014, and a grant award of at least
26 \$5,800,000 be awarded to the airport in the hub city as defined under section 57-51-01 that
27 received the second highest total allocation under subsection 1 of section 57-51-15 for the
28 period beginning September 1, 2013, and ending August 31, 2014. It is also the intent of the
29 sixty-fourth legislative assembly that the grant awards designated under this section must be
30 awarded without a local matching requirement.

1 **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - BUDGET SECTION FUNCTIONS.**

2 During the 2015-16 interim, the legislative management shall study the functions of the budget
3 section. The study must review the duties and studies assigned to the budget section and the
4 ability of the budget section to authorize financial decisions, including full-time equivalent
5 positions, university system building projects, and project scope changes. The legislative
6 management shall report its findings and recommendations, together with any legislation
7 necessary to implement the recommendations, to the sixty-fifth legislative assembly.

8 **SECTION 41. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION FUNDING**

9 **DISTRIBUTIONS TO POLITICAL SUBDIVISIONS.** During the 2015-16 interim, the legislative
10 management shall consider studying special transportation funding distributions to political
11 subdivisions. The study must review distribution methods including the feasibility and desirability
12 of using upper great plains transportation institute needs studies, county major collector miles,
13 or a combination of both, if there are future special transportation funding distributions to
14 political subdivision, and must review options to ensure counties are reporting information
15 consistently. The legislative management shall consider methods to ensure that road projects in
16 each county are properly coordinated with state road projects and projects in adjacent counties.
17 The study must also review the use of special transportation funding in comparison to the
18 legislative assembly's intent. The legislative management shall report its findings and
19 recommendations, together with any legislation required to implement the recommendations, to
20 the sixty-fifth legislative assembly.

21 **SECTION 42. LEGISLATIVE MANAGEMENT STUDY - ENHANCED OIL AND GAS**

22 **RECOVERY.** During the 2015-16 interim, the legislative management shall study the current
23 scientific and economic information regarding oil and gas recovery and enhanced recovery
24 techniques, including the use of carbon dioxide, the timeline for implementing the techniques,
25 and the estimated future annual economic impact, to evaluate existing and alternative tax
26 incentives and recommend tax incentives that under current and foreseeable conditions, and
27 within different oil formations, would best serve the interests of the state, political subdivisions,
28 and fossil fuel energy production industries. The legislative management shall report its
29 recommendations, together with any legislation necessary to implement the recommendations,
30 to the sixty-fifth legislative assembly.

1 **SECTION 43. EFFECTIVE DATE.** Section 31 of this Act is effective for taxable years
2 beginning after December 31, 2014, and section 32 of this Act is effective for taxable events
3 occurring after December 31, 2015, and for a tertiary recovery project the exemption of five
4 years applies only for a project from which incremental production begins after December 31,
5 2015.

6 **SECTION 44. EMERGENCY.** Funding of \$1,550,000 in the operating expenses line item in
7 section 1 and section 15 of House Bill No. 1018, as approved by the sixty-fourth legislative
8 assembly; section 1 of House Bill No. 1255, as approved by the sixty-fourth legislative
9 assembly; and section 30 of this Act are declared to be an emergency measure.