

Sixty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2218

Introduced by

Senators Bekkedahl, Davison, Kannianen

Representatives Dockter, Hanson, Kempenich

1 A BILL for an Act to create and enact section 54-03-02.2 and a new section to chapter 54-35 of
2 the North Dakota Century Code, relating to introduction of bills and interim committees; to
3 amend and reenact section 54-03-02, subsection 1 of section 54-03-20, subsection 2 of section
4 54-03.2-14, subsection 3 of section 54-35-02.4, sections 54-35-02.7 and 54-35-16, subsection 1
5 of section 54-35-22, and sections 54-35-26 and 54-44.1-07 of the North Dakota Century Code,
6 relating to annually reconvened sessions of the legislative assembly and interim committee
7 meetings; and to provide an expiration date.

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

9 **SECTION 1. AMENDMENT.** Section 54-03-02 of the North Dakota Century Code is
10 amended and reenacted as follows:

11 **54-03-02. When legislative assembly meets.**

- 12 1. The legislative assembly shall meet at the seat of government in the month of
13 December following the election of the legislative assembly's members thereof for
14 organizational and orientation purposes and shall thereafter recess after the
15 organizational session until the time provided in subdivision a of subsection 2.
- 16 2. The legislative assembly shall reconvene annually for a number of days to be
17 determined by the legislative assembly, but the total number of days may not exceed
18 the number of natural days available under the constitution.
- 19 a. In odd-numbered years, the legislative assembly shall reconvene at twelve noon
20 on the first Tuesday after the third day in January of the year following the
21 organizational session as provided in subsection 1 or at twelve noon on a date
22 selected by the legislative management but not earlier than January second nor
23 later than January eleventh of the year following the organizational session and,
24 following. Before recessing, the legislative assembly shall adopt a biennial state

1 budget and enact biennial appropriations. At the close of business of the regular-
2 session, the legislative assembly shall adjourn recess subject to subdivision b and
3 subsection 3.

4 b. In even-numbered years, the legislative assembly shall reconvene at a time and
5 date selected by the legislative management. The legislative assembly may
6 review and, if necessary, amend the budget and appropriations, and may
7 consider any other matter within the authority of the legislative assembly.
8 Following the close of business, the legislative assembly shall recess subject to
9 subsection 3.

10 3. Notwithstanding a motion to adjourn sine die, the legislative assembly shall reconvene
11 as determined by the legislative management. The number of natural days used may
12 not exceed the number of natural days available under the constitution which have not
13 been ~~previously~~ used previously by that legislative assembly in regular session and
14 which are not required to satisfy the annual requirements under subsection 2.

15 4. An interim committee of the legislative management may continue to meet during a
16 legislative session.

17 **SECTION 2.** Section 54-03-02.2 of the North Dakota Century Code is created and enacted
18 as follows:

19 **54-03-02.2. Introduction of bills in even-numbered years.**

20 During reconvened sessions in even-numbered years, a bill review committee must be
21 appointed in the same manner as standing committees. Each legislator shall submit to the bill
22 review committee a copy of each bill the legislator wishes to introduce during the session. The
23 bill review committee shall identify which bills must be prioritized based on the importance and
24 time sensitivity of the bill subjects. Bills prioritized by the committee must be introduced during
25 the reconvened session. Bills not prioritized by the committee may not be introduced during the
26 reconvened session. If a sponsor of a bill not introduced during the reconvened session is a
27 member of the legislative assembly during the next odd-numbered year legislative session, the
28 sponsor may introduce the bill in that odd-numbered year legislative session.

29 **SECTION 3. AMENDMENT.** Subsection 1 of section 54-03-20 of the North Dakota Century
30 Code is amended and reenacted as follows:

1 1. Each member of the legislative assembly is entitled to receive as compensation for
2 services the sum of one hundred eighty-six dollars for each calendar day during any
3 organizational, special, or regular legislative session; and for each day ~~that~~the
4 legislative assembly is not in session and the member attends a meeting of a
5 legislative committee ~~between the organizational session and the regular session as~~
6 authorized by legislative rule. If a member of the legislative assembly is a member of
7 another board, commission, task force, or committee in the member's official capacity
8 and is entitled by law to compensation for attendance at meetings of the board,
9 commission, task force, or committee in the same amount as provided for attendance
10 at interim committee meetings, the member is not entitled to the compensation for
11 attendance at meetings of the board, commission, task force, or committee held during
12 legislative sessions.

13 **SECTION 4. AMENDMENT.** Subsection 2 of section 54-03.2-14 of the North Dakota
14 Century Code is amended and reenacted as follows:

15 2. An investigating committee ~~may~~, by majority vote of all of ~~it~~the committee's members,
16 may apply for a contempt citation to the legislative assembly or the house thereof by
17 which ~~it~~the committee was established ~~for a contempt citation~~. The application must be
18 considered as though the alleged contempt had been committed in or against ~~such~~the
19 house or the legislative assembly ~~itself~~. If the investigating committee is an interim
20 committee and the legislative assembly is not in session, it~~the~~ application may ~~in the~~
21 alternative be made to the district court of Burleigh County.

22 **SECTION 5. AMENDMENT.** Subsection 3 of section 54-35-02.4 of the North Dakota
23 Century Code is amended and reenacted as follows:

24 3. The committee may solicit draft measures and proposals from interested persons
25 ~~during the interim between legislative sessions,~~ and may also study measures and
26 proposals referred to ~~it~~the committee by the legislative assembly or the legislative
27 management.

28 **SECTION 6. AMENDMENT.** Section 54-35-02.7 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **54-35-02.7. Water topics overview committee - Duties.**

2 The legislative management, during each ~~interim~~biennium, shall appoint a water topics
3 overview committee in the same manner as the legislative management appoints other interim
4 committees. The committee ~~must~~shall meet quarterly and is responsible for legislative overview
5 of water topics and related matters, the Garrison diversion project, and for any necessary
6 discussions with adjacent states on water topics. The committee shall work collaboratively with
7 the state water commission and may meet with the state water commission. The committee
8 shall report on the committee's project prioritization process, provide updates on allocated
9 program expenditures, and report on the fund balances of projects, grants, and contracts. The
10 legislative management shall designate the chairman of the committee. The committee shall
11 operate according to the statutes and procedure governing the operation of other legislative
12 management interim committees.

13 **SECTION 7.** A new section to chapter 54-35 of the North Dakota Century Code is created
14 and enacted as follows:

15 **Interim committee terms - Compensation.**

16 A member of an interim committee serves on the interim committee for a biennium, except
17 as provided by law or legislative rule. Unless otherwise specified by law, each interim committee
18 may meet no earlier than the date the legislative assembly recesses under subdivision a of
19 subsection 2 of section 54-03-02 and no later than November thirtieth of the next
20 even-numbered year.

21 **SECTION 8. AMENDMENT.** Section 54-35-16 of the North Dakota Century Code is
22 amended and reenacted as follows:

23 **54-35-16. Authority to determine if legislative assembly meets.**

24 The legislative management may issue a call for the legislative assembly to convene after
25 ~~it~~the legislative assembly has recessed or adjourned under subsection 2 of section 54-03-02.
26 The length of a legislative session called under this section may not exceed the number of
27 natural days available under the constitution which have not been used and are not required by
28 section 54-03-02 to be used in the future by that legislative assembly. The legislative
29 management may exercise this authority, and the legislative assembly shall meet, regardless of
30 whether the motion to close the regular session of the legislative assembly was to recess to a
31 time certain, adjourn to a time certain, or adjourn sine die.

1 **SECTION 9. AMENDMENT.** Subsection 1 of section 54-35-22 of the North Dakota Century
2 Code is amended and reenacted as follows:

3 1. During each ~~interim~~biennium, a legislative management's interim workers'
4 compensation review committee must be appointed as follows: two members of the
5 senate appointed by the majority leader of the senate of the legislative assembly; one
6 member of the senate appointed by the minority leader of the senate of the legislative
7 assembly; two members of the house of representatives appointed by the majority
8 leader of the house of representatives; and one member of the house of
9 representatives appointed by the minority leader of the house of representatives. The
10 chairman of the legislative management shall designate the chairman of the
11 committee. The committee shall operate according to the laws and procedures
12 governing the operation of other legislative management interim committees. The
13 committee may recommend legislation relating to workers' compensation. The
14 committee shall meet once each calendar quarter or less often if the committee
15 chairman determines a meeting that quarter is not necessary because there are no
16 claims to review.

17 **SECTION 10. AMENDMENT.** Section 54-35-26 of the North Dakota Century Code is
18 amended and reenacted as follows:

19 **54-35-26. Legislative interim committee review of economic development tax**
20 **incentives.**

21 ~~The legislative assembly enacts economic development tax incentives with the intent to~~
22 ~~encourage businesses to locate, grow, and remain in the state; to enhance employment~~
23 ~~opportunities for citizens; and to foster the most advantageous direction, diversity, and growth of~~
24 ~~the state economy.~~ The legislative assembly requires systematic, detailed analysis of enacted
25 economic development tax incentives to ~~assure that~~ensure incentives are, and will continue,
26 serving the intended purposes in a cost-effective and equitable manner consistent with the
27 intent of the legislative assembly. ~~To serve this intent and requirement~~accomplish this objective:

28 1. During each ~~interim~~biennium, the legislative management shall assign to a legislative
29 management interim committee study responsibility that includes completing the
30 analysis of economic development tax incentives ~~as provided in this section and~~

- 1 reporting ~~its~~the committee's findings and any associated recommended legislation to
2 the legislative management.
- 3 2. The legislative management interim committee assigned the study responsibility under
4 this section shall analyze each incentive, applying considerations relevant to the
5 perceived goals of the incentive, including any or all of the following:
- 6 a. The extent of achievement of the goals of the incentive and whether unintended
7 consequences have developed in its application.
 - 8 b. Whether the design and application of the incentive can be improved.
 - 9 c. The extent of complementary or duplicative effect of other incentives or
10 governmental programs.
 - 11 d. Whether the incentive has a positive influence on business behavior or rewards
12 business behavior that is likely to have occurred without the incentive.
 - 13 e. The effect of the incentive on the state economy, including the extent of primary
14 sector operation of the recipient and any competitive disadvantage imposed or
15 benefit conferred on other state businesses, any benefit or burden created for
16 local government, and the extent of the incentive's benefit that flows to
17 out-of-state concerns.
 - 18 f. The employment opportunities generated by the incentive and the extent those
19 represent career opportunities.
 - 20 g. Whether the incentive is the most effective use of state resources to achieve
21 desired goals.
 - 22 h. If the committee's analysis of the incentive is constrained by lack of data, whether
23 statutory or administrative changes should be made to improve collection and
24 availability of data.
- 25 3. The legislative management interim committee assigned the study responsibility under
26 this section may examine economic development tax incentives, shall complete
27 analysis of the incentives ~~it~~the committee designates for analysis during the
28 ~~interim~~biennium, and shall approve a plan to provide that each of the economic
29 development tax incentives listed in this subsection is subject to a complete analysis
30 within each six-year period. The interim committee may include in ~~its~~the committee's
31 recommendations any amendments to this section, including amendments to add or

- 1 remove incentives from the list of incentives subject to analysis under this subsection.
2 Analysis must be completed for economic development tax incentives, including each
3 of the following:
- 4 a. Renaissance zone credits and exemptions.
 - 5 b. Research expense credit.
 - 6 c. Agricultural commodity processing facility investment credit.
 - 7 d. Biodiesel fuel production facility construction or retrofit credit, biodiesel fuel
8 blending credit, and biodiesel fuel equipment credit.
 - 9 e. Seed capital investment credit.
 - 10 f. Internship program credit.
 - 11 g. Angel fund investment credit.
 - 12 h. Workforce recruitment credit.
 - 13 i. Soybean or canola crushing facility construction or retrofit credit.
 - 14 j. Manufacturing automation equipment credit.
 - 15 k. New or expanding business exemption.
 - 16 l. Manufacturing and recycling equipment sales tax exemption.
 - 17 m. Coal severance and conversion tax exemptions.
 - 18 n. Oil and gas gross production and oil extraction tax exemptions.
 - 19 o. Fuel tax refunds for certain users.
 - 20 p. New jobs credit from income tax withholding.
 - 21 q. Development or renewal area incentives.
 - 22 r. Sales and use tax exemption for materials used to construct a fertilizer or
23 chemical processing facility.
 - 24 s. Sales and use tax exemption for materials used in compressing, gathering,
25 collecting, storing, transporting, or injecting carbon dioxide for use in enhanced
26 recovery of oil or natural gas.
 - 27 t. Sales and use tax exemption for enterprise information technology equipment
28 and computer software used in a qualified data center.
- 29 4. By October first of each odd-numbered year, the interim committee assigned the study
30 responsibility under this section shall determine and approve:

- 1 a. The economic development tax incentives under subsection 3 which will be
2 designated for analysis during that ~~interim~~biennium and a plan to provide for
3 analysis of the remaining economic development tax incentives under
4 subsection 3 within the six-year period.
- 5 b. The perceived goals of the legislative assembly in creating or altering each
6 incentive designated for analysis, for use as a baseline for committee analysis of
7 the incentive.
- 8 c. The data and testimony that will be required to conduct an effective analysis of
9 each incentive designated for analysis.
- 10 5. The department of commerce, tax commissioner, economic development foundation,
11 and any other state agency or instrumentality shall provide data and analysis as
12 requested by the interim committee conducting the analysis under this section.
- 13 a. If data ~~is~~are not available, the entity requested to provide the information shall
14 advise the committee how the data could be obtained and the estimated cost of
15 obtaining the data.
- 16 b. If data ~~is~~are available but cannot be shared with the committee, the entity
17 requested to provide the information shall explain the reason and whether there
18 are options that could be used to obtain the data or an adequate substitute for
19 the data.
- 20 6. The interim committee conducting the analysis under this section shall report ~~its~~the
21 ~~committee's~~committee's findings and recommendations together with any legislation required to
22 implement those recommendations to the legislative management.

23 **SECTION 11. AMENDMENT.** Section 54-44.1-07 of the North Dakota Century Code is
24 amended and reenacted as follows:

25 **54-44.1-07. Presentation of budget data - How presented to the legislative assembly.**

26 The director of the budget or the director's designee shall present the budget data
27 information in section 54-44.1-06, except the drafts of acts required by subsection 7 of that
28 section, and make available sufficient copies ~~thereof to~~for the legislative assembly at the
29 organizational session or other times as requested by the legislative assembly. The drafts of
30 acts required by subsection 7 of section 54-44.1-06 must be submitted to the legislative council
31 within seven days after the day of adjournment of the organizational session or other date.

1 requested by the legislative assembly. The budget data must be completed and made available
2 to the legislative assembly in such form as may be prescribed by the legislative council. The
3 legislative council shall set the time and place at which such budget data is to be presented.

4 **SECTION 12. EXPIRATION DATE.** This Act is effective until the conclusion of the
5 Legislative Management meeting in November 2022, and is thereafter ineffective.