

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)

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 salaries of the governor and lieutenant governor; to provide an exemption; and to provide for a report.

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 office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,426,244	\$1,493,905	\$5,920,149
New and vacant FTE Pool	0	117,387	117,387
Operating expenses	509,331	213,214	722,545
Contingencies	10,000	0	10,000
Rough rider awards	10,800	4,200	15,000
Governor's salary	310,621	(310,621)	0
Children's cabinet	0	65,000	65,000
Total general fund	\$5,266,996	\$1,583,085	\$6,850,081
Full-time equivalent positions	19.00	0.00	19.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>
Children's cabinet consulting services	\$30,000
Total	\$30,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The governor's office may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE - BUDGET SECTION REPORT. Subject to the limitations of this section, in addition to the amounts appropriated in section 1 of this Act, there is appropriated to the governor's office, any additional income from other funds, excluding federal funds, which may become available to the governor's office, for the period beginning July 1, 2025, and ending June 30, 2027. Any other funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of other funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received. Federal funds which may become available to the governor's office may be accepted by the governor's office. Federal funds accepted by the governor's office may not be spent until authorization is received from the legislative assembly or from the emergency commission and budget section under chapter 54-16.

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 fifty-two thousand two hundred sixty-five dollars through June 30, 2024, and one hundred fifty-eight thousand three hundred fifty-six~~ one hundred sixty-three thousand one hundred seven dollars through June 30, 2026, and one hundred sixty-eight thousand 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 ~~one hundred thirty thousand dollars through June 30, 2024, and one hundred thirty-five thousand two hundred one hundred thirty-nine thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four hundred thirty-four dollars thereafter.~~

SECTION 7. EXEMPTION - UNEXPENDED APPROPRIATIONS. The sum of \$130,000 appropriated from the general fund for constituent management software in section 1 of chapter 33 of the 2023 Session Laws is not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved April 10, 2025

Filed April 11, 2025

CHAPTER 2

HOUSE BILL NO. 1002

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state; to amend and reenact sections 46-03-11, 46-04-01, 46-04-03, 46-04-04, 46-04-10, 46-04-14, 46-04-18, 46-04-19, and 54-09-05 of the North Dakota Century Code, relating to public printing and the salary of the secretary of state; to provide for a transfer; 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 other funds derived from special funds and federal funds, 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, 2025, and ending June 30, 2027, as follows:

SECRETARY OF STATE

Subdivision 1.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,366,407	\$587,108	\$6,953,515
New and vacant FTE pool	0	148,177	148,177
Operating expenses	4,984,331	2,171,051	7,155,382
Grants	25,000	0	25,000
Petition review	8,000	0	8,000
Election reform	<u>4,830,808</u>	<u>4,397,006</u>	<u>9,227,814</u>
Total all funds	\$16,214,546	\$7,303,342	\$23,517,888
Less other funds	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
Total general fund	\$6,870,375	\$2,570,444	\$9,440,819
Full-time equivalent positions	35.00	(2.00)	33.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	\$271,335	(\$271,335)	\$0
Total general fund	\$271,335	(\$271,335)	\$0

Subdivision 3

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$16,485,881	\$7,032,007	\$23,517,888
Grand total other funds	<u>9,344,171</u>	<u>4,732,898</u>	<u>14,077,069</u>
Grand total general fund	\$7,141,710	\$2,299,109	\$9,440,819

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Election pollpads and cradle points	\$2,800,000
Information technology enhancements	700,000
Election security grant	100,359
Help America Vote Act	<u>1,000,000</u>
Total other funds	\$4,600,359

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The secretary of state may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$3,500,000 from the strategic investment and improvements fund for election pollpad and cradle points replacement and information technology system enhancements for the secretary of state.

SECTION 5. TRANSFER - GENERAL FUND - ELECTION FUND. The office of management and budget may transfer up to \$600,000 from the general fund, appropriated in the election reform line item in section 1 of this Act, to the election fund to match federal funds received by the state, as requested by the secretary of state, during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. AMENDMENT. Section 46-03-11 of the North Dakota Century Code is amended and reenacted as follows:

46-03-11. Publication of session laws and pocket supplements.

The ~~secretary of state and the~~ legislative council shall correct ministerial or clerical errors and supervise the publication of the session laws and pocket part supplements to this code in a manner and form prescribed by the legislative council, correlating each year's laws with this code.

SECTION 7. AMENDMENT. Section 46-04-01 of the North Dakota Century Code is amended and reenacted as follows:

46-04-01. Official distribution of state laws - ~~Secretary of state~~Legislative council to control.

Each member of the legislative assembly ~~and each~~ constitutional officer of the state, ~~and each~~ judge of the supreme and district courts for the use of their respective offices and departments is entitled to receive from the state a copy of any publication of the laws of the state and of any compilation or codification ~~thereof~~ thereof the laws of the state published under authority of the state. The district court in every county in the state is entitled to a copy of ~~such~~ the publications. The codification of laws of the state received by each member of the legislative assembly is subject to section 54-03-23.

The ~~secretary of state~~ legislative council shall designate other offices and agencies of the state that are entitled to receive copies of ~~any such a~~ publication of the laws for the use of ~~such the~~ state offices and agencies and also shall determine the number of copies of any publication to be received by any recipient in a distribution under the provisions of this section, if more than one copy is needed by ~~such the~~ recipient for official use. All agencies that are funded entirely from special state funds or federal funds must be charged for the actual cost of each copy of ~~such the~~ publications that the agency requests.

SECTION 8. AMENDMENT. Section 46-04-03 of the North Dakota Century Code is amended and reenacted as follows:

46-04-03. Distribution of session laws, compilations, and codifications by ~~secretary of state~~ legislative council.

The ~~secretary of state, as soon as conveniently can be done after~~ legislative council shall distribute as provided in sections 46-04-01 and 46-04-02 the publication of any session laws, compilations, or codifications, ~~shall cause copies thereof to be distributed as provided in sections 46-04-01 and 46-04-02 and copies of those documents, as soon as practicable. The secretary of state, in addition,~~ legislative council shall furnish to the legislative assembly ~~such~~ additional copies as are necessary upon resolution of the respective branches or committees ~~thereof of the legislative assembly~~ and shall furnish to each member of the legislative assembly, upon ~~demand therefor request~~, ~~such~~ current volumes of laws as ~~have not been obtained by the member~~ through service in previous sessions.

SECTION 9. AMENDMENT. Section 46-04-04 of the North Dakota Century Code is amended and reenacted as follows:

46-04-04. Session laws, compilations, and codifications remain property of state.

Except as otherwise provided by law, each copy of laws, compilations, or codifications furnished to any officer, department, or agency of the state, or to the legislative assembly, its officers, or committees is ~~and must remain~~ the property of the state and must be surrendered to the ~~secretary of state~~ legislative council or to the recipient's successor in office.

SECTION 10. AMENDMENT. Section 46-04-10 of the North Dakota Century Code is amended and reenacted as follows:

46-04-10. Duties of ~~secretary of state~~ legislative council - Exchange of laws with other states.

The ~~secretary of state~~ legislative council may distribute copies of all laws passed by each legislative assembly and all compilations or codifications of ~~the same, whenever it seems desirable~~ laws passed by each legislative assembly:

1. In exchange for like publications of other states.
2. To replace copies lost or damaged in official use.
3. To provide copies as needed to state officers, boards, commissions, institutions, or agencies of the state.
4. To provide copies as needed to the national conference of commissioners on uniform state laws.

SECTION 11. AMENDMENT. Section 46-04-14 of the North Dakota Century Code is amended and reenacted as follows:

46-04-14. ~~Secretary of state~~Legislative council to forward laws to counties.

As soon as the laws of each session of the legislative assembly are printed and ready for distribution, the ~~secretary of state~~legislative council shall forward ~~these~~the laws to which each county is entitled to the county auditor of the county.

SECTION 12. AMENDMENT. Section 46-04-18 of the North Dakota Century Code is amended and reenacted as follows:

46-04-18. ~~Secretary of state~~Legislative council to sell certain laws.

During the biennium immediately after publication, the ~~secretary of state~~legislative council ~~must~~shall sell copies of the session laws for the cost of publication and handling plus ten percent. In subsequent bienniums, the ~~secretary of state~~legislative council may determine and set a price for the copies of the session laws not sold in the biennium immediately after their publication. The price set should maximize the recovery of the cost of publication and handling and minimize the number of volumes subject to disposal under section 46-04-19. All moneys received under ~~the provisions~~ of this section must be paid ~~over~~ to the state treasurer and credited to the general fund.

SECTION 13. AMENDMENT. Section 46-04-19 of the North Dakota Century Code is amended and reenacted as follows:

46-04-19. ~~Secretary of state~~Legislative council may dispose of laws.

The ~~secretary of state~~legislative council may dispose of all volumes of the laws that are ten or more years old, except one volume of each ~~that~~which must be retained for historical purposes.

SECTION 14. 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 ~~one hundred thirty thousand dollars through June 30, 2024, and one hundred thirty five thousand two hundred dollars~~one hundred thirty-nine thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four hundred thirty-four dollars thereafter.

SECTION 15. EXEMPTION - STATE FISCAL RECOVERY FUND. The amount of \$6,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the purposes of an election management system and to upgrade FirstStop in section 1 of chapter 34 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from these projects are available to the secretary of state for costs relating to an election management system and to upgrade FirstStop during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 16. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount of \$1,500,000 appropriated from the strategic investment and improvements fund for the purposes of a new campaign system, contracted website redesign, and information technology enhancements in section 1 of chapter 34 of the 2023 Session Laws is not subject to section 54-44.1-11 and any

unexpended funds from these projects are available to the secretary of state for costs relating to a new campaign system, contracted website redesign, and information technology enhancements during the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved March 26, 2025

Filed March 27, 2025

CHAPTER 3**HOUSE BILL NO. 1003**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact sections 31-01-16, 54-12-11, 54-12-30, and 54-27-25 of the North Dakota Century Code, relating to compensation and mileage and travel expenses for witnesses, the salary of the attorney general, twenty-four seven sobriety program fees, and the tobacco settlement trust fund; to provide for a report; to provide for a transfer; 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 other funds derived from special funds and federal funds, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$53,007,980	\$8,323,325	\$61,331,305
New and vacant FTE pool	0	5,140,711	5,140,711
Operating expenses	17,579,264	(988,610)	16,590,654
Prosecution witness fees	0	360,056	360,056
Capital assets	606,000	1,391,280	1,997,280
Grants	3,903,440	0	3,903,440
Human trafficking victims grants	1,110,614	1,341,900	2,452,514
Forensic nurse examiners grants	252,676	1,568	254,244
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's forensic interviews	304,560	0	304,560
North Dakota lottery	5,413,453	171,709	5,585,162
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,579,950	2,749,467	7,329,417
Law enforcement	<u>3,377,659</u>	<u>291,739</u>	<u>3,669,398</u>
Total all funds	\$90,939,085	\$23,783,145	\$114,722,230
Less other funds	<u>41,914,820</u>	<u>9,888,474</u>	<u>51,803,294</u>
Total general fund	\$49,024,265	\$13,894,671	\$62,918,936
Full-time equivalent positions	266.00	4.00	270.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Bureau of criminal investigation equipment	\$161,000	\$0	\$161,000
Laboratory equipment and supplies	400,000	554,000	954,000
Network switches	32,000	0	32,000
Undercover vehicles	0	540,000	540,000
Portable handheld radios	0	105,000	105,000
Intoxilyzers	0	188,000	188,000
Human trafficking victims grants	650,000	0	650,000
Statewide litigation funding pool	0	5,000,000	5,000,000
Jail management system replacement	650,000	0	650,000
Statewide automated victim identification notification system replacement	0	1,500,000	1,500,000
Total	\$1,893,000	\$7,887,000	\$9,780,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The attorney general may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item and other line items with salaries and wages in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - ONE-TIME FUNDING - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or special funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2025, and ending June 30, 2027. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section. The appropriation in this section is considered a one-time funding item.

SECTION 5. OTHER FUNDS - TRANSFER - COMMUNITY HEALTH TRUST FUND TO ATTORNEY GENERAL OPERATING FUND. The other funds line item in section 1 of this Act includes the sum of \$239,716 from the community health trust fund which the office of management and budget shall transfer to the attorney general operating fund for defraying expenses related to the enforcement of the master settlement agreement and consent agreement and any disputes with the agreement during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES. The other funds line item in section 1 of this Act includes the sum of \$7,466,000 from the strategic investment and improvements fund, of which \$321,000 is for state crime laboratory equipment and supplies, \$540,000 is for the replacement of bureau of criminal investigation undercover vehicles, \$105,000 is for portable handheld dual-band radios, \$5,000,000 is for the statewide litigation funding pool, and \$1,500,000 is for the replacement of the statewide automated victim identification notification system. The attorney general shall transfer funding from the statewide litigation funding pool to eligible state agencies for litigation expenses during the biennium beginning July 1, 2025, and ending June 30, 2027. The attorney general may not use funding from the statewide litigation funding pool to pay judgments under section 32-12-04.

SECTION 7. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS. The human trafficking victims grants line item in section 1 of this Act includes \$2,452,514 from the general fund for the purpose of

providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs, for the biennium beginning July 1, 2025, and ending June 30, 2027. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the seventieth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the legislative management during the 2025-26 interim on the status and results of the grant program.

SECTION 8. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.

The forensic nurse examiners grants line item in section 1 of this Act includes \$254,244 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2025, and ending June 30, 2027. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the seventieth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the seventieth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

SECTION 9. BUREAU OF CRIMINAL INVESTIGATION CYBER CRIME RESOURCES. The salaries and wages line item, operating expenses line item, and capital assets line item in section 1 of this Act includes the sum of \$825,000 from the general fund for the purpose of hiring two full-time equivalent bureau of criminal investigation cyber crime agent positions and for related equipment and capital asset costs. The personnel hired and resources purchased pursuant to this section must be dedicated to assisting a police department in a city in northeastern North Dakota with at least 50,000 residents with the prevention and detection of cyber crime.

SECTION 10. AMENDMENT. Section 31-01-16 of the North Dakota Century Code is amended and reenacted as follows:

31-01-16. Compensation and mileage and travel expense of witness.

1. A witness in a civil or criminal case is entitled to receive:
 4. a. A sum of twenty-five dollars for each day necessarily in attendance before the district court or before any other board or tribunal, except municipal court.
 2. b. A sum for mileage and travel expense reimbursement equal to the reimbursement rates provided for state employees in sections 44-08-04 and 54-06-09.
2. In all criminal cases in district court, the attorney general shall pay prosecution witness fees and expenses, in an amount not to exceed ~~twenty-five thousand~~ thirty thousand dollars per county per biennium, and the commission on legal counsel for indigents shall pay witness fees and expenses for witnesses in those cases in which counsel has been provided by the commission. Prisoners may not be compensated as witnesses under this section. If a county exceeds the thirty thousand dollar reimbursement during a biennium, the county may enter an agreement with another county to allow the county to receive another county's unused reimbursement funds for that biennium, with the approval of the attorney general.

SECTION 11. 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 ~~one hundred seventy-nine thousand three hundred twelve~~ one hundred ninety-two thousand seventy-nine dollars through June 30, ~~2024~~2026, and ~~one hundred eighty-six thousand four hundred eighty-four~~ one hundred ninety-seven thousand eight hundred forty-one dollars thereafter.

***SECTION 12. AMENDMENT.** Section 54-12-30 of the North Dakota Century Code is amended and reenacted as follows:

54-12-30. Twenty-four seven sobriety program fees.

A criminal justice agency may collect program fees from offenders participating in the twenty-four seven sobriety program, including fees for twice per day breath alcohol testing, urine testing, drug patch testing, installation and deactivation fees for remote electronic alcohol monitoring devices, and remote electronic alcohol monitoring daily fees. A district court judge or judicial referee may not waive program fees for offenders participating in the twenty-four seven sobriety program. The criminal justice agency shall pay all program fees into the general fund of the governing body. The fees may only be applied to twenty-four seven sobriety program support services, equipment maintenance and replacement, and compliance with the program. The governing body shall pay any daily fees collected for remote electronic alcohol monitoring to the twenty-four seven sobriety program fund.

SECTION 13. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses.

There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Moneys in the fund must be transferred within thirty days of receipt by the state to a community health trust fund. Moneys in the fund may be appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state, and for the enforcement of the master settlement agreement and consent agreement and any disputes with the agreement.

SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES. Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-ninth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 15. EXEMPTION - CONTINGENT FEE ARRANGEMENT. Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 16. EXEMPTION - ATTORNEY GENERAL REFUND FUND.

Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2025.

SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The amount appropriated to the attorney general from other funds for the statewide automated victim identification and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim identification and notification system, and continued into the 2021-23 biennium and 2023-25 biennium for the legal case management system in section 17 of chapter 35 of the 2023 Session Laws.
2. The sum of \$400,000 appropriated from the attorney general refund fund for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws, and continued into the 2023-25 biennium in section 18 of chapter 35 of the 2023 Session Laws.
3. The sum of \$1,000,000 appropriated from the federal state fiscal recovery fund for the replacement of the prosecuting case management system in subsection 20 of section 1 of chapter 550 of the 2021 Special Session Laws and continued into the 2023-25 biennium in section 21 of chapter 35 of the 2023 Session Laws.
4. The sum of \$736,000 appropriated from the charitable gaming operating fund for the charitable gaming technology system in section 1 of chapter 35 of the 2023 Session Laws.
5. The sum of \$177,000 appropriated from the general fund for a licensing and deposit software system in section 1 of chapter 35 of the 2023 Session Laws.
6. The sum of \$1,772,038 appropriated from federal funds for the justice community oriented policing services anti-methamphetamine program in section 1 of chapter 35 of the 2023 Session Laws.

SECTION 18. EXEMPTION - STATEWIDE LITIGATION FUNDING POOL.

The sum of \$3,000,000 appropriated from the general fund as a deficiency appropriation for the statewide litigation funding pool during the 2023-25 biennium, as approved by the sixty-ninth legislative assembly in House Bill No. 1024, is not subject to section 54-44.1-11 and any unexpended funds may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved May 19, 2025

Filed May 19, 2025

* Section 12 of House Bill No. 1003 was vetoed, see chapter 602.

CHAPTER 4

HOUSE BILL NO. 1004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state auditor; 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 other funds derived from special funds and federal funds, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,627,899	\$469,987	\$15,097,886
New and vacant FTE pool	0	626,476	626,476
Operating expenses	1,719,771	156,166	1,875,937
Information technology consultants	<u>450,000</u>	<u>135,000</u>	<u>585,000</u>
Total all funds	\$16,797,670	\$1,387,629	\$18,185,299
Less other funds	<u>6,486,821</u>	<u>(478,481)</u>	<u>6,008,340</u>
Total general fund	\$10,310,849	\$1,866,110	\$12,176,959
Full-time equivalent positions	65.00	(6.00)	59.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Cost related to new FTE	\$0	\$3,000	\$3,000
Peer review	25,000	0	25,000
Audit software migration	<u>25,200</u>	<u>10,800</u>	<u>36,000</u>
Grand total	\$50,200	\$13,800	\$64,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The state auditor may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

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 ~~one hundred thirty thousand~~ one hundred thirty-nine thousand two hundred fifty-six dollars through June 30, ~~2024~~ 2026, and ~~one hundred thirty-five thousand two hundred~~ one hundred forty-three thousand four hundred thirty-four dollars thereafter.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 5

HOUSE BILL NO. 1005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer; 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, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,605,584	\$187,105	\$1,792,689
New and vacant FTE pool	0	36,646	36,646
Operating expenses	265,346	294,258	559,604
Coal severance payments	118,000	4,000	122,000
Carbon dioxide pipeline payments	0	1,000,000	1,000,000
Total all funds	\$1,988,930	\$1,522,009	\$3,510,939
Total special funds	0	295,000	295,000
Total general fund	\$1,988,930	\$1,227,009	\$3,215,939
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Information technology projects	\$0	\$295,000	\$295,000
Total	\$0	\$295,000	\$295,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The state treasurer may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. SPECIAL FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - OFFICE AND INFORMATION TECHNOLOGY PROJECTS. The sum of \$295,000 included in the other funds line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the strategic investment and improvements fund for information technology projects.

SECTION 5. 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 ~~one hundred thirty thousand~~ one hundred thirty-nine thousand two hundred fifty-six dollars through June 30, ~~2024~~2026, and ~~one hundred thirty-five thousand two hundred~~ one hundred forty-three thousand four hundred thirty-four dollars thereafter.

SECTION 6. EMERGENCY. The sum of \$295,000 in the total special funds line item in section 1 of this Act and identified as one-time funding in section 2 of this Act for information technology projects is declared to be an emergency measure.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 6

HOUSE BILL NO. 1006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit, disabled veterans' tax credit, and primary residence credit; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner; to provide an exemption; and to provide for 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 other funds derived from federal funds, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit, disabled veterans' tax credit, and primary residence credit, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$24,036,152	\$2,111,868	\$26,148,020
New and vacant FTE pool	0	1,119,992	1,119,992
Operating expenses	8,613,370	1,824,741	10,438,111
Capital assets	6,000	0	6,000
Homestead tax credit	72,400,000	(11,800,000)	60,600,000
Disabled veterans' tax credit	18,745,000	10,655,000	29,400,000
Primary residence credit	<u>103,225,000</u>	<u>(103,225,000)</u>	<u>0</u>
Total all funds	\$227,025,522	(\$99,313,399)	\$127,712,123
Less other funds	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$226,900,522	(\$99,313,399)	\$127,587,123
Full-time equivalent positions	117.00	0.00	117.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Property tax relief administration	\$1,000,000	\$0	\$1,000,000
Total	\$1,000,000	\$0	\$1,000,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The tax commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

SECTION 5. MOTOR VEHICLE FUEL TAX REVENUE TRANSFER. There is transferred to the general fund in the state treasury out of motor vehicle tax revenue collected pursuant to section 57-43.1-02, the sum of \$1,761,168, 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, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. 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 ~~one hundred thirty-one thousand seven hundred five~~ one hundred forty-one thousand eighty-two dollars through June 30, ~~2024~~2026, and ~~one hundred thirty-six thousand nine hundred seventy-three~~ one hundred forty-five thousand three hundred fourteen dollars thereafter.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 7

HOUSE BILL NO. 1007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights.

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 other funds derived from federal funds, to the department of labor and human rights for the purpose of defraying the expenses of the department of labor and human rights, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,787,854	\$416,083	\$3,203,937
New and vacant FTE pool	0	67,629	67,629
Operating expenses	<u>378,407</u>	<u>8,964</u>	<u>387,371</u>
Total all funds	\$3,166,261	\$492,676	\$3,658,937
Less other funds	<u>511,925</u>	<u>36,498</u>	<u>548,423</u>
Total general fund	\$2,654,336	\$456,178	\$3,110,514
Full-time equivalent positions	13.00	0.00	13.00

SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of labor and human rights may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved March 26, 2025

Filed March 27, 2025

CHAPTER 8

HOUSE BILL NO. 1008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners and deposits of special fuels excise taxes; and to provide loan authorization.

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 other funds derived from special funds and federal funds, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,026,304	\$1,148,083	\$12,174,387
New and vacant FTE pool	0	265,735	265,735
Operating expenses	2,205,487	547,167	2,752,654
Capital assets	25,000	205,000	230,000
Grants	20,000	0	20,000
Abandoned mined lands contractual services	6,000,000	0	6,000,000
Rail rate complaint case	900,000	0	900,000
Railroad safety program	672,206	41,024	713,230
Specialized legal services	420,000	(19,834)	400,166
Total all funds	\$21,268,997	\$2,187,175	\$23,456,172
Less other funds	13,779,645	454,823	14,234,468
Total general fund	\$7,489,352	\$1,732,352	\$9,221,704
Full-time equivalent positions	45.00	0.00	45.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Drone imaging technology	\$5,580	\$149,420	\$155,000
Federal intervention funding	250,000	0	250,000
Total	\$255,580	\$149,420	\$405,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The public service commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office

of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages and railroad safety program line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. RAIL RATE COMPLAINT CASE - LOAN AUTHORIZATION. The public service commission may obtain a loan from the Bank of North Dakota for costs associated with a rail rate complaint case. The loan may not exceed \$900,000, and the interest rate associated with the loan must be the prevailing interest rate charged to North Dakota governmental entities. The public service commission shall repay the loan from amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case. If moneys anticipated to be available on June 30, 2027, are not sufficient to repay the loan, the public service commission may request a deficiency appropriation from the legislative assembly to repay the loan.

SECTION 5. 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 ~~one hundred thirty thousand dollars through June 30, 2024, and one hundred thirty five thousand two hundred one hundred thirty-nine thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four hundred thirty-four 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 6. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to ~~three hundred thirty-two thousand three hundred twenty-seven~~ three hundred fifty-two thousand eight hundred ninety-two dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

Approved April 22, 2025

Filed April 23, 2025

CHAPTER 9

HOUSE BILL NO. 1009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact section 4.1-01-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for a transfer; to provide for a report; 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 other funds derived from special funds and federal funds, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$17,042,562	\$933,974	\$17,976,536
New and vacant FTE pool	0	754,477	754,477
Operating expenses	7,426,173	588,083	8,014,256
Capital assets	7,000	4,100	11,100
Grants	10,953,969	7,141,300	18,095,269
Agricultural products utilization commission	2,110,417	3,000,000	5,110,417
North Dakota trade office	1,600,000	400,000	2,000,000
Board of animal health	865,718	(8,357)	857,361
Wildlife services	1,657,400	150,000	1,807,400
Pipeline restoration and reclamation oversight program	200,000	(200,000)	0
Pipeline and royalty oversight programs	0	500,000	500,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$41,938,239	\$13,263,577	\$55,201,816
Less other funds	<u>27,117,306</u>	<u>11,455,034</u>	<u>38,572,340</u>
Total general fund	\$14,820,933	\$1,808,543	\$16,629,476
Full-time equivalent positions	80.00	1.00	81.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Agricultural products utilization commission	\$0	\$3,000,000	\$3,000,000
Grasslands grazing grants	0	3,000,000	3,000,000
Food distribution grants	0	1,500,000	1,500,000
Autonomous technology grants	0	300,000	300,000
North Dakota trade office	<u>400,000</u>	<u>0</u>	<u>400,000</u>
Total	\$400,000	\$7,800,000	\$8,200,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The agriculture commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - DEPARTMENT OF WATER RESOURCES. The other funds line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND. The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. TRANSFER - BIOSCIENCE INNOVATION GRANT FUND TO GENERAL FUND. The office of management and budget shall transfer any balance in the bioscience innovation grant fund to the general fund on June 30, 2025.

SECTION 8. OTHER FUNDS - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The other funds line item in section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization fund for the purpose of defraying the expenses of the agricultural products utilization commission, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The other funds line item in section 1 of this Act includes the sum of \$8,057,927 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 10. OTHER FUNDS - GAME AND FISH FUND. The other funds line item in section 1 of this Act includes the sum of \$671,918 from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

SECTION 11. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The other funds line item in section 1 of this Act includes the sum of \$500,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$300,000 is for the purpose of defraying the expenses of the postproduction royalty oversight program.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS - REPORT TO LEGISLATIVE MANAGEMENT. The other funds line item in section 1 of this Act includes the sum of \$4,800,000 from the strategic investment and improvements fund, of which:

1. \$3,000,000 is for the purpose of providing grassland grazing grants to an organization representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat, capture carbon, or increase the health of grasslands. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation district guidance and the plan must be approved by the local soil conservation district. The agriculture commissioner shall establish additional guidelines for the program;
2. \$1,500,000 is for grants to food pantries for meat and protein-related purchases; and
3. \$300,000 is for autonomous technology grants to individuals or entities in the agriculture industry, as follows:
 - a. For purposes of this subsection, autonomous technology includes uncrewed aircraft systems, autonomous vehicles, or other autonomous systems, processes, or technologies.
 - b. The agriculture commissioner shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the agriculture commissioner that the operation of the autonomous technology is related to the inspection, operation, maintenance, or construction of agriculture property or infrastructure. The agriculture commissioner may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the agriculture commissioner.
 - c. During the 2025-26 interim, the agriculture commissioner shall provide at least one report to the legislative management regarding the autonomous technology grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$2,000,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or purchase computer equipment as part of the North Dakota trade office's export assistant program.

SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

SECTION 15. AMENDMENT. Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-02. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is ~~one hundred thirty one thousand four hundred twenty three dollars through June 30, 2024, and one hundred thirty six thousand six hundred eighty one hundred forty thousand seven hundred eighty dollars through June 30, 2026, and one hundred forty-five thousand three dollars after that date.~~

SECTION 16. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS. The wildlife services line item in section 1 of this Act includes the sum of \$1,807,400 for the purpose of defraying the expenses of the wildlife services program during the biennium beginning July 1, 2025, and ending June 30, 2027. The agriculture commissioner may not use funding appropriated for the program to pay indirect costs as part of the United States department of agriculture animal and plant health inspection service wildlife services program.

SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$300,000 appropriated from federal funds derived from COVID-19 funds for the specialty crop block grant program during the 2019-21 biennium in section 1 of chapter 27 of the 2021 Session Laws, and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws and the 2023-25 biennium in section 20 of chapter 41 of the 2023 Session Laws;
2. The sum of \$5,000,000 appropriated from the strategic investment and improvements fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of the 2021 Session Laws, and continued into the 2023-25 biennium in section 21 of chapter 41 of the 2023 Session Laws;
3. The sum of \$660,000 appropriated from the environment and rangeland protection fund for the regional livestock development and planning program in section 2 of chapter 76 of the 2023 Session Laws; and

4. The sum of \$1,000,000 appropriated from the strategic investment and improvements fund for grasslands grazing grants in the grants line item in section 1 of chapter 41 of the 2023 Session Laws.

SECTION 18. EMERGENCY. Section 7 of this Act is declared to be an emergency measure.

Approved May 1, 2025

Filed May 2, 2025

CHAPTER 10

HOUSE BILL NO. 1010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to create and enact a new section to chapter 26.1-23.1 of the North Dakota Century Code, relating to a government self-insurance pool report; to amend and reenact subsection 8 of section 10-04-10 and section 26.1-01-09 of the North Dakota Century Code, relating to fees charged by the securities division and the salary of the insurance commissioner; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,746,226	\$3,955,150	\$14,701,376
New and vacant FTE pool	0	325,136	325,136
Operating expenses	2,637,667	613,692	3,251,359
Capital assets	0	90,000	90,000
Grants	<u>2,400,000</u>	<u>0</u>	<u>2,400,000</u>
Total other funds	\$15,783,893	\$4,983,978	\$20,767,871
Full-time equivalent positions	47.00	10.00	57.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding.

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Radios and x-ray machine	\$90,000
Accrued leave payout	30,000
Fire marshal compensatory time and overtime	<u>20,000</u>
Total other funds	\$140,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The insurance commissioner may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORTING. In addition to the amounts appropriated in section 1 of this Act, any federal funds that become available are appropriated to the insurance commissioner, for the biennium beginning July 1, 2025, and ending June 30, 2027. The insurance commissioner shall report any additional federal funds under this section to the office of management and budget and the legislative council.

SECTION 5. AMENDMENT. Subsection 8 of section 10-04-10 of the North Dakota Century Code is amended and reenacted as follows:

8. Fees. The fee, which must accompany the application, for registration, transfer, or notice filing, and for each annual renewal thereof is:

a. For each broker-dealer

~~\$200.00~~\$240.00

b. For each agent

~~\$60.00~~\$75.00

c. For each investment adviser or federal covered adviser

~~\$100.00~~\$120.00

d. For each investment adviser representative

~~\$50.00~~\$60.00

An application to register as a broker-dealer, agent, investment adviser, or investment adviser representative may, with the consent of the commissioner, be withdrawn upon written application.

SECTION 6. 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 one hundred ~~thirty thousand dollars through June 30, 2024, and one hundred thirty five thousand two hundred dollars~~thirty-nine thousand two hundred fifty-six dollars through June 30, 2026, and one hundred forty-three thousand four hundred thirty-four dollars thereafter.

SECTION 7. A new section to chapter 26.1-23.1 of the North Dakota Century Code is created and enacted as follows:

Government self-insurance pool - Report.

A government self-insurance pool organized under this chapter shall provide a report to the legislative management by September thirtieth of each even-numbered year. The report must include information on activities of the pool, including the claims activity, claims payment history, balances, a history of complaints, and executive staff and board compensation.

Approved May 1, 2025

Filed May 2, 2025

CHAPTER 11

HOUSE BILL NO. 1012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of various divisions of the department of health and human services; to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to an extraordinary medical needs housing loan fund; to amend and reenact sections 50-06-06.6, 50-06-42, 50-24.5-02.3, and 50-33-05, and subsection 1 of 50-36-03 of the North Dakota Century Code and subsection 6 of the new section to chapter 54-07 of the North Dakota Century Code created in section 1 of Senate Bill No. 2176, as approved by the sixty-ninth legislative assembly, relating to leases of department of health and human services property, substance use disorder treatment program, basic care payment rates, state of residence for child care assistance, opioid settlement advisory committee, and children's cabinet; to provide for a transfer; to authorize a line of credit; to provide legislative intent; to provide for a legislative management study; to provide an application; to provide an exemption; to provide for a report; and to provide an effective date.

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 other funds derived from special funds and federal funds, to the department of health and human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

SALARIES AND WAGES BLOCK GRANT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages block grant	\$0	\$611,513,737	\$611,513,737
Total all funds	0	611,513,737	611,513,737
Less other funds	0	291,449,112	291,449,112
Total general fund	\$0	\$320,064,625	\$320,064,625

Subdivision 2.

BUSINESS OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$25,763,358	(\$25,763,358)	\$0
Operating expenses	155,308,399	(77,023,770)	78,284,629
Capital assets	108,934	(108,934)	0
Grants	11,812,627	6,966,375	18,779,002
Total all funds	\$192,993,318	(\$95,929,687)	\$97,063,631
Less other funds	118,894,310	(71,526,221)	47,368,089
Total general fund	\$74,099,008	(\$24,403,466)	\$49,695,542

Subdivision 3.

BEHAVIORAL HEALTH

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,792,675	(\$8,792,675)	\$0
Operating expenses	79,381,458	23,888,138	103,269,596
Grants	40,476,298	18,639,322	59,115,620
Behavioral health clinics	196,383,945	(139,346,713)	57,037,232
State hospital	94,826,973	(73,946,818)	20,880,155
Opioid addiction prevention	<u>2,000,000</u>	<u>6,000,000</u>	<u>8,000,000</u>
Total all funds	\$421,861,349	(\$173,558,746)	\$248,302,603
Less other funds	<u>113,955,941</u>	<u>(42,100,463)</u>	<u>71,855,478</u>
Total general fund	\$307,905,408	(\$131,458,283)	\$176,447,125

Subdivision 4.

HUMAN SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$168,325,918	(\$168,325,918)	\$0
Operating expenses	88,885,469	114,503,276	203,388,745
Capital assets	10,000	0	10,000
Grants	621,189,007	68,720,524	689,909,531
Life skills and transition center	44,992,263	(32,284,605)	12,707,658
Grants - medical assistance	742,793,564	(2,344,921)	740,448,643
County social services	<u>197,663,661</u>	<u>6,928,621</u>	<u>204,592,282</u>
Total all funds	\$1,863,859,882	(\$12,803,023)	\$1,851,056,859
Less other funds	<u>1,240,409,529</u>	<u>(29,237,367)</u>	<u>1,211,172,162</u>
Total general fund	\$623,450,353	\$16,434,344	\$639,884,697

Subdivision 5.

MEDICAL SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,008,344	(\$21,008,344)	\$0
Operating expenses	70,807,977	92,364,562	163,172,539
Grants	1,651,004	2,006,800	3,657,804
Grants - medical assistance	<u>2,682,778,803</u>	<u>(72,879,073)</u>	<u>2,609,899,730</u>
Total all funds	\$2,776,246,128	\$483,945	\$2,776,730,073
Less other funds	<u>1,818,029,530</u>	<u>(39,227,077)</u>	<u>1,778,802,453</u>
Total general fund	\$958,216,598	\$39,711,022	\$997,927,620

Subdivision 6.

PUBLIC HEALTH

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$60,415,388	(\$60,415,388)	\$0
Operating expenses	37,721,213	17,120,591	54,841,804
Capital assets	1,469,780	1,565,838	3,035,618
Grants	81,718,145	2,967,835	84,685,980

Tobacco prevention	13,063,162	(22,607)	13,040,555
Women, infants, and children food payments	19,900,000	1,100,000	21,000,000
Cares Act/COVID-19	<u>83,909,182</u>	<u>(58,871,210)</u>	<u>25,037,972</u>
Total all funds	\$298,196,870	(\$96,554,941)	\$201,641,929
Less other funds	<u>250,440,690</u>	<u>(81,142,870)</u>	<u>169,297,820</u>
Total general fund	\$47,756,180	(\$15,412,071)	\$32,344,109

Subdivision 7.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$5,553,157,547	\$233,151,285	\$5,786,308,832
Grand total other funds	<u>3,541,730,000</u>	<u>28,215,114</u>	<u>3,569,945,114</u>
Grand total general fund	\$2,011,427,547	\$204,936,171	\$2,216,363,718
Full-time equivalent positions	2,483.83	204.52	2,688.35

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Technology projects	\$0	\$4,826,930	\$4,826,930
Human service centers and life skills and transition center projects	0	1,684,480	1,684,480
Retire mainframe	0	15,000,000	15,000,000
Child care programs	11,772,500	0	11,772,500
Housing programs	0	1,000,000	1,000,000
State laboratory move and equipment	0	2,962,304	2,962,304
Partial hospitalization day treatment	0	2,000,000	2,000,000
Developmental disabilities eligibility assessment tool for kids	200,000	200,000	400,000
Toxicology equipment	151,500	100,000	251,500
Behavioral health facility grant	0	12,960,000	12,960,000
Cultural community center grant	0	300,000	300,000
Intermediate care facility grant	0	4,400,000	4,400,000
Juvenile justice diversion services	0	750,000	750,000
Critical access hospital networking	0	2,000,000	2,000,000
Basic care daily rate increase	2,619,004	2,922,236	5,541,240
Infant and toddler care provider support	11,000,000	0	11,000,000
Child welfare technology project line of credit	0	8,411,218	8,411,218
Medical housing for individuals with extraordinary medical needs	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Northwest behavioral health facility grant	1,500,000	0	1,500,000
Guardianship funding	3,266,177	0	3,266,177
Waterford upstart funding	1,500,000	0	1,500,000
Fetal alcohol spectrum disorder clinic	<u>350,000</u>	<u>0</u>	<u>350,000</u>
Total	\$32,559,181	\$59,517,168	\$92,076,349

SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, 3, 4, 5, and 6 of section 1 of this Act and any other appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly, for the biennium beginning July 1, 2025, and ending June 30, 2027, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department of health and human services shall report to the budget section after June 30, 2026, any transfer made in excess of \$50,000 and to the appropriations committees of the seventieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. FULL-TIME EQUIVALENT POSITION BLOCK GRANT PROGRAM - REPORT. Section 1 of this Act includes funding for a full-time equivalent position block grant program. This funding as approved by the sixty-ninth legislative assembly is available for defraying the expense of full-time equivalent positions as determined by the department of health and human services. Notwithstanding any other provision of law, the department is authorized to increase or decrease authorized full-time equivalent positions subject to the availability of funds and the provisions of this section. The department of health and human services may not increase full-time equivalent positions for the purpose of transferring human service zone employees to state employment. Pursuant to section 3 of this Act, the department is authorized to transfer appropriation authority of up to the underfunded amount of \$14,771,038 to the salaries and wages block grant line item. The department of health and human services shall report to the office of management and budget and the legislative council any adjustments to full-time equivalent positions.

SECTION 5. DEPARTMENT OF HEALTH AND HUMAN SERVICES - SALARIES AND WAGES BLOCK GRANT - VACANT POSITIONS - REPORT. The department of health and human services shall report to the budget section quarterly during the 2025-26 interim regarding the status of its salaries and wages block grant and vacant positions and employee turnover. The report must include:

1. The legislative appropriation for salaries and wages allocated by the department to major department programs by funding source and the number of full-time equivalent positions the department is allocating to each major program based on the legislative appropriation;
2. Any changes to salaries and wages funding or full-time equivalent positions allocated to major department programs;
3. Any new full-time equivalent positions added, the cost of the position for the remainder of the biennium, and the cost to continue funding the position in the subsequent biennium by funding source;
4. Any full-time equivalent positions removed and related funding;
5. The number of full-time equivalent positions that become vacant and the number filled each month;
6. The number of vacant full-time equivalent positions at the end of each month;
7. Salaries and wages savings resulting from vacant positions and employee turnover each month by funding source; and

8. The use of salaries and wages savings for other purposes for each month by funding source.

SECTION 6. BEHAVIORAL HEALTH FACILITY GRANT - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - APPLICATION.

1. Section 1 of this Act includes the sum of \$12,960,000 from the strategic investment and improvements fund for a behavioral health facility grant pursuant to this section.
2. A grant of \$12,960,000 must be provided to establish a behavioral health facility in the northeast human service region. The grant recipient must provide matching funds of \$3,240,000 to establish the facility.
3. The department shall require an entity receiving funding under this section to operate the facility for at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 7. APPROPRIATION - OFFICE OF GUARDIANSHIP AND CONSERVATORSHIP. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,266,178, or so much of the sum as may be necessary, to the office of guardianship and conservatorship, for the biennium beginning July 1, 2025, and ending June 30, 2027, for the purpose of providing guardianship services after March 30, 2026.

SECTION 8. TRANSFER - OFFICE OF GUARDIANSHIP AND CONSERVATORSHIP. Section 1 of this Act includes the sum of \$3,266,177 from the general fund for guardianship programs. On April 1, 2026, the office of management and budget shall transfer any unspent appropriation authority for guardianship programs from the department of health and human services to the office of guardianship and conservatorship, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. INFANT AND TODDLER CARE PROVIDER SUPPORT DIRECT PAYMENT - ONE-TIME FUNDING - REPORT. Section 1 of this Act includes the sum of \$11,000,000 of one-time funding from the general fund for direct payments to licensed child care providers to support high-quality early childhood care for infants and toddlers. The department shall administer the direct payment program and include the following provisions:

1. To qualify for a direct payment under this section, a direct payment recipient may not be currently receiving a child care assistance program infant/toddler bonus payment and must:
 - a. Be a licensed child care facility within the state of North Dakota;
 - b. Be enrolled in the state's bright and early quality rating system at a two-star, three-star, or four-star rating level; and
 - c. Provide care for children from birth through three years of age.

2. Eligible providers may receive up to \$200 per month for each child from birth through seventeen months of age and up to \$115 per month for each child from eighteen through thirty-six months of age.
3. The department shall distribute the direct payments on a quarterly basis. Direct payments may not be used for non-child care-related expenses or debt repayment.
4. Direct payment recipients shall submit annual reports to the department detailing fund usage, enrollment statistics, and other information requested by the department.
5. The department shall provide reports to the legislative management and to the appropriations committees of the seventieth legislative assembly on direct payments and the effectiveness of the program.

SECTION 10. INTERMEDIATE CARE FACILITY MEDICALLY AND BEHAVIORALLY COMPLEX SERVICES GRANT - ONE-TIME FUNDING - APPLICATION. Section 1 of this Act includes the sum of \$4,400,000 of one-time funding from the community health trust fund for providing a one-time grant to a licensed intermediate care facility in the south central human service region for providing services to children or young adults with medically and behaviorally complex conditions. To be eligible to receive the grant under this section, a licensed intermediate care facility must provide early intervention, clinical, and residential services, provide community and home support, education, recreation and leisure activities, and assistive technology; and provide services in at least eight communities for individuals with intellectual or developmental disabilities. The grant funds awarded may be used only for the costs of providing services to children and young adults with medically and behaviorally complex conditions. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 11. SPECIAL HEALTH CARE NEEDS GRANT - APPLICATION. Section 1 of this Act includes the sum of \$100,000 from the general fund for providing a grant to a provider in the south central human service region for statewide education, information, training, and peer support to families with children with special health care needs, medically complex conditions, or a disability. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 12. CRISIS SERVICES GRANTS - APPLICATION. Section 1 of this Act includes the sum of \$585,000 from the general fund for providing crisis services grants, including the sum of \$300,000 for crisis organizations that provide crisis services to young adults who are at risk of being homeless or experiencing other serious adverse life events and the sum of \$285,000 to a volunteer-based ecumenical ministry organization. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 13. MEDICAL HOUSING FOR INDIVIDUALS WITH EXTRAORDINARY MEDICAL NEEDS - ONE-TIME FUNDING.

1. Section 1 of this Act includes the sum of \$200,000 from the general fund for the preliminary design consultation and project administration of developing housing for individuals with disabilities that have extraordinary medical needs and for rent subsidies for individuals residing in these housing facilities, for the biennium beginning July 1, 2025, and ending June 30, 2027.

2. The department of health and human services shall collaborate with the North Dakota housing finance agency, individuals with disabilities, caregivers, and families to solicit proposals for the development of accessible housing for individuals with disabilities that have extraordinary medical needs, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department shall solicit proposals from public entities, for-profit organizations, and nonprofit organizations to design, construct, maintain, and operate the housing facility. Proposals must:
 - a. Ensure that services in the facility may be provided separately from the facility ownership interests;
 - b. Ensure that individuals residing in the facility may choose among independent living service providers; and
 - c. Comply with the federal home and community-based settings rules as defined under 42 CFR 441.301(c)(4).

SECTION 14. BEHAVIORAL HEALTH FACILITY GRANT - GENERAL FUND - ONE-TIME FUNDING - APPLICATION. Section 1 of this Act includes the sum of \$1,500,000 appropriated from the general fund and section 29 of this Act continues unexpended appropriation authority of up to \$1,950,000 appropriated from the general fund in chapter 44 of the 2023 Session Laws to provide a total of \$3,450,000 for the purpose of providing a one-time behavioral health facility grant to establish a behavioral health facility in the northwest human service center region, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department of health and human services shall include the following provisions relating to the grant award.

1. The grant recipient must provide matching funds of at least \$1,750,000 to establish the facility.
2. The department shall require an entity receiving a grant under this section to operate the facility for at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
3. To continue to receive the grant, the behavioral health facility grant recipient must:
 - a. Enter a grant agreement or amendment or both with the department;
 - b. Provide and disclose information needed to comply with the department's data collection requirements; and
 - c. Operate in compliance with grant requirements.
4. The department may recapture grant funds distributed to a grant recipient found by the department to be out of compliance with the requirements established for the grant program.
5. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 15. COMMUNITY CULTURAL CENTER GRANT - COMMUNITY HEALTH TRUST FUND - APPLICATION. Section 1 of this Act includes the sum of \$300,000 from the community health trust fund for the purpose of providing a

one-time community cultural center programming grant in the west central human service region. An entity may apply for a grant under this section if the entity certifies to the department the funds will be used for programs within the community cultural center. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 16. JUVENILE JUSTICE DIVERSION SERVICES AND PROGRAMS - TASK FORCE - REPORT. Section 1 of this Act includes the sum of \$750,000 of one-time funding from the human services finance fund for juvenile justice diversion services and programs. The department of health and human services must use the funding for services to youth at risk of juvenile justice involvement but who have not committed delinquent acts as defined in chapter 27-20.4. The department shall establish a task force with representation from divisions in the department, human service zones, the department of public instruction, elementary and secondary schools, and members of the legislative assembly, to review juvenile justice diversion services and program. The department shall report its findings and recommendations to the legislative management and children's cabinet.

SECTION 17. OTHER FUNDS - INSURANCE TAX DISTRIBUTION FUND. The other funds line item in subdivision 5 of section 1 of this Act includes the sum of \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

SECTION 18. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND. The other funds line items in section 1 of this Act includes the sum of \$41,009,522 from the community health trust fund for the following purposes:

Loan repayment programs	\$594,500
Tobacco prevention and control grants to local public health units	6,250,000
Tobacco prevention and control	4,549,698
Tobacco cessation grants	500,000
Youth vaping prevention grants	300,000
Cancer and women's way programs	909,824
Behavior risk state survey	200,000
Intermediate care facility grant	4,400,000
Domestic violence programs	4,250,000
Local public health grants	3,275,000
988 crisis hotline	1,867,500
Various information technology system upgrades	1,335,000
Grants to rural ambulances	7,000,000
Law enforcement rural crisis support program	1,000,000
Development of partial hospitalization/intensive day treatment	2,000,000
Critical access hospital networking	2,000,000
Forensic examiner electronic records	278,000
Cultural center programming	<u>300,000</u>
Total	\$41,009,522

SECTION 19. OTHER FUNDS - HUMAN SERVICE FINANCE FUND. The other funds line items in section 1 of this Act includes the sum of \$242,862,030 from the human service finance fund for state-paid economic assistance and social and human services.

SECTION 20. OTHER FUNDS - OPIOID SETTLEMENT FUND. The other funds line item in section 1 of this Act includes the sum of \$8,000,000 from the opioid settlement fund for opioid remediation and abatement efforts.

SECTION 21. OTHER FUNDS - CHARITABLE GAMING OPERATING FUND.

The other funds line item in section 1 of this Act includes the sum of \$1,900,000 from the charitable gaming operating fund for domestic and sexual violence prevention.

SECTION 22. OTHER FUNDS - HEALTH CARE TRUST FUND.

The other funds line item in section 1 of this Act includes the sum of \$1,448,052 from the health care trust fund for the additional daily rate increase for basic care.

SECTION 23. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line items in section 1 of this Act includes the sum of \$22,106,784 from the strategic investment and improvements fund for the following purposes:

Retiring technology from the mainframe	\$2,500,000
New state laboratory move-in costs and security equipment purchases	2,962,304
Capital projects in certified community behavioral health clinics and life skills and transition center	1,684,480
Housing initiative programs	1,000,000
Technology projects at the state hospital	1,000,000
Behavioral health facility grant	<u>12,960,000</u>
Total	\$22,106,784

SECTION 24. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - CHILD WELFARE TECHNOLOGY PROJECT. The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$8,411,218 from a Bank of North Dakota line of credit. The department of health and human services may borrow up to \$8,411,218 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, for costs associated with a child welfare technology project. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the department accesses the line of credit, it shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 25. LABORATORY BUILDING STEERING COMMITTEE. The department of health and human services shall maintain the laboratory building steering committee to oversee the design and construction of the laboratory building project, for the biennium beginning July 1, 2025, and ending June 30, 2027, or until work is completed, whichever occurs earlier. The committee must include representation from the department of health and human services, department of environmental quality, the office of management and budget, the governor's office, and the legislative assembly. The legislative assembly representation must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

SECTION 26. CAPITAL PAYMENTS. During the biennium beginning July 1, 2025, and ending June 30, 2027, the department of health and human services is authorized to expend funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center. Pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within section 1 of this Act and any remaining appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly. The department of health and human services may transfer funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center

ahead of the special needs assessments schedule. Notwithstanding section 54-27-12, the department of health and human services may spend funds for the payment of special assessments at the state hospital and life skills and transition center.

SECTION 27. CAPITAL PROJECTS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. During the biennium beginning July 1, 2025, and ending June 30, 2027, pursuant to section 3 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within section 1 of this Act and any remaining appropriation authority for the department of health and human services approved by the sixty-ninth legislative assembly for capital projects and maintenance pertaining to operation of its facilities, including demolition projects. Notwithstanding section 54-27-12, the department of health and human services may spend up to \$10,000,000 for capital projects and maintenance pertaining to operation of its facilities, including demolition projects, under this section and may seek emergency commission and budget section approval to spend more than \$10,000,000 under this section.

SECTION 28. PERMANENT SUPPORTIVE HOUSING GRANTS. Section 1 of this Act includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants. The department of health and human services shall develop a funding methodology to distribute the funding to qualified entities that utilize best practices for permanent supportive housing, provide recovery-oriented and person-centered services, submit process and outcome measures to the department of health and human services, and authorize the department of health and human services to conduct onsite visits to review program operations.

SECTION 29. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM - APPLICATION.

1. Section 1 of this Act includes the sum of \$662,099,340, of which \$66,209,934 is from the general fund, for the medical assistance expansion program, for the biennium beginning July 1, 2025, and ending June 30, 2027. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount.
2. The department of health and human services may exceed appropriations for increases in medical assistance expansion program caseload, for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates, and reduction in federal medical assistance percentage.
3. The managed care organization under contract with the department of health and human services to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department of health and human services. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types.
4. The managed care organization and the department of health and human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement. Critical access hospitals may not

be paid less than one hundred percent of Medicare allowable costs and human service centers may not be paid less than one hundred percent of the current traditional Medicaid rate. Behavioral health services involving partial hospitalization, intensive outpatient, professional services, and residential behavioral health services provided in facilities that are not institutions for mental diseases are not subject to the provisions in subsection 6.

5. The department of health and human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance or adequate capacity and services, and coordination and continuity of care.
6. Except for the provisions in subsection 4, managed care organization premium payments must be built using the assumption that rates paid to providers under the medical assistance expansion program may not exceed one hundred forty-five percent of Medicare reimbursement rates paid to providers on January 1, 2025.

SECTION 30. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT. The department of health and human services shall continue the process of the human service centers becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults. The department of health and human services shall pursue additional federal funding as available. Subject to the availability of generated income, the department of health and human services may add full-time equivalent positions for the clinics to provide direct services for the period beginning with the effective date of this Act and ending June 30, 2027. The department of health and human services shall report to the office of management and budget and the legislative council each time a position is added.

SECTION 31. INTERMEDIATE CARE FACILITY MORATORIUM. The department of health and human services may not add any new licensed intermediate care facility for individuals with intellectual disabilities beds to the state's licensed bed capacity between July 1, 2025, and June 30, 2027.

SECTION 32. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended appropriation authority may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,674,757 appropriated from the general fund and the sum of \$25,918,566 appropriated from federal funds for the Medicaid management information system modularization technology project in chapter 12 of the 2021 Session Laws;
2. The sum of \$6,000,000 appropriated from the general fund and the sum of \$14,411,218 appropriated from federal funds for the child welfare technology project in chapter 12 of the 2021 Session Laws;
3. The sum of \$20,366,271 appropriated from the community health trust fund and the sum of \$39,534,525 appropriated from federal funds for the child support computer replacement project in chapter 44 of the 2023 Session Laws;

4. The sum of \$10,989,217 appropriated from the strategic investment and improvements fund for the procurement and grants management system in chapter 44 of the 2023 Session Laws;
5. The sum of \$4,150,000 appropriated from the general fund for defraying the expenses of additional human service centers to begin the process of becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults in chapter 44 of the 2023 Session Laws;
6. The sum of \$18,941,847 appropriated to the department of health and human services in chapter 549 of the 2021 Special Session Session Laws;
7. The sum of \$55,120,000 appropriated from the federal state fiscal recovery fund for a public health laboratory capital project in chapter 4 of the 2023 Session Laws;
8. The sum of \$2,200,000 appropriated from the general fund for the purpose of employer-led child care cost-share program in chapter 446 of the 2023 Session Laws;
9. The sum of \$986,555 appropriated from the general fund for the purpose of streamlining background checks project in chapter 446 of the 2023 Session Laws;
10. The sum of \$1,000,000 appropriated from the federal state fiscal recovery fund for the implementation of a virtual behavioral health crisis care program for rural law enforcement in chapter 44 of the 2023 Session Laws;
11. The sum of \$500,000 appropriated from the general fund and the sum of \$500,000 appropriated from federal funds for the purpose of program integrity audits in chapter 44 of the 2023 Session Laws; and
12. The sum of \$1,950,000 appropriated from the general fund to the department of health and human services for a northwest human service region behavioral health facility grant in chapter 44 of the 2023 Session Laws.

SECTION 33. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT. It is the intent of the sixty-ninth legislative assembly that the department of health and human services seek a deficiency appropriation from the seventieth legislative assembly for any expenditures that exceed appropriated amounts as a result of underfunding, utilization rates, value-based purchasing for nursing facilities, reduction in federal medical assistance percentage, and unexpected contract cost increases that exceed ten percent, during the biennium beginning July 1, 2025, and ending June 30, 2027, if funding is not sufficient to pay actual expenses.

SECTION 34. LEGISLATIVE INTENT - PROVIDER RATE INCREASE. Except as otherwise noted, section 1 of this Act includes funding for human service provider inflation increases of two percent for each year of the biennium beginning July 1, 2025, and ending June 30, 2027. The provider inflation increase in this section does not apply to nursing facilities.

SECTION 35. FEDERAL FUNDING APPEAL LIMITATION. Except as otherwise specifically provided by federal law, a person may not appeal a denial, revocation, reduction in services or payment, or the termination of a program or service by the department of health and human services due to the unavailability of federal

coronavirus funding received under federal law resulting from the federal coronavirus pandemic emergency declarations, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 36. DEPARTMENT OF HEALTH AND HUMAN SERVICES - LONG-TERM STRUCTURED RESIDENCES PLAN - REPORT. During the 2025-26 interim, the department of health and human services shall review options and develop a plan to establish long-term structured residences. The department shall review necessary changes to statutes, rules, policies, and the estimated fiscal impact of establishing the residences. A long-term structured residence must be a highly structured therapeutic residential mental health treatment facility that is staffed continuously and designed to treat adults under chapters 12.1-04.1 and 25-03.1 who have severe and persistent mental illness and who have reached the maximum benefit from the mental health resources available elsewhere in the community or hospital. The department shall present a report to the legislative management by October 1, 2026, regarding its plan to establish long-term structured residences.

SECTION 37. AMENDMENT. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

Extraordinary medical needs housing loan fund - Continuing appropriation.

1. The Bank of North Dakota shall administer a loan program to provide loans for new construction projects to provide housing for individuals with disabilities that have extraordinary medical needs. A construction project may include a land purchase and the construction costs of the project. The applicant must comply with project requirements as approved by the department of health and human services and the North Dakota housing finance agency.
2. The extraordinary medical needs housing loan fund is a special fund maintained in the state treasury from which the Bank shall provide loans under this section. The fund consists of revenues transferred under legislative authorization, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund. All moneys in the fund are appropriated on a continuing basis to the Bank for the purpose of providing loans under this section.
3. The developer of the housing facility for individuals with disabilities that have extraordinary medical needs may submit an application to the Bank for a loan. The application must:
 - a. Provide detail on the proposed construction project and its compliance with the department of health and human services and the North Dakota housing finance agency requirements;
 - b. Demonstrate the need and long-term viability of the project; and
 - c. Include financial information the Bank determines appropriate to verify eligibility.
4. A loan approved under this section:
 - a. May not exceed three million three hundred thousand dollars for a project;
 - b. Must have an interest rate that does not exceed two percent; and
 - c. Must have a repayment schedule of no longer than twenty years.

5. A recipient of a loan under this section shall complete the financed construction project within twenty-four months of the approval of the loan. Failure to comply with this subsection may result in forfeiture of the entire loan received under this section.
6. The Bank shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may deduct from interest payments a service fee for costs of administering the loan program. The fund must be audited annually pursuant to section 6-09-29 and the cost of the audit and any other actual costs incurred by the Bank on behalf of the fund must be paid from the fund.

SECTION 38. AMENDMENT. Section 50-06-06.6 of the North Dakota Century Code is amended and reenacted as follows:

50-06-06.6. Department may lease real and personal property.

The commissioner of the department or commissioner's designee may lease ~~surplus farm and pastureland at the state hospital and the life skills and transition center. The commissioner or designee also may enter into further leases of real or personal property at the life skills and transition center or the state hospital upon a specific finding that the granting of each such leasehold interest will result in a net economic gain for the department, taking into account all identifiable costs. Any lease of space for the purpose of providing child care services must meet requirements as determined by the department. The commissioner of the department or commissioner's designee may prescribe the terms and conditions of any leases entered into pursuant to this section and may renew existing leases. Any~~ The term of any lease entered into must be subject to renewal or cancelable each biennium may not exceed ninety-nine years.

1 SECTION 39. AMENDMENT. Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

50-06-42. Substance use disorder treatment voucher system.

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services and medical costs provided by licensed substance abuse treatment programs, excluding regional human service centers and hospital- or medical clinic-based programs for medical management of withdrawal. An out-of-state licensed substance abuse treatment program located within a bordering state may participate in the voucher program to serve an underserved area of this state pursuant to the rules adopted by the department. The department shall develop rules to include processes and requirements for an out-of-state provider to receive reimbursement only for outpatient and community-based services upon a provider completing an assessment of need and receiving approval from the department.
2. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall

¹ Section 50-06-42 was also amended by section 29 of Senate Bill No. 2113, chapter 441.

ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures.

3. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.
4. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:
 - a. ~~No~~Except as provided in subdivisions c and d, no more than ~~forty-five~~fifty percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.
 - b. The remaining appropriation must be allocated for residential programs with sixteen or fewer beds, nonresidential outpatient, and ancillary substance use disorder services administered by licensed substance abuse treatment programs.
 - c. The department, during the last quarter of the biennium, may reallocate projected unused funds that were allocated under subdivision b to residential facilities outlined in subdivision a.
 - d. The department may reimburse a licensed substance abuse treatment program with more than sixteen beds the incurred direct medical costs of an eligible individual who does not have resources to cover the medical costs. The department may develop rules and may not exceed the total amount appropriated for medical cost reimbursement.

SECTION 40. AMENDMENT. Section 50-24.5-02.3 of the North Dakota Century Code is amended and reenacted as follows:

50-24.5-02.3. Basic care payment rates.

1. The department shall determine limits for the care of residents of basic care facilities that qualify as vendors of an aged, blind, and disabled persons program and for implementing provisions of this chapter based on data demonstrating the most recent costs that must be incurred for the care of residents in efficiently and economically operated basic care facilities. The department shall determine the limits every four years by July first, beginning with July 1, 2023.
2. The department shall establish the limits by using the median rates from the most recent data available. The direct care limit must be the median plus eighteen percent. The indirect care limit must be the median plus twelve percent.
3. For the rate year beginning July 1, 2023, the department shall increase rates and limits three and one-half percent for inflation. For the rate year beginning July 1, 2024, the department shall increase rates and limits three and one-half percent for inflation.

4. The department shall provide a rate increase in the amount of five dollars per day for the period beginning July 1, 2023, and ending June 30, ~~2025~~2027, after which the increase is not effective. This rate increase may not be included in any calculation of inflation increase.
5. Within the limits of legislative appropriations, the department shall establish an uncompensated care expense of three hundred sixty-five days.

SECTION 41. AMENDMENT. Section 50-33-05 of the North Dakota Century Code is amended and reenacted as follows:

50-33-05. State of residence.

Only child care assistance units physically residing within the boundaries of the state are eligible for child care assistance, unless the individual is employed by an early childhood program within the boundaries of the state and the individual has been approved for the state's child care assistance child care workforce benefit.

SECTION 42. AMENDMENT. Subsection 1 of section 50-36-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The committee is composed of:
 - a. One member of the North Dakota association of counties appointed by the chairman of the legislative management, who shall serve a term of two years.
 - b. One member of the North Dakota league of cities appointed by the chairman of the legislative management, who shall serve a term of two years.
 - c. One member of the North Dakota state association of city and county health officials appointed by the chairman of the legislative management, who shall serve a term of two years.
 - d. One member who represents the highway patrol appointed by the highway patrol superintendent, who shall serve a term of two years.
 - e. The executive director of the department's division of behavioral health.
 - f. ~~The managing director of the office of recovery reinvented~~ One member in recovery appointed by the governor.
 - g. One member appointed by the governor who shall serve as a nonvoting member and as the presiding officer of the committee, who shall serve a term of two years.

² **SECTION 43. AMENDMENT.** Subsection 6 of the new section to chapter 54-07 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2176, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

² Section 54-07-13 was created by section 1 of Senate Bill No. 2176, chapter 480.

6. a. The office of the governor shall provide staffing and administrative services for the children's cabinet and coordinate with other designated working groups on children and family issues.
- b. The governor or the governor's designee serving on the cabinet may appoint a representative to serve in that official's capacity at a meeting if the governor or governor's designee is unable to attend.

SECTION 44. HOUSING AVAILABILITY ASSESSMENT - COLLABORATION WITH HOUSING FINANCE AGENCY. The department of health and human services shall collaborate with the North Dakota housing finance agency and other appropriate stakeholders to assess the availability of housing for individuals requiring extraordinary health care support services, for the biennium beginning July 1, 2025, and ending June 30, 2027. Based on the results of the assessment, if necessary, the department shall develop a plan to expand access to housing providing the least restrictive environment for individuals requiring extraordinary health care support services.

SECTION 45. BEHAVIORAL HEALTH CLINICS, NORTH DAKOTA STATE HOSPITAL, AND LIFE SKILLS AND TRANSITION CENTER FUNDING. Section 1 of this Act includes funding for the behavioral health clinics, North Dakota state hospital, and life skills and transition center as follows:

1. Behavioral health clinics:

a. Salaries and wages	\$174,911,640
b. Operating and capital	<u>57,037,232</u>
c. Total	\$231,948,872
2. State hospital:

a. Salaries and wages	\$68,999,503
b. Operating and capital	<u>20,880,155</u>
c. Total	\$89,879,658
3. Life skills and transition center:

a. Salaries and wages	\$55,639,421
b. Operating and capital	<u>12,707,658</u>
c. Total	\$68,347,079

SECTION 46. LEGISLATIVE MANAGEMENT STUDY - STUDENT TRUANCY AND ABSENTEEISM. The legislative management shall consider studying, during the 2025-26 interim, truancy and student absenteeism in kindergarten through grade twelve public schools. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the seventieth legislative assembly.

SECTION 47. LEGISLATIVE MANAGEMENT STUDY - MATERNAL HEALTH SERVICES - ACCESS AND WORKFORCE.

1. During the 2025-26 interim, the legislative management shall consider studying access to maternal health services. The study must include:
 - a. Consideration of the availability of prenatal and childbirth services, including provider shortages and service use.

- b. Development of strategies to increase the number of obstetricians, family doctors, and midwives providing maternal health services in this state.
 - c. A review of coverage and reimbursement for doulas and midwives, including training and certification needs.
 - d. Consideration of insurance and public policy options to improve maternal health outcomes, including through the Medicaid program.
 - e. Input from health care providers, insurers, public health officials, and maternal health experts.
2. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the seventieth legislative assembly.

SECTION 48. LEGISLATIVE INTENT - LIFE SKILLS AND TRANSITION CENTER. It is the intent of the sixty-ninth legislative assembly that during the 2025-26 interim, the department of health and human services review the facilities and land at the life skills and transition center to identify the portions of the life skills and transition center campus that are necessary for delivery of services and the portions of the campus that could be conveyed to a local government or related public or not-for-profit community development entity to redevelop to optimize local community development goals and the successful operation of the life skills and transition center. It is further the intent of the legislative assembly that the department of health and human services present any request to convey any portions of the campus to the seventieth legislative assembly.

SECTION 49. DISABILITY SERVICE ACCREDITATION STUDY - LEGISLATIVE MANAGEMENT REPORT. During the 2025-26 interim, the department of health and human services shall study accreditation requirements and provider costs for serving individuals with intellectual and developmental disabilities, including the cost of accreditation relative to the cost of providing services and reimbursement. The department shall report its findings and recommendations, together with any legislation necessary to implement recommendations to the legislative management by September 1, 2026.

SECTION 50. VALUE-BASED CARE INCENTIVE PROGRAM - PAYMENT WITHHOLD FOR NURSING FACILITIES - COLLABORATION WITH NORTH DAKOTA LONG TERM CARE ASSOCIATION. During the 2025-26 interim, the department of health and human services, in collaboration with the North Dakota long term care association, shall develop a payment withhold structure for value-based payments to provide funding for the value-based care incentive program for nursing facilities. The department shall implement the payment withhold beginning July 1, 2027. The department may not implement a payment withhold before July 1, 2027.

SECTION 51. LEGISLATIVE MANAGEMENT STUDY- DISABILITY SERVICES.

1. During the 2025-26 interim, the legislative management shall consider a study of the efficiency, effectiveness, and outcomes of developmental disability services provided by the department of health and human services. The study must include:
 - a. A review of the approval process, an analysis of accountability measures, an assessment of gaps in services, and an evaluation of overall program management.

- b. An assessment of whether the department is effectively managing cases and complying with federal law in the provision of support and services to individuals with disabilities.
 - c. Input from advocates, clients from the disability community, zone directors, service providers, and health care providers who serve individuals with disabilities.
 - d. Collaboration with the cross-disability advisory council.
- 2. The legislative council may contract with a consultant with expertise in the provision of developmental disability services to assist in the study.
 - 3. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement its recommendations, to the seventieth legislative assembly.

SECTION 52. APPROPRIATION - COMMUNITY HEALTH TRUST FUND - LEGISLATIVE COUNCIL - DISABILITY SERVICES - ONE-TIME FUNDING. There is appropriated out of any moneys in the community health trust fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of contracting for consulting services for a disability services study, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

SECTION 53. LEGISLATIVE INTENT - STATEWIDE DEMENTIA COORDINATION. It is the intent of the sixty-ninth legislative assembly that the department of health and human services address the statewide coordination of dementia services.

SECTION 54. LEGISLATIVE MANAGEMENT REPORT - BEHAVIORAL HEALTH FACILITY GRANTS. During the 2025-26 interim the department of health and human services shall provide reports to the budget section regarding the award of grant funding to increase the number of behavioral health beds in the state.

SECTION 55. EFFECTIVE DATE. Section 39 of this Act becomes effective on July 1, 2026.

SECTION 56. EFFECTIVE DATE. Section 9 of this Act becomes effective on January 1, 2026.

Approved May 16, 2025

Filed May 19, 2025

CHAPTER 12**HOUSE BILL NO. 1013**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the center for distance education, the state library, the school for the deaf, and North Dakota vision services - school for the blind; to create and enact a new section to chapter 15.1-07 of the North Dakota Century Code, relating to the collection of free or reduced-price meal eligibility information; to amend and reenact sections 15.1-02-02 and 15.1-27-16 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and administrative cost-sharing; to provide for a transfer; to provide a report; to provide an exemption; and to provide an effective date.

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 other funds derived from special funds and federal funds, to the department of public instruction, the center for distance education, the state library, the school for the deaf, and North Dakota vision services - school for the blind for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,964,765	\$1,121,603	\$21,086,368
New and vacant FTE pool	0	695,495	695,495
Operating expenses	32,793,320	10,618,819	43,412,139
Integrated formula payments	2,299,674,851	114,602,852	2,414,277,703
Grants - special education	24,000,000	(2,000,000)	22,000,000
Grants - transportation	58,100,000	2,000,000	60,100,000
Grants - other grants	382,738,893	29,705,709	412,444,602
Grants - program grants	17,205,000	8,511,027	25,716,027
Grants - passthrough grants	3,569,000	1,166,000	4,735,000
PowerSchool	5,775,000	(5,775,000)	0
Student information systems	0	5,775,000	5,775,000
National board certification	<u>176,290</u>	<u>0</u>	<u>176,290</u>
Total all funds	\$2,843,997,119	\$166,421,505	\$3,010,418,624
Less other funds	<u>1,115,246,674</u>	<u>187,164,012</u>	<u>1,302,410,686</u>
Total general fund	\$1,728,750,445	(\$20,742,507)	\$1,708,007,938
Full-time equivalent positions	86.25	0.00	86.25

Subdivision 2.

CENTER FOR DISTANCE EDUCATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Center for distance education	\$11,613,483	\$3,066,477	\$14,679,960
New and vacant FTE pool	0	203,156	203,156
Total all funds	\$11,613,483	\$3,269,633	\$14,883,116
Less other funds	4,550,000	2,074,000	6,624,000
Total general fund	\$7,063,483	\$1,195,633	\$8,259,116
Full-time equivalent positions	30.80	0.20	31.00

Subdivision 3.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,615,731	\$500,120	\$5,115,851
New and vacant FTE pool	0	107,552	107,552
Operating expenses	2,282,298	707,777	2,990,075
Grants	2,283,528	0	2,283,528
Total all funds	\$9,181,557	\$1,315,449	\$10,497,006
Less other funds	2,499,073	305,139	2,804,212
Total general fund	\$6,682,484	\$1,010,310	\$7,692,794
Full-time equivalent positions	26.75	0.00	26.75

Subdivision 4.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,283,599	\$735,225	\$10,018,824
New and vacant FTE pool	0	415,571	415,571
Operating expenses	1,705,586	320,839	2,026,425
Capital assets	158,678	283,800	442,478
Total all funds	\$11,147,863	\$1,755,435	\$12,903,298
Less other funds	2,811,557	360,186	3,171,743
Total general fund	\$8,336,306	\$1,395,249	\$9,731,555
Full-time equivalent positions	45.36	1.50	46.86

Subdivision 5.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,538,818	\$241,078	\$5,779,896
New and vacant FTE pool	0	259,436	259,436
Operating expenses	869,686	406,571	1,276,257
Capital assets	39,192	230,808	270,000
Total all funds	\$6,447,696	\$1,137,893	\$7,585,589
Less other funds	1,206,705	534,239	1,740,944
Total general fund	\$5,240,991	\$603,654	\$5,844,645
Full-time equivalent positions	27.75	1.00	28.75

Subdivision 6.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$2,882,387,718	\$173,899,915	\$3,056,287,633
Less grand total other funds	<u>1,126,314,009</u>	<u>190,437,576</u>	<u>1,316,751,585</u>
Grand total general fund	\$1,756,073,709	(\$16,537,661)	\$1,739,536,048

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Department of Public Instruction			
Teacher retention program	\$0	\$2,000,000	\$2,000,000
School board training	0	1,500,000	1,500,000
Early learning program	0	1,500,000	1,500,000
Centers of excellence	0	1,000,000	1,000,000
Native American essential understandings and book series	0	950,000	950,000
Statewide reading tool	0	500,000	500,000
Dyslexia training	0	300,000	300,000
Total department of public instruction	\$0	\$7,750,000	\$7,750,000
Center for Distance Education			
Information technology equipment	\$0	\$25,000	\$25,000
Student information system upgrade	<u>75,250</u>	<u>0</u>	<u>75,250</u>
Total center for distance education	\$75,250	\$25,000	\$100,250
School for the Deaf			
Equipment replacement	\$0	\$45,000	\$45,000
Campus security upgrades	0	<u>238,800</u>	<u>238,800</u>
Total school for the deaf	\$0	\$283,800	\$283,800
North Dakota vision services			
- School for the Blind			
Equipment less than \$5,000	\$0	\$28,000	\$28,000
Door replacement	0	10,000	10,000
Breakroom remodel	0	55,000	55,000
Tractor replacement	0	55,000	55,000
South parking lot replacement	0	150,000	150,000
Total school for the blind	<u>\$0</u>	<u>\$298,000</u>	<u>\$298,000</u>
Grand total	\$75,250	\$8,356,800	\$8,432,050

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of public instruction, center for distance education, state library, school for the deaf, and North Dakota vision services - school for the blind may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item or the center for distance education line item within each respective subdivision in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. APPROPRIATION - 2023-25 BIENNIUM - CONTRACT REIMBURSEMENTS. 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 department of public instruction for the purpose of providing contract reimbursements, for the period beginning with the effective date of this section, and ending June 30, 2025. The department of public instruction may use up to \$500,000 to reimburse vendors for services related to federal elementary and secondary school emergency relief fund contracts which have been denied payment by the United States department of education. Reimbursement may be made only for services provided through May 2, 2025.

SECTION 5. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$595,677,350, included in the integrated formula payments 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, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - FOUNDATION AID STABILIZATION FUND. The other funds line item in subdivision 1 of section 1 of this Act includes the sum of \$233,000,000 from the foundation aid stabilization fund for integrated formula payments.

SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in subdivision 1 of section 1 of this Act includes the sum of \$6,250,000 from the strategic investment and improvements fund for one-time program grants, relating to dyslexia training, a statewide reading tool, a teacher retention program, a centers of excellence program, school board training, and a native American essential understandings program and book series.

SECTION 8. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational services that were due in the 2023-25 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2025. To be reimbursed under this section, claims must be properly supported and filed with the superintendent of public instruction by June 30, 2026.

SECTION 9. GIFTED AND TALENTED PROGRAM. The sum of \$800,000, included in the integrated formula payments 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.

SECTION 10. MEDICAID MATCHING FUNDING - WITHHOLDING AND DISTRIBUTION. 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, for the biennium beginning July 1, 2025, and ending June 30, 2027. 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 health and human services on behalf of the school district or unit.

SECTION 11. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION. The integrated formula payments line item in subdivision 1 of section 1 of this Act includes \$600,000 from the general fund for the purpose of providing annual grants to regional education associations, for the biennium beginning July 1, 2025, and ending June 30, 2027. An annual grant of \$50,000 is provided to each regional education association that exists as of July 1, 2025. Regional education associations that merge during the 2025-27 biennium are entitled to the annual grants that would have been paid to each of the member associations.

SECTION 12. STUDENT MEALS - GRANTS - DISTRIBUTION. The grants - program grants line item in subdivision 1 of section 1 of this Act includes \$6,000,000 from the general fund for the purpose of providing grants to school districts to defray the expenses of providing meals, free of charge, for all students enrolled in public or nonpublic school at or below two hundred twenty-five percent of the federal poverty guideline, for the biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public instruction shall develop guidelines and reporting requirements for the grants.

SECTION 13. PARAPROFESSIONAL-TO-TEACHER PROGRAM - GRANTS - DISTRIBUTION. The grants - program grants line item in subdivision 1 of section 1 of this Act includes \$3,000,000 from the general fund for the purpose of providing grants to accredited institutions of higher education to assist paraprofessionals to become qualified teachers, for the biennium beginning July 1, 2025, and ending June 30, 2027. The superintendent of public instruction may award up to \$20,000 to each qualifying institution for program startup and other administrative costs and the remainder of the appropriation may be used only for tuition and scholarships for students enrolled in the program. The superintendent of public instruction may establish policies and procedures to administer this program.

SECTION 14. NORTH DAKOTA GOVERNOR'S SCHOOLS - GRANTS - DISTRIBUTION. The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes \$500,000 from the general fund for the purpose of providing grants for North Dakota governor's schools at North Dakota state university and university of North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027.

1. The superintendent of public instruction shall conduct North Dakota governor's schools once a summer alternating annually between North Dakota state university and university of North Dakota.
2. The superintendent of public instruction shall award the grants based on providing an average cost of \$5,000 per student attending the schools each year not to exceed a total of \$250,000 to each university for each year of the biennium.
3. The governor's schools program must provide programs related to science, technology, engineering, mathematics, energy law, mental health, education, and health sciences.
4. The superintendent of public instruction shall name codirectors at each university to ensure continued collaboration of the schools at both campuses.
5. Funds may be used only for defraying expenses for students while on campus, including housing, dining, resident assistants, program directors, instructors, and faculty research sponsors.

SECTION 15. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account. In addition, any moneys collected by the department of public instruction for general educational development fees and displaced homemakers deposits must be deposited in the public instruction fund in the state treasury. Any funds deposited in the public instruction fund may only be spent subject to appropriation by the legislative assembly.

SECTION 16. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER - GENERAL FUND. Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2023-25 biennium, from any moneys remaining in the integrated formula payments line item in subdivision 1 of section 1 of chapter 45 of the 2023 Session Laws, the lesser of \$11,000,000 or the remaining amount must be continued into the 2025-27 biennium and the office of management and budget shall transfer this amount into the public instruction fund for the purpose of providing integrated formula payments as appropriated in subdivision 1 of section 1 of this Act. The superintendent of public instruction shall transfer any of these funds remaining unspent at the end of the 2025-27 biennium to the general fund.

SECTION 17. EXEMPTION - UNEXPENDED APPROPRIATIONS - DEPARTMENT OF PUBLIC INSTRUCTION. The following appropriations to the department of public instruction are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any funds remaining from federal funds derived from the elementary and secondary school emergency education relief fund and any other federal funds appropriated in subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated in section 17 of chapter 549 of the 2021 Special Session Session Laws.

SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATION - STATE LIBRARY. The sum of \$150,000, appropriated from the general fund to the state library for building renovations in subdivision 3 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for building renovations during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 19. EXEMPTION - UNEXPENDED APPROPRIATIONS - SCHOOL FOR THE DEAF. The sum of \$800,000, appropriated from special funds, derived from trust fund distributions, rents, and service revenue, to the school for the deaf for boiler replacement, pneumatic controls, and a fire alarm system in subdivision 4 of section 1 of chapter 45 of the 2023 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for boiler replacement, pneumatic controls, and a fire alarm system during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 20. STATE AID TO PUBLIC LIBRARIES. The grants line item in subdivision 3 of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2026.

SECTION 21. 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 ~~one hundred thirty eight thousand one hundred forty two~~ one hundred forty seven thousand nine hundred seventy-eight dollars through June 30, ~~2024~~2026, and ~~one hundred forty three thousand six hundred sixty eight~~ one hundred fifty-two thousand four hundred seventeen dollars thereafter.

SECTION 22. A new section to chapter 15.1-07 of the North Dakota Century Code is created and enacted as follows:

Electronic collection of free or reduced-price meal eligibility information - Requirements.

1. Each school district shall annually provide an electronic form to all parents or guardians of enrolled students to collect household income information necessary to determine eligibility for free or reduced-price meals under the national school lunch program and other relevant federal and state assistance programs.
2. The electronic form must be made available to all parents or guardians at the beginning of the eligibility period or the beginning of each school year and must be designed to facilitate ease of completion and submission.
3. A school district shall offer a paper form upon request of a parent or guardian who prefers a nonelectronic submission method.

SECTION 23. AMENDMENT. Section 15.1-27-16 of the North Dakota Century Code is amended and reenacted as follows:

~~15.1-27-16. Per student payments — Administrative cost sharing — Cooperating districts and special education units. (Effective through June 30, 2026)~~

1. ~~If any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, the superintendent of public instruction shall, notwithstanding the provisions of section 15.1-27-03.2, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.~~
2. ~~A school district that is cooperating with another school district under a cooperative plan approved by the superintendent of public instruction, and which has taxable property located in the same city as the other school district under the cooperative plan, may not be required as part of the cooperative plan to:~~

- a. ~~Provide unduplicated grade-level services; or~~
 - b. ~~Share administrative personnel.~~
3. ~~If any school district in the state receiving payments under this chapter or any special education unit in the state cooperates with another school district or special education unit to jointly employ or contract with a superintendent or a school district business manager, or both, or to jointly employ or contract with a special education unit director or a special education unit business manager, or both, the superintendent of public instruction shall provide partial reimbursement of the salary of the superintendent or the school district business manager, or both, or partial reimbursement of the salary of the special education unit director or the special education unit business manager, or both, as follows:~~
- a. ~~If the salary exceeds two hundred thousand dollars, the amount of the reimbursement must be calculated based upon two hundred thousand dollars. Each cooperating school district or special education unit shall receive a prorated share of the reimbursement percentages listed below each year for four years. The prorated reimbursement is based on the percentage of full time equivalency that the superintendent or school district business manager, or both, or the special education unit director or special education unit business manager, or both, are employed or contracted by each district or special education unit. The percentage of reimbursement for the salary of the jointly hired superintendent or school district business manager, or both, or of the jointly hired special education unit director or special education unit business manager, or both, must be as follows:~~
 - (1) ~~If two schools or special education units are cooperating, ten percent of the salary;~~
 - (2) ~~If three schools or special education units are cooperating, fifteen percent of the salary;~~
 - (3) ~~If four schools or special education units are cooperating, twenty percent of the salary; and~~
 - (4) ~~If five or more schools or special education units are cooperating, twenty five percent of the salary.~~
 - b. ~~To be eligible for reimbursement under this subsection, the cooperating school districts or special education units must:~~
 - (1) ~~Have been approved by the superintendent of public instruction and have implemented their administrative cost sharing program after June 30, 2022; and~~
 - (2) ~~Submit the salary of the superintendent or school district business manager, or both, or the salary of the special education unit director or special education unit business manager, or both, to the superintendent of public instruction by June first of each year.~~

Per student payments - Cooperating districts. (~~Effective after June 30, 2026~~)

1. If any school district receiving payments under this chapter cooperates with another school district for the joint provision of educational services under a plan approved by the superintendent of public instruction, the superintendent of public instruction shall, notwithstanding the provisions of section 15.1-27-03.2, create and assign a separate weighting factor that allows the cooperating districts to receive, for a period of four years, a payment rate equivalent to that which each district would have received had the cooperative plan not taken effect. The superintendent of public instruction shall compute the separate weighting factor to four decimal places and that weighting factor is effective for the duration of the cooperative plan.
2. A school district that is cooperating with another school district under a cooperative plan approved by the superintendent of public instruction, and which has taxable property located in the same city as the other school district under the cooperative plan, may not be required as part of the cooperative plan to:
 - a. Provide unduplicated grade level services; or
 - b. Share administrative personnel.

SECTION 24. EFFECTIVE DATE. Section 22 of this Act becomes effective July 1, 2026.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 13

HOUSE BILL NO. 1014

(Appropriations Committee)

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

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 other funds derived from federal funds, to the protection and advocacy project for the purpose of defraying the expenses of the protection and advocacy project, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Protection and advocacy operations	\$7,791,270	\$417,060	\$8,208,330
New and vacant FTE pool	0	361,911	361,911
Total all funds	\$7,791,270	\$778,971	\$8,570,241
Less other funds	4,359,417	387,871	4,747,288
Total general fund	\$3,431,853	\$391,100	\$3,822,953
Full-time equivalent positions	28.50	1.00	29.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Accrued leave payments	\$19,288	\$0	\$19,288
Total	\$19,288	\$0	\$19,288

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The protection and advocacy project may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the protection and advocacy operations line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved March 26, 2025

Filed March 27, 2025

CHAPTER 14

HOUSE BILL NO. 1015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create and enact a new section to chapter 54-44 of the North Dakota Century Code, relating to a state facility maintenance fund; to amend and reenact subsection 1 of section 10-30.5-02 of the North Dakota Century Code and section 9 of House Bill No. 1012, as approved by the sixty-ninth Legislative Assembly, relating to the North Dakota development fund and infant and toddler care provider support payments; to repeal section 11-38-08 of the North Dakota Century Code, relating to county achievement days; to provide for a transfer; to authorize a line of credit; to provide an exemption; to provide for a report; 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 other funds derived from special funds and federal funds, to the office of management and budget for the purpose of defraying the expenses of the office of management and budget, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,510,218	\$2,884,853	\$26,395,071
New and vacant FTE pool	98,200,000	(96,997,038)	1,202,962
Operating expenses	18,217,793	6,874,081	25,091,874
Capital assets	308,355	5,808,649	6,117,004
Emergency commission contingency fund	750,000	(750,000)	0
Guardianship grants	7,100,000	1,000,000	8,100,000
Prairie public broadcasting	1,200,000	(800,000)	400,000
Community service supervision grants	350,000	(35,000)	315,000
State employee child care benefits	3,000,000	(1,635,000)	1,365,000
Student internship program	0	500,000	500,000
State facility maintenance fund	0	34,000,000	34,000,000
Rent, moving, and space reconfiguration pool	0	5,700,000	5,700,000
Retirement incentive pool	0	1,000,000	1,000,000
State hospital project	0	300,000,000	300,000,000
Total all funds	\$152,636,366	\$257,550,545	\$410,186,911
Less other funds	<u>71,757,126</u>	<u>291,360,834</u>	<u>363,117,960</u>
Total general fund	\$80,879,240	(\$33,810,289)	\$47,068,951
Full-time equivalent positions	110.00	1.00	111.00

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

not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Procurement automation	\$0	\$515,052	\$515,052
Recruiting management system	250,000	0	250,000
Student internship program	500,000	0	500,000
Employee leave payouts	99,305	50,695	150,000
Snow removal equipment	0	172,000	172,000
Floor scrubber	0	20,000	20,000
Capitol building improvements	0	3,000,000	3,000,000
Governor's residence projects	0	2,350,000	2,350,000
State facility maintenance fund	0	34,000,000	34,000,000
Rent, moving, and space reconfiguration pool	0	5,700,000	5,700,000
Retirement incentive pool	1,000,000	0	1,000,000
Prairie public broadcasting infrastructure grants	0	400,000	400,000
State hospital project	<u>0</u>	<u>300,000,000</u>	<u>300,000,000</u>
Total	\$1,849,305	\$346,207,747	\$348,057,052

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The office of management and budget may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the provisions of this Act.

SECTION 4. CONTINGENT APPROPRIATION - LOAN REPAYMENT TO BANK OF NORTH DAKOTA. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, for the period beginning with the effective date of this section and ending June 30, 2027, the sum of \$13,600,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of paying the outstanding adjutant general loan obligation and accrued interest relating to state costs incurred for responding to unlawful protests. The office of management and budget shall transfer, from the funding appropriated in this section, the amount necessary to pay the outstanding loan obligation and accrued interest to the Bank of North Dakota. The appropriation in this section is effective upon the office of management and budget certifying to the legislative council that the state has received and deposited in the general fund at least \$13,600,000 related to the judgement awarded by the United States District Court for the District of North Dakota on April 24, 2025, in the case of State of North Dakota vs. United States of America.

SECTION 5. APPROPRIATION - NEW AND VACANT FTE POOL - 2023-25 BIENNIUM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the office of management and budget for the 2023-25 biennium new and vacant FTE pool, for the period beginning with the effective date of this section and ending June 30, 2025. Notwithstanding any other provision of law, the office of management and budget may transfer the funds under this section to other state agencies in accordance with the guidelines established in section 16 of chapter 640 of the 2023 Special Session Session Laws.

SECTION 6. APPROPRIATION - UNIFORM LAW COMMISSION - 2023-25 BIENNium. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of uniform law commission expenses, for the period beginning with the effective date of this section and ending June 30, 2025.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE FACILITY MAINTENANCE FUND. The office of management and budget shall transfer the sum of \$34,000,000 from the strategic investment and improvements fund to the state facility maintenance fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. APPROPRIATION - COMMUNITY SERVICES SUPERVISION FUND. Any moneys in the community service supervision fund under section 29-26-22 are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. TRANSFER - SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of \$235,800,000 from the social services fund to the human service finance fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER AUTHORITY - STUDENT INTERNSHIP PROGRAM - STATE FACILITY MAINTENANCE FUND - RENT, MOVING, AND SPACE RECONFIGURATION POOL. The office of management and budget may transfer appropriation authority to eligible state agencies during the biennium beginning July 1, 2025, and ending June 30, 2027, from the line items in section 1 of this Act as follows:

1. From the student internship line item for student internships.
2. From the state facility maintenance fund line item for maintenance projects at state-owned facilities.
3. From the rent, moving, and space reconfiguration pool line item for agency lease, relocation, and remodeling costs.

SECTION 11. TRANSFER - FEDERAL STATE FISCAL RECOVERY FUND APPROPRIATION AUTHORITY TO DEPARTMENT OF CORRECTIONS AND REHABILITATION - EXEMPTION - SPENDING RESTRICTION - REPORT.

1. Notwithstanding any other provision of law, on or before June 30, 2025, the office of management and budget shall transfer any federal state fiscal recovery fund appropriation authority amounts previously obligated but not anticipated to be expended from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages of the department of corrections and rehabilitation, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Notwithstanding any other provision of law, on or before December 31, 2026, the office of management and budget shall transfer any federal state fiscal recovery fund appropriation authority amounts previously obligated but not anticipated to be expended from the state agency that received the appropriation authority to the department of corrections and rehabilitation for

the purpose of defraying the expenses of salaries and wages of the department of corrections and rehabilitation, for the biennium beginning July 1, 2025, and ending June 30, 2027.

3. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2025, and ending June 30, 2027. Any interest and earnings received by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages, for the biennium beginning July 1, 2025, and ending June 30, 2027.
4. The department of corrections and rehabilitation may not spend general fund appropriations equal to the amount of any federal state fiscal recovery fund moneys transferred to the department under this section.
5. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section.

SECTION 12. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$206,807,052 from the strategic investment and improvements fund for the following projects:

Procurement automation	\$515,052
Snow removal equipment	172,000
Floor scrubber	20,000
Rent, moving, and space reconfiguration pool	5,700,000
Prairie public broadcasting infrastructure grants	400,000
State hospital project	<u>200,000,000</u>
Total	\$206,807,052

SECTION 13. OTHER FUNDS - CAPITOL BUILDING FUND. The other funds line item in section 1 of this Act includes the sum of \$5,850,000 from the capitol building fund for the following purposes and projects:

Ongoing capitol grounds repairs	\$500,000
Governor's residence projects	2,350,000
Capitol building improvements	<u>3,000,000</u>
Total	\$5,850,000

SECTION 14. OTHER FUNDS - STATE HOSPITAL PROJECT - BANK OF NORTH DAKOTA LINE OF CREDIT - PROJECT OVERSIGHT.

1. The other funds line item in section 1 of this Act includes \$100,000,000 from a Bank of North Dakota line of credit. The office of management and budget may borrow up to \$100,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, for costs associated with the construction of a new state hospital. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the office of management and budget accesses the line of credit, it shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

2. The office of management and budget shall oversee and have managerial control of the project consistent with the objectives approved by the state hospital steering committee established in this Act. The office of management and budget may seek other federal, state, local, or private funds, and may enter contracts, agreements, or partnerships to complete the project. Any management consultants utilized for the project must report directly to the office of management and budget.

SECTION 15. NEW STATE HOSPITAL - STEERING COMMITTEE. The office of management and budget shall establish a new state hospital facility steering committee to oversee the design and construction of a new state hospital facility, for the biennium beginning July 1, 2025, and ending June 30, 2027. The committee must include representation from the department of health and human services, the office of management and budget, the governor's office, and the legislative assembly. The legislative assembly representation must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

SECTION 16. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may be used only for the following grants and special items:

Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$757,489

SECTION 17. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2025-27 biennium compensation adjustments for permanent state employees are to average 3 percent per eligible employee for the first fiscal year of the biennium and are to average 3 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2025, to be paid in August 2025, and for the second year of the biennium are to be given beginning with the month of July 2026, to be paid in August 2026. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

SECTION 18. NEW AND VACANT FTE POOL - GUIDELINES - EXEMPTION - TRANSFERS - REPORTS - APPLICATION.

1. Notwithstanding section 54-16-04, the office of management and budget shall transfer funds from an executive branch state agency's new and vacant

FTE pool line item to the agency's salaries and wages line item or other line items with salaries and wages funding as requested by the agency in accordance with provisions of this section.

2. An executive branch state agency may request a transfer to provide funding for the salaries and wages necessary for the remainder of the 2025-27 biennium for a new full-time equivalent position authorized by the sixty-ninth legislative assembly from the date of hiring through the end of the biennium, limited to the amount identified for the position in the statement of purpose of amendment.
3. After July 31, 2026, an executive branch state agency may request a transfer if the agency projects actual salaries and wages expenditures will exceed the agency's available salaries and wages funding for the biennium. The transfer amount may not exceed the amount by which the agency's actual salaries and wages savings from vacant positions and employee turnover to date and estimates for the remainder of the biennium adjusted for other identified uses of any savings are less than the vacant position savings estimate used by the sixty-ninth legislative assembly in development of the agency's appropriation. The agency shall provide documentation supporting the need for the transfer to the office of management and budget and the legislative council in advance of the transfer request.
4. Each executive branch state agency with a new and vacant FTE pool line item shall report to the office of management and budget and the legislative council on a quarterly basis regarding any transfer of appropriation authority for filling a new full-time equivalent position. The report must include the funding transferred, the title of the position filled, the salary funding removed by the sixty-ninth legislative assembly for the position by funding source as identified in the statement of purpose of amendment, and the date the position was filled.
5. Each executive branch state agency with a new and vacant FTE pool line item shall report quarterly to the office of management and budget and the legislative council on the number of full-time equivalent positions that become vacant and the number of positions filled each month, the number of vacant positions at the end of each month, salaries and wages savings by funding source for each month resulting from vacant positions and employee turnover, and the use of salaries and wages savings by funding source for other purposes, including accrued leave payouts, salary increases in addition to general salary increases provided by the sixty-ninth legislative assembly, bonuses, incentive or location pay adjustments, reclassifications, temporary salaries or overtime in excess of amounts provided by the sixty-ninth legislative assembly, or other items.
6. The office of management and budget shall report to each meeting of the budget section regarding the status of funding in each executive branch state agency's new and vacant FTE pool line item; vacant positions, employee turnover, and savings from vacant positions and employee turnover by agency; and uses of savings from vacant positions and employee turnover for other purposes by agency.
7. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-ninth legislative assembly, for the biennium beginning July 1, 2025, and ending June 30, 2027.

8. An executive branch state agency may request a deficiency appropriation from the seventieth legislative assembly if the funding in the agency's new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium.

SECTION 19. A new section to chapter 54-44 of the North Dakota Century Code is created and enacted as follows:

State facility maintenance fund.

There is created in the state treasury the state facility maintenance fund. The fund consists of moneys allocated to the fund from legislative transfers. Subject to legislative appropriation, moneys in the fund may be used for maintenance needs at state-owned facilities, excluding facilities under the control of the state board of higher education.

³ **SECTION 20. AMENDMENT.** Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

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 form a management and operation entity related to the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1,~~ and 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, and joint ventures related to the beyond visual line of sight uncrewed aircraft system program under section 54-60-29.1, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 21. Section 9 of House Bill No. 1012, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

SECTION 9. - INFANT AND TODDLER CARE PROVIDER SUPPORT DIRECT PAYMENT - ONE-TIME FUNDING - REPORT. Section 1 of this Act includes the sum of \$11,000,000 of one-time funding from the general fund for direct payments to licensed child care providers to support high-quality early childhood care for infants and toddlers. The department shall administer the direct payment program and include the following provisions:

1. To qualify for a direct payment under this section, a direct payment recipient may not be currently receiving a child care assistance program infant/toddler bonus payment and must:
 - a. Be a licensed ~~child care facility~~ early childhood program within the state of North Dakota;
 - b. Be enrolled in the state's bright and early quality rating system at a two-star, three-star, or four-star rating level; and
 - c. Provide care for children from birth ~~through~~ to three years of age.

³ Section 10-30.5-02 was also amended by section 17 of Senate Bill No. 2018, chapter 50.

2. Eligible providers may receive up to \$200 per month for each child from birth through seventeen months of age and up to \$115 per month for each child from eighteen ~~through~~ thirty-six months of age.
3. The department shall distribute the direct payments on a ~~quarterly~~monthly basis. Direct payments may not be used for non-child care-related expenses or debt repayment.
4. Direct payment recipients shall submit annual reports to the department detailing fund usage, enrollment statistics, and other information requested by the department.
5. The department shall provide reports to the legislative management and to the appropriations committees of the seventieth legislative assembly on direct payments and the effectiveness of the program.

SECTION 22. REPEAL. Section 11-38-08 of the North Dakota Century Code is repealed.

SECTION 23. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 640 of the 2023 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 24. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$500,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws and continued into the 2021-23 biennium pursuant to chapter 42 of the 2021 Session Laws and continued into the 2023-25 biennium pursuant to chapter 640 of the 2023 Special Session Session Laws for an assessment of state facilities.
2. The sum of \$3,659,555 appropriated from federal funds in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the governor's emergency education relief program.
3. The sum of \$4,000,000 from the capitol building fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the window replacement project.
4. The sum of \$2,500,000 appropriated from the general fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for space utilization improvements.
5. The sum of \$20,000,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the boiler replacement project and water mitigation at the liberty memorial building.

6. The sum of \$400,000 appropriated from the general fund in section 1 and identified in section 2 of chapter 640 of the 2023 Special Session Session Laws for the procurement automation project.

SECTION 25. EMERGENCY. The capital assets, state facility maintenance fund, and rent, moving, and space reconfiguration pool line items in section 1 of this Act and sections 4, 5, 6, and 11 of this Act are declared to be emergency measures.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 15

HOUSE BILL NO. 1016

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide a statement of legislative intent; 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 other funds derived from special funds and federal funds, to the office of the adjutant general for the purpose of defraying the expenses of the office of the adjutant general, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,745,742	(\$4,089,855)	\$3,655,887
New and vacant FTE pool	0	1,943,664	1,943,664
Operating expenses	3,214,211	(1,618,997)	1,595,214
Capital assets	224,046	47,749,954	47,974,000
Grants	470,692	0	470,692
Civil air patrol	330,642	215,254	545,896
Tuition, recruiting, and retention	3,362,235	0	3,362,235
Air guard contract	8,928,725	111,734	9,040,459
Army guard contract	49,586,921	19,080,973	68,667,894
Veterans' cemetery	1,401,147	62,469	1,463,616
Reintegration program	<u>900,634</u>	<u>(900,634)</u>	<u>0</u>
Total all funds	\$76,164,995	\$62,554,562	\$138,719,557
Less other funds	<u>58,308,741</u>	<u>59,468,686</u>	<u>117,777,427</u>
Total general fund	\$17,856,254	\$3,085,876	\$20,942,130

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,562,188	\$1,800,194	\$15,362,382
New and vacant FTE pool	0	910,777	910,777
Operating expenses	6,815,567	769,316	7,584,883
Capital assets	0	660,000	660,000
Grants	27,790,000	0	27,790,000
Disaster costs	74,249,944	78,761,155	153,011,099
Radio communications	<u>0</u>	<u>1,020,000</u>	<u>1,020,000</u>

Total all funds	\$122,417,699	\$83,921,442	\$206,339,141
Less other funds	<u>114,662,611</u>	<u>81,789,583</u>	<u>196,452,194</u>
Total general fund	\$7,755,088	\$2,131,859	\$9,886,947

Subdivision 3.

SECTION 1 TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total all funds	\$198,582,694	\$146,476,004	\$345,058,698
Less grand total other funds	<u>172,971,352</u>	<u>141,258,269</u>	<u>314,229,621</u>
Grand total general fund	\$25,611,342	\$5,217,735	\$30,829,077
Full-time equivalent positions	233.00	2.00	235.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
National guard	
Camp Grafton regional training institute	\$34,000,000
Critical infrastructure state matching funds	4,500,000
Williston readiness center design	2,500,000
Civil air patrol statewide interoperable radio network upgrade	206,426
Line of communication bridge training site	3,674,000
Dickinson readiness center	5,800,000
Camp Grafton fitness facility	<u>2,000,000</u>
Total national guard	\$52,680,426
Department of emergency services	
Safeguarding Tomorrow through Ongoing Risk Mitigation Act	\$39,050,000
Wildland fires	2,550,000
Disaster response equipment	660,000
Law enforcement redundant switch	525,000
Statewide interoperable radio network costs	495,000
Flood mitigation grants	<u>200,000</u>
Total department of emergency services	<u>\$43,480,000</u>
Grand total	\$96,160,426

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The adjutant general may not spend funds appropriated in the new and vacant FTE pool line items in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line items to the applicable salaries and wages, civil air patrol, air guard contract, army guard contract, veterans' cemetery, and disaster costs line items within each subdivision in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

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 that are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. EXEMPTION - MAINTENANCE AND REPAIRS - TRANSFERS.

Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$500,000 of appropriation authority to the operating expenses and capital assets line items contained in section 1 of this Act, as requested by the adjutant general during the biennium beginning July 1, 2025, and ending June 30, 2027. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in subdivision 1 of section 1 of this Act includes the sum of \$7,206,426 from the strategic investment and improvements fund, of which \$4,500,000 is for critical infrastructure state matching funds, \$2,500,000 is for the Williston readiness center design, and \$206,426 is for the civil air patrol statewide interoperable radio network upgrade. The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$1,020,000 from the strategic investment and improvements fund, of which \$525,000 is for the state radio law enforcement redundant switch and \$495,000 is for statewide interoperable radio network costs.

SECTION 7. OTHER FUNDS - STATE DISASTER RELIEF FUND. The other funds line item in subdivision 2 of section 1 of this Act includes the sum of \$11,800,703 from the state disaster relief fund, of which \$5,750,703 is for costs related to previous state disasters, \$2,000,000 is for natural disaster response and recovery grants, \$3,550,000 is for the ten percent state match for the federal safeguarding tomorrow through ongoing risk mitigation program, \$300,000 is for wildland fire disaster funding, and \$200,000 is for flood mitigation grants.

SECTION 8. GIFTS, GRANTS, AND DONATIONS - NORTH DAKOTA MILITARY MUSEUM. The adjutant general may accept gifts, grants, and donations, including those from private and federal sources, and remit the funding to the state treasurer for deposit in the state historical society gifts and bequests fund for the construction of a North Dakota military museum during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining for the construction of the Dickinson readiness center continued in section 12 of chapter 48 of the 2023 Session Laws appropriated from federal funds in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
2. Any amounts remaining for the line of communication bridge training site continued in section 12 of chapter 48 of the 2023 Session Laws appropriated from federal funds in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
3. The sum of \$9,000,000 appropriated from the federal state fiscal recovery fund for the construction of the Camp Grafton fitness facility in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws;
4. The sum of \$3,362,235 appropriated from the general fund for tuition assistance, recruiting, and retention incentives to eligible current and former members of the North Dakota national guard in subdivision 1 of section 1 of chapter 48 of the 2023 Session Laws, which may be used for program administration and operating costs;

5. Any amounts remaining for the expansion of Camp Grafton continued in section 12 of chapter 48 of the 2023 Session Laws appropriated from the national guard training area and facility development trust fund in section 3 of chapter 16 of the 2021 Session Laws;
6. Any amounts remaining for replacing the state active duty software and maintenance continued in section 12 of chapter 48 of the 2023 Session Laws appropriated from the federal state fiscal recovery fund in subsection 24 of section 1 of chapter 550 of the 2021 Special Session Session Laws;
7. The sum of \$314,000 appropriated from the general fund for cybersecurity grants in subdivision 2 of section 1 of chapter 48 of the 2023 Session Laws; and
8. The sum of \$225,000 appropriated from the state disaster relief fund for flood mitigation grants in subdivision 2 of section 1 of chapter 48 of the 2023 Session Laws.

SECTION 10. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the adjutant general contract for the purchase or long-term lease of land for the Camp Grafton expansion, including the purchase of up to one thousand six hundred acres and the long-term lease of the remainder, not to exceed six thousand acres in total. The adjutant general may not use eminent domain for the expansion of Camp Grafton.

SECTION 11. EMERGENCY. The following are declared to be an emergency measure:

1. The sum of \$6,000,000 appropriated from the general fund and the strategic investment and improvements fund for critical infrastructure state matching funds in the army guard contract line item in subdivision 1 of section 1 of this Act;
2. The sum of \$206,426 appropriated from the strategic investment and improvements fund for the civil air patrol statewide interoperable radio network upgrade in the civil air patrol line item in subdivision 1 of section 1 of this Act; and
3. The sum of \$39,050,000 appropriated from the state disaster relief fund and federal funds for the Safeguarding Tomorrow through Ongoing Risk Mitigation Act in the disaster costs line item of subdivision 2 of section 1 of this Act.

Approved April 23, 2025

Filed April 23, 2025

CHAPTER 16

HOUSE BILL NO. 1017

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; 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 from other funds derived from special funds and federal funds, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$37,008,098	\$2,317,621	\$39,325,719
New and vacant FTE pool	0	1,862,510	1,862,510
Operating expenses	17,788,258	2,016,038	19,804,296
Capital assets	5,400,661	1,622,479	7,023,140
Grants - game and fish	10,089,976	(3,001,997)	7,087,979
Land habitat and deer depredation	27,183,516	4,989,565	32,173,081
Noxious weed control	725,000	0	725,000
Missouri River enforcement	313,869	9,912	323,781
Grants, gifts, and donations	677,970	17,110	695,080
Nongame wildlife conservation	100,000	0	100,000
Lonetree reservoir	2,156,714	(48,117)	2,108,597
Wildlife services	500,000	0	500,000
Shooting sports grant program	250,000	0	250,000
Aquatic nuisance species program	2,533,452	352,055	2,885,507
Total other funds	\$104,727,514	\$10,137,176	\$114,864,690
Full-time equivalent positions	170.00	0.00	170.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Information technology projects	\$380,000
Baukol-Noonan dam repairs	150,000
Equipment	220,200
Garrison dam national fish hatchery pondliners	1,500,000
Garrison dam national fish hatchery pumps	300,000
Wildlife habitat and access on private lands	5,000,000
Total other funds	\$7,550,200

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The game and fish department may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item and other line items with salaries and wages in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. GRANTS, GIFTS, AND DONATIONS LINE ITEM. The grants, gifts, and donations line item in section 1 of this Act includes up to \$100,000 received by the game and fish department for surface damage, easements, or reclamation on department-owned or managed properties as a result of mineral exploration and extraction activities.

SECTION 5. MIDTERM CONSERVATION AGREEMENTS. The game and fish department may spend up to \$2,777,778 from other funds in the land habitat and deer depredation line item in section 1 of this Act for national fish and wildlife foundation midterm conservation agreements with private landowners. The department shall limit the term of these agreements to a maximum of thirty years. The department shall provide buyback provisions after the fifteenth, twentieth, and twenty-fifth years of the agreement if the property owner desires to withdraw all or a portion of acreage from the lease.

SECTION 6. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$2,000,000 of appropriation authority between the operating expenses, capital assets, and grants - game and fish line items in section 1 of this Act as requested by the game and fish department during the biennium beginning July 1, 2025, and ending June 30, 2027. The game and fish department shall notify the legislative council of any transfers made pursuant to this section.

Approved April 22, 2025

Filed April 23, 2025

CHAPTER 17

HOUSE BILL NO. 1018

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state historical society; to amend and reenact section 55-01-02.1 of the North Dakota Century Code, relating to jurisdiction of the heritage center; to authorize a Bank of North Dakota line of credit; 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 other funds derived from special funds and federal funds, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$16,832,853	\$3,313,454	\$20,146,307
New and vacant FTE pool	0	934,276	934,276
Operating expenses	3,443,236	2,084,415	5,527,651
Capital assets	1,330,184	82,267,649	83,597,833
Grants	928,340	1,092,500	2,020,840
Cultural heritage grants	500,000	(500,000)	0
America 250 th celebration	0	2,000,000	2,000,000
Total all funds	\$23,034,613	\$91,192,294	\$114,226,907
Less other funds	2,434,264	88,381,416	90,815,680
Total general fund	\$20,600,349	\$2,810,878	\$23,411,227
Full-time equivalent positions	83.50	2.00	85.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Temporary staff salaries and operating	\$10,225	\$52,011	\$62,236
Repatriation compliance costs	100,000	0	100,000
Pembina state museum exhibits	0	638,000	638,000
Underrepresented community program	0	75,000	75,000
Military gallery expansion project	0	77,944,524	77,944,524
Inspiration gallery updates	0	700,000	700,000
Medora area planning	0	2,000,000	2,000,000
State archive storage updates	207,500	0	207,500

Historical structures and buildings improvements	0	3,000,000	3,000,000
Paul Bruhn historical revitalization grants	0	750,000	750,000
Historic museum repairs grant	0	200,000	200,000
Historic armory restoration grant	0	100,000	100,000
America 250 th celebration	0	<u>2,000,000</u>	<u>2,000,000</u>
Total	\$317,725	\$87,459,535	\$87,777,260

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The state historical society may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. APPROPRIATION - REVOLVING FUND. 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, 2025, and ending June 30, 2027.

SECTION 5. APPROPRIATION - GIFTS, GRANTS, AND BEQUESTS. 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, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT.

1. The other funds line item in section 1 of this Act includes the sum of \$27,488,000 from the strategic investment and improvements fund, of which \$638,000 is for Pembina state museum exhibit designs and objects, \$15,000,000 is for the military gallery expansion project, \$4,200,000 is for the repayment of a Bank of North Dakota line of credit for the military gallery expansion project from the 2023-25 biennium, \$350,000 is for an update to the inspiration gallery at the North Dakota heritage center, \$2,000,000 is for Medora area planning, \$3,000,000 is for improvements to historical structures and buildings, \$200,000 is for a historic museum repairs grant, \$100,000 is for a historic armory restoration grant, and \$2,000,000 is for America 250th celebration activities, of which \$1,000,000 is for state-related celebration activities and \$1,000,000 is for Medora-related celebration activities.
2. The state historical society may spend funds appropriated for the historic museum repairs grant and historic armory restoration grant programs only to the extent the organizations have secured one dollar of matching funds from nonstate sources for every two dollars provided by the state historical society. The state historical society may accept matching funds raised during or prior to the 2025-27 biennium for programs under this subsection.
3. The state historical society may access the \$15,000,000 appropriated from the strategic investment and improvements fund for the military gallery expansion project in section 1 of this Act only upon certification from the director of the state historical society to the office of management and budget that at least

thirty-three percent, or \$12,785,693, of the \$38,744,524 appropriated from donations for the military gallery expansion project in section 1 of this Act, has been pledged from nonstate sources for the project.

SECTION 7. OTHER FUNDS - BANK OF NORTH DAKOTA LINE OF CREDIT - MILITARY GALLERY EXPANSION PROJECT. The other funds line item in section 1 of this Act includes the sum of \$20,000,000, which the state historical society may borrow through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the state historical society accesses the line of credit, the state historical society shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 8. OTHER FUNDS - DONATIONS. The other funds line item in section 1 of this Act includes the sum of \$39,094,524 from other funds derived from donations, of which \$38,744,524 is for the military gallery expansion project and \$350,000 is for an update to the inspiration gallery at the North Dakota heritage center.

SECTION 9. OTHER FUNDS - DEPARTMENT OF TRANSPORTATION GRANT. The other funds line item in section 1 of this Act includes \$100,000 of grant funding from the department of transportation for the purpose of defraying the expenses of the Lewis and Clark interpretive center.

SECTION 10. AMENDMENT. Section 55-01-02.1 of the North Dakota Century Code is amended and reenacted as follows:

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

The society has jurisdiction over the administration and operations of the North Dakota heritage center building. The director of the office of management and budget is responsible for maintenance of the heritage center building. The society, in consultation with the adjutant general, is responsible for all public displays, signage, and museum content for the military gallery within the North Dakota heritage center building. The society and the adjutant general shall enter a memorandum of agreement to establish policies on public displays, signage, and museum content for the military gallery. The regimental room of the military gallery must be named the North Dakota national guard regimental room. The society shall maintain the collections displayed and stored at the heritage center and shall provide, or arrange, for the security of those collections. The society shall establish a policy that authorizes the consumption of alcoholic beverages, including distilled spirits as defined in section 5-01-01, at the heritage center during an event that is open only to invited guests and if the alcoholic beverages are dispensed by a qualified alcoholic beverage licensee.

SECTION 11. EMERGENCY. The following are declared to be an emergency measure:

1. \$4,200,000 appropriated from the strategic investment and improvements fund in section 1 of this Act to repay a Bank of North Dakota line of credit for the military gallery expansion project; and
2. \$15,000,000 appropriated from the strategic investment and improvements fund in section 1 of this Act for the military gallery expansion project.

Approved May 5, 2025

Filed May 6, 2025

CHAPTER 18

HOUSE BILL NO. 1019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to create and enact a new section to chapter 55-08 of the North Dakota Century Code, relating to the creation and naming of state parks; to provide for a transfer; to provide for a report; 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 other funds derived from special funds and federal funds, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,999,629	(\$219,225)	\$2,780,404
Parks operations and maintenance	24,128,685	19,088,428	43,217,113
Recreation	11,465,641	855,335	12,320,976
New and vacant FTE pool	0	679,393	679,393
Total all funds	\$38,593,955	\$20,403,931	\$58,997,886
Less other funds	<u>24,893,684</u>	<u>19,701,790</u>	<u>44,595,474</u>
Total general fund	\$13,700,271	\$702,141	\$14,402,412
Full-time equivalent positions	65.00	11.00	76.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$1,126,329	\$1,967,500	\$3,093,829
Total all funds	\$1,126,329	\$1,967,500	\$3,093,829
Less other funds	0	1,967,500	1,967,500
Total general fund	\$1,126,329	\$0	\$1,126,329

Subdivision 3.

SECTION 1 TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$39,720,284	\$22,371,431	\$62,091,715
Less grand total other funds	<u>24,893,684</u>	<u>21,669,290</u>	<u>46,562,974</u>
Grand total general fund	\$14,826,600	\$702,141	\$15,528,741

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Equipment	\$250,000	\$250,000	\$500,000
Deferred maintenance	0	12,500,000	12,500,000
State parks comfort stations	0	924,000	924,000
State parks technology enhancements	0	2,500,000	2,500,000
Lake Metigoshe state park sewer project	0	800,000	800,000
State parks matching grants	0	2,500,000	2,500,000
International Peace Garden music camp project	0	1,400,000	1,400,000
International Peace Garden sewer, water, and irrigation master development plan	0	250,000	250,000
International Peace Garden conservatory project	<u>0</u>	<u>317,500</u>	<u>317,500</u>
Total	\$250,000	\$21,441,500	\$21,691,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The parks and recreation department may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to other line items with salaries and wages in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORTING. In addition to the amounts appropriated in section 1 of this Act, any additional federal or special funds that become available are appropriated to the parks and recreation department, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department shall report any additional income under this section to the office of management and budget and the legislative council.

SECTION 5. TRANSFER - GAME AND FISH DEPARTMENT TO PARKS AND RECREATION DEPARTMENT - GAME AND FISH OPERATING FUND - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000, or so much of the sum as may be necessary, included in the park operations and maintenance 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, which 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, 2025, and ending June 30, 2027.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes \$19,941,500 from the strategic investment and improvements fund, of which:

1. \$12,500,000 is for deferred maintenance at state parks, \$924,000 is for comfort stations at state parks, \$2,500,000 is for state parks technology

enhancements, \$800,000 is for a Lake Metigoshe state park sewer infrastructure project, \$1,250,000 is for state parks matching funds, \$1,400,000 is for an international music camp complex revitalization project at the International Peace Garden, \$250,000 is for a sewer, water, and irrigation master development plan at the International Peace Garden, and \$317,500 is for a cactus conservatory project at the International Peace Garden.

2. The parks and recreation department may use funding appropriated for deferred maintenance at state parks for the purchase of buildings to replace currently owned buildings that are beyond feasible repair.
3. The parks and recreation department shall use the \$800,000 identified in this section for the Lake Metigoshe state park sewer infrastructure project to provide a grant to a local sewer district to replace or repair the sewer infrastructure system servicing Lake Metigoshe state park and surrounding areas. Grant funding awarded under this section may not exceed twenty percent of the total project cost to replace or repair the sewer infrastructure system.

SECTION 7. INTERNATIONAL PEACE GARDEN. The International Peace Garden line item in section 1 of this Act includes \$1,967,500 for projects at the International Peace Garden, which the parks and recreation department may provide only to the extent the funds are matched by the province of Manitoba at a value equal to the United States dollar exchange rate on July 1, 2025.

***SECTION 8.** A new section to chapter 55-08 of the North Dakota Century Code is created and enacted as follows:

Creation and naming of state parks.

Notwithstanding any other provision of law, a state agency or official may not create a new state park or rename an existing state park without prior approval from the legislative assembly.

SECTION 9. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$634,126 appropriated from the parks and recreation fund for extraordinary repairs in subdivision 1 of section 1 of chapter 44 of the 2019 Session Laws, continued into the 2021-23 biennium in section 13 of chapter 19 of the 2021 Session Laws, and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.
2. The sum of \$200,000 appropriated from the general fund for trail lease renewals and construction or purchasing trail easements in subdivision 1 of section 1 of chapter 19 of the 2021 Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.
3. The sum of \$50,000 appropriated from the general fund for the Fort Abraham Lincoln viewshed lease in subdivision 1 of section 1 of chapter 19 of the 2021 Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws for plantings to improve the viewshed.
4. The sum of \$10,000,000 appropriated from the federal state fiscal recovery fund for deferred maintenance and capital projects in subsection 9 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.

5. The sum of \$5,000,000 appropriated from the state fiscal recovery fund for the grants to local park districts to renovate and upgrade existing facilities in subsection 5 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.
6. The sum of \$1,632,800 appropriated from the state fiscal recovery fund and local matching funds for capital project improvements at state parks, subject to the parks and recreation department obtaining matching funds from nonstate sources for each project on a dollar-for-dollar basis in section 7 of chapter 19 of the 2021 Session Laws as amended in section 4 of chapter 548 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.
7. The sum of \$7,900,000 appropriated from the state fiscal recovery fund for the deferred maintenance and capital projects in section 6 of chapter 19 of the 2021 Session Laws as amended by section 3 of chapter 548 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 9 of chapter 51 of the 2023 Session Laws.
8. The sum of \$800,000 appropriated from the strategic investment and improvements fund for a pavilion construction project at the International Peace Garden in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
9. The sum of \$10,000,000 appropriated from the strategic investment and improvements fund for deferred maintenance and capital projects in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
10. The sum of \$2,400,000 appropriated from the strategic investment and improvements fund for a cabin construction project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
11. The sum of \$250,000 appropriated from the strategic investment and improvements fund for a Lake Metigoshe reimagined project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
12. The sum of \$6,000,000 appropriated from the strategic investment and improvements fund for city, county, and tribal park system grants in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
13. The sum of \$70,000,000 appropriated from special funds derived from a Bank of North Dakota line of credit for the Theodore Roosevelt presidential library project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws, which may be used only for providing reimbursement of construction costs associated with building the Theodore Roosevelt presidential library, including fixtures, furnishings, exhibit structures, supplies, and materials.
14. The sum of \$6,000,000 appropriated from the strategic investment and improvements fund for a Pembina Gorge campground project in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.
15. The sum of \$3,000,000 appropriated from the strategic investment and improvements fund and matching funds for state park matching grants subject to the parks and recreation department obtaining matching funds from nonstate sources for each project on a dollar-for-dollar basis in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws.

16. The sum of \$2,000,000 appropriated from grant funds from the state water commission for sovereign land grants in subdivision 1 of section 1 of chapter 51 of the 2023 Session Laws. The department may use up to \$450,000 of this funding for deferred maintenance projects at state parks and for the purchase of equipment. All other remaining funding under this subsection must be used for sovereign land grants.

Approved May 19, 2025

Filed May 19, 2025

* Section 8 of House Bill No. 1019 was vetoed, see chapter 603.

CHAPTER 19

HOUSE BILL NO. 1020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of water resources; to create and enact a new section to chapter 61-24.6 of the North Dakota Century Code, relating to the northwest area water supply biota water treatment plant operating fund; to amend and reenact subsection 1 of section 54-12-08 and sections 54-35-02.7 and 61-02-79 of the North Dakota Century Code, relating to state agency employment of attorneys, the powers and duties of the water topics overview committee, and a Bank of North Dakota line of credit; to provide legislative intent; to provide for a report; to provide for a study; to provide a continuing appropriation; 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 from other funds, derived from special funds and federal funds, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,998,148	\$2,333,877	\$25,332,025
New and vacant FTE pool	0	2,371,058	2,371,058
Operating expenses	56,625,923	(26,082,810)	30,543,113
Capital assets	124,136,712	(121,582,762)	2,553,950
Southwest pipeline project	0	101,000,000	101,000,000
Northwest area water supply	0	106,857,325	106,857,325
Water supply - grants	316,200,000	(316,200,000)	0
Rural water supply - grants	52,000,000	(52,000,000)	0
Water supply	0	110,000,000	110,000,000
Regional water supply	0	245,000,000	245,000,000
General water - grants	12,000,000	(12,000,000)	0
General water	0	18,000,000	18,000,000
Flood control grants	115,700,000	(115,700,000)	0
Flood control	0	117,600,000	117,600,000
Discretionary funding	0	10,000,000	10,000,000
Total other funds	\$699,660,783	\$69,596,688	\$769,257,471
Full-time equivalent positions	93.00	5.00	98.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
New FTE costs	\$36,000
Board of water well contractors costs	30,000
Emergency pumps replacement	480,000
Excavator replacement	400,000
Data logger replacement	60,000
Bank of North Dakota line of credit	<u>260,000,000</u>
Total other funds	\$261,006,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER

REQUEST. The department of water resources may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds and other amounts in the resources trust fund and water commission fund which become available are appropriated to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2027. Any additional amounts in the resources trust fund must be allocated equally between municipal water supply grants and rural water supply grants. Any additional amounts in the water commission fund must be allocated to the project for which the funding was intended. Any additional federal funds which become available to the department of water resources must be allocated for the purpose for which the funds were received. The director of the department of water resources shall report to the legislative management on the use of any additional appropriation authority pursuant to this section.

SECTION 5. OTHER FUNDS - WATER PROJECTS STABILIZATION FUND. The total other funds line item in section 1 of this Act includes \$42,500,000 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 6. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING. The discretionary funding appropriated to the department of water resources in section 1 of this Act or continued in section 24 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 7. TRANSFER - RESOURCES TRUST FUND - WATER INFRASTRUCTURE REVOLVING LOAN FUND. The state treasurer shall transfer \$40,000,000 from the resources trust fund to the water infrastructure revolving loan fund at the Bank of North Dakota for providing loans for water projects, as requested by the director of the department of water resources, during the period beginning with the effective date of this Act, and ending June 30, 2027.

SECTION 8. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER. The department of water resources may request a line of credit from the Bank of North Dakota not to exceed \$100,000,000 to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local cost-share loans for projects approved by the state water commission pursuant to

section 6-09-49.2 for the period beginning with the effective date of this Act, and ending June 30, 2027. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

4 SECTION 9. AMENDMENT. Subsection 1 of section 54-12-08 of the North Dakota Century Code is amended and reenacted as follows:

1. After consultation with the head of the state department or institution or with the state board, commission, committee, or agency affected, the attorney general may appoint assistant or special assistant attorneys general to represent the state board, commission, committee, or agency. A state officer, head of any state department, whether elected or appointed, or state department, board, commission, committee, or agency may not employ legal counsel, and ~~no person may~~ a person may not act as legal counsel in any matter, action, or proceeding in which the state or any state department, board, commission, committee, or agency is interested or is a party, except upon written appointment by the attorney general. Workforce safety and insurance, the department of transportation, the state tax commissioner, the public service commission, the insurance commissioner, the agriculture commissioner, and the ~~securities commissioner~~ department of water resources may employ attorneys to represent them. These entities shall pay the salaries and expenses of the attorneys they employ within the limits of legislative appropriations. The attorneys that represent these entities must be special assistant attorneys general appointed by the attorney general pursuant to this section. Absent good cause, the attorney general shall appoint as special assistant attorneys general licensed attorneys selected by these entities. The attorney general may revoke the appointment only for good cause or upon the request of the entity. Good cause means an inadequate level of experience, competence, or ethical standards.

SECTION 10. AMENDMENT. Section 54-35-02.7 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.7. Water topics overview committee - ~~Duties~~Powers and duties.

1. The legislative management, during each ~~interim~~ biennium, shall appoint a water topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly during the interim and is responsible for legislative overview of water topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water topics. 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.
2. Any request anticipated to be submitted to the state water commission or to the next legislative assembly for which the state cost-share is estimated to be ten million dollars or more must be reported to the water topics overview committee before May thirty-first of each even-numbered year. The committee shall review the request and make a recommendation on the prioritization of the project for consideration by the next legislative assembly. A copy of the committee's report concerning a new water project request must be provided to the appropriations committees of the legislative assembly.

⁴ Section 54-12-08 was also amended by section 12 of Senate Bill No. 2214, chapter 101.

3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and also may study measures and proposals referred to the committee by the legislative assembly or the legislative management.
4. If a water project requesting state funds of ten million dollars or more is introduced in either house without a report from the committee, the committee shall consider and report its recommendation regarding the project. A copy of the committee's report concerning the new water project request must be provided to the appropriations committees of the legislative assembly.
5. The committee shall work collaboratively with the state water commission and may meet with the state water commission.
6. The committee shall report on the committee's project prioritization process, provide updates on allocated program expenditures, and report on the fund balances of projects, grants, and contracts. ~~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.~~
7. The committee shall report the findings and recommendations of the committee, along with any necessary legislation, to the legislative management and to the legislative assembly.

SECTION 11. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

61-02-79. Bank of North Dakota - Line of credit.

~~The Bank of North Dakota shall extend~~ department of water resources may request a line of credit from the Bank of North Dakota not to exceed one hundred million two hundred sixty million dollars at the prevailing interest rate charged to North Dakota government entities. The department of water resources shall repay the line of credit from funds available in the resources trust fund or other funds, as appropriated by the legislative assembly. If the moneys available at the end of each biennium are not sufficient to repay the line of credit, the department of water resources shall request from the legislative assembly a deficiency appropriation to repay the line of credit. The department of water resources may access the line of credit, as necessary, to provide up to ~~fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 2023, and ending June 30, 2025~~ and two hundred ten million dollars for water projects.

SECTION 12. A new section to chapter 61-24.6 of the North Dakota Century Code is created and enacted as follows:

Biota water treatment plant operating fund - Continuing appropriation.

The biota water treatment plant operating fund is a special fund in the state treasury into which all federal funds received for the operation of the northwest area water supply's biota water treatment plant must be deposited. All moneys in the fund are appropriated to the department of water resources on a continuing basis for operations of the biota water treatment plant.

SECTION 13. STATE WATER COMMISSION - RED RIVER VALLEY WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Red River valley water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River valley water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the \$773,000,000 yet to be designated, \$205,000,000 is provided from funds appropriated to the department of water resources for regional water supply in section 1 of this Act.

SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT - FEDERAL FUNDING - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that any federal funds received for the Red River valley water supply project be allocated seventy-five percent to the state cost share and twenty-five percent to the local cost share for the project.

SECTION 15. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT. Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of \$380,500,000 without legislative approval. It is the intent of the sixty-ninth legislative assembly that of the \$304,400,000 yet to be designated, \$81,100,000 is provided from funds appropriated to the department of water resources for flood control in section 1 of this Act.

SECTION 16. STATE WATER COMMISSION - GRANTS AND WATER PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the funds appropriated in the water supply, regional water supply, flood control, and general water line items in section 1 of this Act be designated as follows, although funding may be reallocated between designations in each line item:

1. \$110,000,000 for water supply, including:
 - a. \$40,000,000 for municipal water supply; and
 - b. \$70,000,000 for rural water supply.
2. \$245,000,000 for regional water supply, including:
 - a. \$205,000,000 for Red River valley water supply project; and
 - b. \$40,000,000 for western area water supply project.
3. \$117,600,000 for flood control, including:
 - a. \$81,100,000 for Mouse River flood control;
 - b. \$12,000,000 for Valley City flood control;
 - c. \$17,000,000 for city of Bismarck flood control; and
 - d. \$7,500,000 for other flood control projects.
4. \$18,000,000 for general water, including:
 - a. \$15,000,000 for water conveyance; and
 - b. \$3,000,000 for other general water projects.

SECTION 17. MISSOURI RIVER AND OTHER WATER SYSTEMS - LEGISLATIVE INTENT. It is the intent of the sixty-ninth legislative assembly that the department of water resources continue to support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - DESIGNATED APPROPRIATIONS FOR WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying designated appropriations for water projects. The study must include an evaluation of the impact of designating appropriations for water projects and of providing legislative intent for funding to be provided over multiple bienniums for water projects. The study must also consider the appropriate involvement of the legislative management's water topics overview committee in the prioritization of funding for water projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 19. LEGISLATIVE MANAGEMENT STUDY - STORM WATER PROJECTS. During the 2025-26 interim, the legislative management shall consider studying funding for storm water projects in the state, including current funding sources, related statutes, and the policies of the state water commission. The study must include information regarding recently completed storm water projects and funding needs for future storm water projects in the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 20. EXEMPTION - DEPARTMENT OF WATER RESOURCES STUDY - MISSOURI RIVER INTAKE SITES STUDY PHASE TWO - REPORT. During the 2025-26 interim, the department of water resources shall study or conduct a field investigation as phase two of the department's study of select intake sites identified in phase one of the Missouri River intake sites study conducted during the biennium beginning July 1, 2023, and ending June 30, 2025. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study. Funding necessary for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The department of water resources shall report to the legislative management during the 2025-26 interim and to the appropriations committees of the seventieth legislative assembly regarding the status of and any recommendations from phase two of the Missouri River intake sites study.

SECTION 21. EXEMPTION - STATE WATER COMMISSION STUDY - REGIONAL WATER SYSTEMS GOVERNANCE AND FINANCE - REPORT. During the 2025-26 interim, the state water commission shall study the long-term governance and finance models of select regional water systems in the state. The study must include the operational and organizational aspects of the southwest pipeline project, northwest area water supply project, and Red River valley water supply project. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting with a consultant for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from any regional, municipal, or rural water system within the state. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management by March 31, 2026, regarding the results of and any recommendations from the regional water systems governance and finance study.

SECTION 22. EXEMPTION - STATE WATER COMMISSION STUDY - COST-SHARE POLICY AND FINANCIAL PLANNING - REPORT TO LEGISLATIVE MANAGEMENT. During the 2025-26 interim, the state water commission shall study its cost-share policy, including an evaluation of whether projected funding for water projects, in conjunction with the existing cost-share policy, will adequately address anticipated funding needs for water projects through July 1, 2039. The study must also evaluate the schedules and overall work plans of water projects and the state's financial role in deferred maintenance or replacement projects and must recommend strategies to address any funding shortfalls identified. The state water commission is not subject to procurement requirements under chapter 54-44 for the purpose of contracting for this study and may contract for the study only with an entity that does not receive direct or indirect benefits from the cost-share program. Funding for the study is included in the appropriation in the discretionary funding line item in section 1 of this Act. The state water commission shall provide a draft report to the legislative management by March 31, 2026, regarding the results of and any recommendations from the cost-share policy study.

SECTION 23. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the office of management and budget shall transfer up to \$5,000,000 between the operating expenses and capital assets line items in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the director of the department of water resources. The director of the department of water resources shall report to the legislative management any transfers made pursuant to this section.

SECTION 24. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - UNEXPENDED FUNDS - REPORT. Section 54-44.1-11 does not apply to funding appropriated or continued for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, discretionary funding, and general water - grants line items in sections 1, 3, and 21 of chapter 52 of the 2023 Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2025-27 biennium. Any funds continued, estimated by the department of water resources to be \$600,000,000, may be expended only for the purpose for which it was originally appropriated. The director of the department of water resources shall report to the legislative management any funding continued pursuant to this section.

SECTION 25. EXEMPTION - BOWMAN RADAR SYSTEM. The amount of \$1,800,000 appropriated from other funds for the purpose of replacing the Bowman radar system in the capital assets line item in section 1 of chapter 52 of the 2023 Session Laws is not subject to Section 54-44.1-11 and any unexpended funds from this appropriation may be continued and expended for the purpose for which it was originally appropriated during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 26. EMERGENCY. This Act and House Bill No. 1040, as approved by the sixty-ninth legislative assembly, are declared to be an emergency measure.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 20**HOUSE BILL NO. 1021**

(Appropriations Committee)

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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Workforce safety and insurance operations	\$65,954,976	\$11,290,155	\$77,245,131
New and vacant FTE pool	0	3,189,008	3,189,008
Total special funds	\$65,954,976	\$14,479,163	\$80,434,139
Full-time equivalent positions	260.14	0.00	260.14

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Claims and policy system replacement project	\$5,208,325
MyWSI extranet enhancement project	1,366,050
Building improvements	2,000,000
Total	\$8,574,375

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. Workforce safety and insurance may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to workforce safety and insurance operations line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved April 2, 2025

Filed April 3, 2025

CHAPTER 21

HOUSE BILL NO. 1022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the retirement and investment office.

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, to the retirement and investment office for the purpose of defraying the expenses of the retirement and investment office, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,552,467	\$3,539,528	\$12,091,995
New and vacant FTE pool	0	470,466	470,466
Operating expenses	2,731,037	1,054,096	3,785,133
Contingencies	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total special funds	\$11,483,504	\$5,064,090	\$16,547,594
Full-time equivalent positions	34.00	1.00	35.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Information technology consulting	\$0	\$250,000	\$250,000
Total	\$0	\$250,000	\$250,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The retirement and investment office may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved May 1, 2025

Filed May 2, 2025

CHAPTER 22

HOUSE BILL NO. 1023

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public employees retirement system.

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 to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,232,492	\$1,689,590	\$9,922,082
New and vacant FTE pool	0	607,917	607,917
Operating expenses	2,416,162	858,001	3,274,163
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$10,898,654	\$3,155,508	\$14,054,162
Full-time equivalent positions	40.50	2.00	42.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Special Funds</u>
Automate PERSLink business system	<u>\$539,595</u>
Total special funds	<u>\$539,595</u>

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The public employees retirement system may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved April 2, 2025

Filed April 3, 2025

CHAPTER 23

HOUSE BILL NO. 1024

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; 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, to the state departments and institutions of the state of North Dakota for the purpose of defraying their expenses for the period beginning with the effective date of this Act, and ending June 30, 2025, as follows:

Subdivision 1.

OFFICE OF THE GOVERNOR

Salaries and wages	\$50,000
Operating expenses	<u>20,000</u>
Total general fund	\$70,000

Subdivision 2.

OFFICE OF MANAGEMENT AND BUDGET

Operating expenses	\$195,000
Total special funds	<u>\$195,000</u>

Subdivision 3.

ATTORNEY GENERAL

Statewide litigation funding pool	\$3,000,000
Prosecution witness fees	<u>50,000</u>
Total general fund	\$3,050,000

Subdivision 4.

DEPARTMENT OF PUBLIC INSTRUCTION

Grants - other grants	<u>\$30,000,000</u>
Total federal funds	\$30,000,000

Subdivision 5.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services - excess population costs	<u>\$11,500,000</u>
Total general fund	\$11,500,000

Subdivision 6.

OFFICE OF THE ADJUTANT GENERAL

Loan interest repayment - law enforcement costs	\$1,763,490
Loan repayment - disaster costs	<u>4,294,789</u>
Total general fund	\$6,058,279

Subdivision 7.

DEPARTMENT OF WATER RESOURCES

Line of credit repayment - water infrastructure revolving loan fund	<u>\$10,000,000</u>
Total resources trust fund	\$10,000,000

Subdivision 8.

TOTAL - SECTION 1

Grand total all funds	\$60,873,279
Less grand total other funds	<u>40,195,000</u>
Grand total general fund	\$20,678,279

SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-ninth legislative assembly that the attorney general seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly which were obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-ninth legislative assembly that the provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

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

Approved April 10, 2025

Filed April 11, 2025

CHAPTER 24

HOUSE BILL NO. 1038

(Representatives Nathe, Bosch, Hagert, Lefor, Mitskog, O'Brien, Schreiber-Beck,
Stemen, Vigesaa)
(Senators Axtman, Bekkedahl, Hogue)

AN ACT to provide an appropriation to the department of commerce for a state radar data pathfinder program; to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE RADAR DATA PATHFINDER PROGRAM - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING.

There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$11,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of administering a state radar data pathfinder program, for the period beginning with the effective date of this Act, and ending June 30, 2027. This funding is considered a one-time funding item.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 in administering the state radar data pathfinder program and participating in the federal radar data pathfinder program administered by the federal aviation administration. The department of commerce shall use funding appropriated in this section to:
 - a. Support the integration of federal radar data with state uncrewed aircraft systems and the beyond visual line of sight program.
 - b. Develop and implement security control protocols that meet federal aviation administration radar data requirements to ensure compliance with national security standards.
 - c. Enhance uncrewed aircraft systems and radar data infrastructure in the state.
 - d. Increase the safety and effectiveness of the operations of the uncrewed aircraft systems test site.
 - e. Provide state agencies with training and technical resources to use federal radar data securely while using the beyond visual line of sight program.
2. During the 2025-26 interim, the department of commerce shall provide a report to the legislative management and the governor by June 30, 2026, regarding the status of the state radar data pathfinder program, integration of the state program with the federal aviation administration radar data pathfinder program, expenditures to date, and the effect of the program on uncrewed aircraft system operations, safety, and data security in the state.

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

Approved February 24, 2025

Filed February 25, 2025

CHAPTER 25

HOUSE BILL NO. 1106

(Representatives Monson, Jonas, Martinson, Meier, Schauer)
(Senators Mathern, Roers, Sorvaag)

AN ACT to provide an appropriation to the department of transportation for nonfixed route transit program grants.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - TRANSIT GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to nonfixed route public transportation providers, for the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved April 10, 2025

Filed April 11, 2025

CHAPTER 26

HOUSE BILL NO. 1143

(Representatives Pyle, Brandenburg, Davis, McLeod, Mitskog, Swiontek, Hauck)
(Senators Boschee, Lee, Roers, Barta, Dever)

AN ACT to provide an appropriation to the agriculture commissioner for a food distribution facility grant program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - AGRICULTURE COMMISSIONER - FOOD DISTRIBUTION FACILITY GRANT PROGRAM - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of providing a food distribution facility grant program, for the biennium beginning July 1, 2025, and ending June 30, 2027. Grant funds may be used only to pay for site acquisition, architectural costs, engineering costs, labor, equipment, and materials related to the construction of a statewide charitable food distribution and logistics facility. A grant recipient must provide one dollar of matching funds from nonstate sources for each dollar provided by the agriculture commissioner. Entities receiving funding under this section shall report to the agriculture commissioner annually regarding the use and effectiveness of the funding. The funding provided in this section is considered a one-time funding item.

Approved May 1, 2025

Filed May 2, 2025

CHAPTER 27

HOUSE BILL NO. 1193

(Representatives Vetter, Bahl, Holle, Motschenbacher, Satrom, Christianson, McLeod, Schauer)
(Senators Barta, Cory, Meyer)

AN ACT to provide an appropriation to the attorney general for a peace officer and correctional officer appreciation grant program; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - ATTORNEY GENERAL - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PEACE OFFICER AND CORRECTIONAL OFFICER APPRECIATION GRANT PROGRAM - LEGISLATIVE MANAGEMENT REPORT - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to the attorney general for the purpose of a peace officer and correctional officer appreciation grant program, for the biennium beginning July 1, 2025, and ending June 30, 2027. The attorney general shall provide grants to each city and county law enforcement agency in the state based on the proportional number of licensed peace officers and correctional officers employed by the city or county law enforcement agency compared to the total number of licensed peace officers and correctional officers employed by all city and county law enforcement agencies. Of the funding available for this program, a sum of at least \$750,000 must be granted to city and county law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. Funding appropriated in this section must be used for providing retention bonuses to current law enforcement and correctional officers and providing tuition and fee payments on behalf of law enforcement trainees. During the 2025-26 interim, the attorney general shall provide a report to the legislative management regarding the use and effectiveness of grant funds, the number of grants provided, the average amount of bonuses provided by city and county law enforcement agencies and correctional facilities, and other program outcomes under this section. The appropriation in this section is considered a one-time funding item.

Approved April 28, 2025

Filed April 28, 2025

CHAPTER 28

HOUSE BILL NO. 1331

(Representatives Mitskog, Schreiber-Beck)
(Senators Sorvaag, Luick)

AN ACT to provide an appropriation to the North Dakota state college of science; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - NORTH DAKOTA STATE COLLEGE OF SCIENCE - ONE-TIME FUNDING. There is appropriated from other funds derived from gifts, grants, donations, and other local funds, the sum of \$1,750,000, or so much of the sum as may be necessary, to the North Dakota state college of science for the purpose of constructing an artificial turf playing surface, for the period beginning with the effective date of this Act, and ending June 30, 2027. The funding appropriated in this section includes up to \$250,000 from dining services auxiliary revenues. The funding appropriated in this section is considered a one-time funding item.

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

Approved March 26, 2025

Filed March 27, 2025

CHAPTER 29

HOUSE BILL NO. 1468

(Representatives Bosch, Berg, Dockter, Martinson, Nathe, Porter, Heinert)
(Senators Axtman, Cleary, Larson)

AN ACT to provide an appropriation to the department of health and human services for a behavioral health facility grant.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. DEPARTMENT OF HEALTH AND HUMAN SERVICES - BEHAVIORAL HEALTH FACILITY GRANT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$16,000,000, or so much of the sum as may be necessary, to the department of health and human services for the purpose of providing a behavioral health facility grant, for the biennium beginning July 1, 2025, and ending June 30, 2027.
2. A grant of up to \$16,000,000 must be provided to increase the number of behavioral health beds in the west central human service center region. To be eligible to receive a grant under this section, an entity must increase the number of available inpatient behavioral health beds by thirty.
3. The department shall require an entity receiving a grant under this section to operate the behavioral health facility for at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years. The amount of grant funding that must be repaid may be reduced by ten percent for each year the facility is in operation. Grant funding may not be awarded under this section until the physical infrastructure of the behavioral health facility is complete and the entity submits documentation to the department to detail adequate staffing plans to support the facility.
4. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

Approved April 16, 2025

Filed April 16, 2025

CHAPTER 30

HOUSE BILL NO. 1531

(Representatives Schreiber-Beck, Beltz, Fisher, Hagert, Kiefert, Monson)
(Senators Luick, Myrdal, Wanzek, Weber)

AN ACT to provide an appropriation to the agriculture commissioner to conduct an irrigation expansion study; and to provide for a report to the legislative management.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - GENERAL FUND - AGRICULTURE COMMISSIONER - IRRIGATION EXPANSION STUDY - ONE-TIME FUNDING - REPORT TO THE LEGISLATIVE MANAGEMENT.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$75,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of contracting with a consultant to study the potential benefits of expanding irrigation throughout the state, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. The consultant shall study:
 - a. The potential economic benefits of increased irrigation and improved water conveyance in rural communities of the state;
 - b. The ramifications of failing to construct and implement irrigation infrastructure as originally designed under the Pick-Sloan Flood Control Act of 1944 [Pub. L. 78-534; 58 Stat. 887];
 - c. A comparison of the economic contribution between irrigated land and nonirrigated land;
 - d. A comparison of the economic contribution between using subsurface water management systems and land not using subsurface water management systems; and
 - e. Any other factors that would improve and expand irrigation in the state along with any perceived benefits from expanded irrigation.
3. The agriculture commissioner is exempt from the state purchasing practices under chapter 54-44.4 when contracting for services to accomplish the study.
4. Before July 1, 2026, the agriculture commissioner shall present the findings and recommendations of the study, and any proposed legislation necessary to implement the recommendations, to the legislative management.

Approved April 23, 2025

Filed April 23, 2025

CHAPTER 31

HOUSE BILL NO. 1581

(Representatives Finley-DeVile, Brown, Davis, Ista)
(Senators Mathern, Walen)

AN ACT to provide an appropriation to the department of commerce for tribal tourism grants; and to provide for a legislative management report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - TRIBAL TOURISM GRANTS - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT. 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 department of commerce for the purpose of providing tribal tourism grants, for the biennium beginning July 1, 2025, and ending June 30, 2027. A tribal government in the state may apply to the department of commerce for a grant of up to \$20,000 to match funds committed by a tribal government to promote and enhance tribal nation tourism opportunities. A grant application must include a plan for using funds to promote and enhance tribal nation tourism opportunities to be overseen by the department of commerce division of tourism. The department of commerce shall report to legislative management regarding the distribution, use, and impact of grants. The appropriation provided in this section is considered a one-time funding item.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 32

HOUSE BILL NO. 1591

(Representatives Ostlie, Grueneich, Jonas, Novak, Pyle, Satrom, Schreiber-Beck,
Stemen)
(Senators Conley, Meyer, Wanzek)

AN ACT to provide an appropriation to the agriculture commissioner for a county fair resiliency grant program; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - AGRICULTURE COMMISSIONER - COUNTY FAIR RESILIENCY GRANT PROGRAM - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of providing grants to county agriculture fair associations for the planning, design, and construction of infrastructure projects, for the period beginning with the effective date of this Act, and ending June 30, 2027. The agriculture commissioner may not award more than \$100,000 to a county agriculture fair association under this program. The agriculture commissioner shall create guidelines to distribute the grant funding, including the requirement for a recipient to provide one dollar of matching funds from nonstate sources for every two dollars of grant funding received. The guidelines may provide for matching funds to be provided in the form of cash or in-kind contributions. The funding in this section is considered a one-time funding item.

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

Approved April 17, 2025

Filed April 21, 2025

CHAPTER 33

HOUSE BILL NO. 1603

(Representatives Brown, Davis, Finley-DeVille, Ista, Nelson)
(Senators Boschee, Braunberger, Mathern)

AN ACT to provide an appropriation to the state historical society for Native American grave protection and repatriation compliance efforts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - STATE HISTORICAL SOCIETY - NATIVE AMERICAN GRAVE PROTECTION AND REPATRIATION COMPLIANCE.

1. 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 historical society for the purpose of providing compliance with the federal Native American Graves Protection and Repatriation Act, for the biennium beginning July 1, 2025, and ending June 30, 2027.
2. The state historical society shall use the funds provided under this section to establish a compliance committee consisting of tribal historic preservation officers or their designees from each North Dakota tribe with an agreement pursuant to chapter 54-40.2. The committee must consist of representatives from the state historical society, Indian affairs commission, and the attorney general's office. Each tribe participating on the committee shall provide matching funds of up to \$100,000 for committee efforts. All funds received for compliance efforts under this section must be placed into a separate account with oversight by the office of management and budget.
3. The committee must identify and prioritize compliance efforts for the repatriation of culturally significant human remains, funerary objects, sacred objects, and objects of cultural patrimony, including funding for staffing, training, and consultation with the tribal historic preservation offices. The compliance committee shall develop policies to facilitate meetings, grant usage, training, consultation, compliance timelines, training, and documentation requirements that directly address the repatriation of culturally significant items to North Dakota tribal nations.
4. The appropriation provided in this section does not authorize any new scientific study of Native American ancestral remains or burial property, as outlined in the federal Native American Graves Protection and Repatriation Act, nor may the funds be appropriated for such studies.

Approved April 16, 2025

Filed April 16, 2025

CHAPTER 34

SENATE BILL NO. 2001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the legislative branch of state government; to amend and reenact sections 48-08-04, 54-03-10, 54-03-20, and 54-35-10 of the North Dakota Century Code, relating to use of legislative rooms and halls and legislative compensation; to provide a statement of legislative intent; to provide for a report; to provide an exemption; and to provide for application, transfer, and cancellation of unexpended appropriations.

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 other 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 the legislative branch of state government, for the fiscal period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

Subdivision 1.

SIXTY-NINTH AND SEVENTIETH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,950,567	\$1,645,103	\$14,595,670
Operating expenses	4,772,209	5,398,631	10,170,840
Capital assets	6,000	220,000	226,000
National conference of state legislatures	<u>283,070</u>	<u>23,102</u>	<u>306,172</u>
Total general fund	\$18,011,846	\$7,286,836	\$25,298,682

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,435,797	\$1,190,358	\$16,626,155
New and vacant FTE pool	0	5,088,515	5,088,515
Operating expenses	3,780,912	1,435,238	5,216,150
Public printing	0	290,000	290,000
Capital assets	<u>6,000</u>	<u>280,000</u>	<u>286,000</u>
Total all funds	\$19,222,709	\$8,284,111	\$27,506,820
Less other funds	<u>88,000</u>	<u>0</u>	<u>88,000</u>
Total general fund	\$19,134,709	\$8,284,111	\$27,418,820
Full-time equivalent positions	45.00	25.00	70.00

Subdivision 3.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$37,234,555	\$15,570,947	\$52,805,502
Less grand total other funds	<u>88,000</u>	<u>0</u>	<u>88,000</u>
Grand total general fund	\$37,146,555	\$15,570,947	\$52,717,502

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in each entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Legislative Assembly			
Legislative chambers and system upgrades	<u>\$4,451,000</u>	<u>\$0</u>	<u>\$4,451,000</u>
Total legislative assembly	\$4,451,000	\$0	\$4,451,000
Legislative Management and Legislative Council			
Costs related to new positions	\$375,000	\$0	\$375,000
Legislative term limit study	225,000	0	225,000
Information technology equipment	<u>280,000</u>	<u>0</u>	<u>280,000</u>
Total legislative management and legislative council	<u>\$880,000</u>	<u>\$0</u>	<u>\$880,000</u>
Grand total	\$5,331,000	\$0	\$5,331,000

SECTION 3. NEW AND VACANT FTE POOL - BUDGET SECTION REPORT.

1. The legislative council may not spend funds from the new and vacant FTE pool line item in subdivision 2 of section 1 of this Act, but may transfer funds from this line item to the salaries and wages line item as necessary to provide funding for:
 - a. Filling a new FTE position from the date of hire through the end of the biennium; or
 - b. Salaries and wages if actual salaries and wages savings from vacant positions and employee turnover adjusted for other uses are less than the estimate used by the sixty-ninth legislative assembly in the development of the appropriation.
2. The legislative council shall report to the budget section regarding the use of funding in the pool including information on:
 - a. New FTE positions, including the date hired;
 - b. Vacant FTE positions, including information on positions that become vacant and positions filled, salaries and wages savings resulting from vacant positions and employee turnover, and the use of salaries and wages savings for other purposes; and

- c. Additional salaries and wages funding needed due to savings from vacant positions being less than anticipated.
3. If funding in the new and vacant FTE pool line item is insufficient to provide the necessary salaries and wages funding for the biennium, the legislative council may request a deficiency appropriation from the seventieth legislative assembly.

SECTION 4. EXEMPTION - TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items of the legislative management and legislative council as may be requested by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or the director 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's and legislative council's functions and duties. The director of the office of management and budget shall similarly make transfers of appropriation authority between the line items for the sixty-ninth and seventieth legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 5. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 1 of the 2023 Session Laws. The director of the office of management and budget shall make transfers of appropriation authority 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 director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2023-25 biennium as directed by the chairman of the legislative management or the director of the legislative council.

***SECTION 6. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is amended and reenacted as follows:

48-08-04. Use of legislative assembly rooms, and halls, and other space in the capitol.

During the interim between legislative sessions, the committee rooms, halls, passageways, and other space in the capitol used by the legislative assembly, including the pioneer room, the coteau room, the Shenyenne River room, judicial wing room 216, and judicial wing rooms 327 B, C, and E, may not be used without authorization of the legislative council. The fifteenth floor of the capitol is reserved for the exclusive use of the legislative council.

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 ~~fifty~~forty-two 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 ~~ten~~^{fifteen} 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.

⁵ **SECTION 8. 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 ~~two hundred fifty~~^{two hundred nineteen} dollars through June 30, ~~2024~~²⁰²⁶, and ~~two hundred thirteen~~^{two hundred twenty-six} dollars thereafter 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 seventy 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

⁵ Section 54-03-20 was also amended by section 3 of Senate Bill No. 2084, chapter 417.

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 each month upon submission of a voucher and appropriate documentation during a regular or special session, consistent with section 26 of article XI of the constitution of North Dakota.
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 ~~five hundred sixty-nine~~six hundred ten dollars through June 30, ~~2024~~2026, and ~~five hundred ninety-two~~six hundred twenty-eight dollars thereafter per 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 ~~four hundred eighty-four~~four hundred thirty-seven dollars through June 30, ~~2024~~2026, and ~~four hundred twenty-four~~four hundred fifty dollars thereafter 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 54-35-10 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 ~~two hundred fifty~~ two hundred nineteen dollars through June 30, ~~2024~~ 2026, and ~~two hundred thirteen~~ two hundred twenty-six dollars thereafter 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 ~~ten~~ 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 ~~ten~~ dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 10. LEGISLATIVE INTENT - LEGISLATIVE MANAGEMENT - CHAMBER ACCESSIBILITY. It is the intent of the sixty-ninth legislative assembly that the legislative management review the accessibility of the legislative chambers and gather information regarding options to improve access.

Approved May 19, 2025

Filed May 19, 2025

* Section 6 of Senate Bill No. 2001 was vetoed, see chapter 604.

CHAPTER 35

SENATE BILL NO. 2002

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to provide an appropriation to the office of guardianship and conservatorship; to create and enact a new subsection to section 54-06-08.2 of the North Dakota Century Code, relating to credit and debit card fees; to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to the salaries of justices of the supreme court and salaries of district court judges; to provide for transfers; to provide for a report; 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 other funds derived from special funds and federal funds, to the judicial branch for the purpose of defraying the expenses of the judicial branch, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,363,778	\$1,368,155	\$13,731,933
New and vacant FTE pool	8,740,214	(767,241)	7,972,973
Operating expenses	2,915,259	219,534	3,134,793
Office of guardianship and conservatorship	0	375,478	375,478
Capital assets	0	866,100	866,100
Total all funds	\$24,019,251	\$2,062,026	\$26,081,277
Less other funds	97,793	(53,664)	44,129
Total general fund	\$23,921,458	\$2,115,690	\$26,037,148

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$79,576,340	\$12,513,343	\$92,089,683
Operating expenses	24,524,619	3,318,107	27,842,726
Capital assets	0	5,142,216	5,142,216
Judges' retirement	177,340	(13,666)	163,674
Total all funds	\$104,278,299	\$20,960,000	\$125,238,299
Less other funds	830,318	4,256,680	5,086,998
Total general fund	\$103,447,981	\$16,703,320	\$120,151,301

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	<u>\$1,399,862</u>	<u>\$181,073</u>	<u>\$1,580,935</u>
Total all funds	\$1,399,862	\$181,073	\$1,580,935
Less other funds	<u>512,317</u>	<u>4,314</u>	<u>516,631</u>
Total general fund	\$887,545	\$176,759	\$1,064,304

Subdivision 4.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$129,697,412	\$23,203,099	\$152,900,511
Grand total other funds	<u>1,440,428</u>	<u>4,207,330</u>	<u>5,647,758</u>
Grand total general fund	\$128,256,984	\$18,995,769	\$147,252,753
Full-time equivalent positions	384.00	10.00	394.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Information technology equipment lease	\$874,216	\$0	\$874,216
Case management software cloud migration	0	758,000	758,000
Clerk filing software	0	1,250,000	1,250,000
Court records access system	0	960,000	960,000
Cloud-based storage fees	866,100	0	866,100
Courtroom audio and video equipment	0	1,200,000	1,200,000
Cass County courtroom equipment	0	100,000	100,000
Total	\$1,740,316	\$4,268,000	\$6,008,316

SECTION 3. NEW AND VACANT FULL-TIME EQUIVALENT POOL - BUDGET SECTION REPORT.

1. The supreme court may not spend funding from the new and vacant full-time equivalent funding pool line item in subdivision 1 of section 1 of this Act, but may transfer funds from this line item to the salaries and wages line items within subdivisions 1 and 2 of this Act, to the guardianship and conservatorship line item within subdivision 1 of this Act, and to the judicial conduction commission and disciplinary board line item within subdivision 3 of this Act, as necessary to provide funding for:

- a. Filling a new position from the date of hire through the end of the biennium; or

- b. Salaries and wages if actual salaries and wages savings from vacant positions and employee turnover, adjusted for other uses, are less than the estimate used by the sixty-ninth legislative assembly in the development of the appropriation.
- 2. The supreme court shall report to the budget section regarding the use of funding in the pool, including information on:
 - a. New full-time equivalent positions, including the date hired;
 - b. Vacant full-time equivalent positions, including information regarding positions that become vacant and positions filled, salaries and wages savings resulting from vacant positions and employee turnover, and the use of salaries and wages savings for other purposes; and
 - c. Additional salaries and wages funding needed due to savings from vacant positions being less than anticipated.
- 3. If funding in the new and vacant full-time equivalent pool line item is insufficient to provide the necessary salaries and wages funding for the biennium, the supreme court may request a deficiency appropriation from the seventieth legislative assembly.

SECTION 4. 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, 2025, and ending June 30, 2027.

SECTION 5. APPROPRIATION - OFFICE OF GUARDIANSHIP AND CONSERVATORSHIP. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$355,000, or so much of the sum as may be necessary, to the office of guardianship and conservatorship for the purpose of providing salaries, wages, and operations funding for an attorney position transferred to the office pursuant to Senate Bill No. 2029, as approved by the sixty-ninth legislative assembly, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - COURT FACILITIES IMPROVEMENT AND MAINTENANCE FUND. The office of management and budget shall transfer the sum of \$200,000 from the strategic investment and improvements fund to the court facilities improvement and maintenance fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The grand total other funds line item in section 1 of this Act includes the sum of \$4,268,000 from the strategic investment and improvements fund for one-time projects and programs as follows:

Case management software cloud migration	\$758,000
Clerk filing software	1,250,000
Court records access system	960,000
Courtroom audio and video equipment	1,200,000
Cass County courtroom equipment	<u>100,000</u>
Total	\$4,268,000

SECTION 8. 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 seventy nine thousand three hundred twelve dollars through June 30, 2024, and one hundred eighty six thousand four hundred eighty four dollars thereafter~~ two hundred seven thousand two hundred forty-nine dollars. The chief justice of the supreme court is entitled to receive an additional ~~five thousand seventy one dollars per annum through June 30, 2024, and five thousand two hundred seventy four~~ seven thousand six hundred forty-seven dollars per annum thereafter.

SECTION 9. 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 sixty four thousand five hundred thirty two dollars through June 30, 2024, and one hundred seventy one thousand one hundred thirteen dollars thereafter~~ one hundred eighty-four thousand three hundred sixty-six dollars. 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 ~~four thousand six hundred seventy-five~~ five thousand one hundred sixty-two dollars per annum through June 30, 2024, and ~~four thousand eight hundred sixty two dollars thereafter~~.

SECTION 10. A new subsection to section 54-06-08.2 of the North Dakota Century Code is created and enacted as follows:

The judicial branch may charge a reasonable fee not exceeding the discount charged by the credit or debit card issuer. The fee may be added to a payment as a service charge for the acceptance of a payment made by a credit or debit card. The state court administrator shall determine which nationally recognized cards will be accepted for payments made to the judicial branch under this section.

SECTION 11. EXEMPTION - TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items in section 1 of this Act, as 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.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 36

SENATE BILL NO. 2003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact two new sections to chapter 15-10 of the North Dakota Century Code, relating to presidential searches and the state commissioner of higher education; to amend and reenact subsection 2 of section 6-09-53, subdivision a of subsection 1 of section 15-10-17, subdivision c of subsection 1 of section 15-10-48, subdivisions a and c of subsection 1 of section 15-10-48.2, subdivision c of subsection 1 of section 15-10-49, subsection 1 of section 15-10-75, subsection 1 of the new section to chapter 15-10, as created by section 1 of House Bill No. 1437, as approved by the sixty-ninth legislative assembly, paragraph 3 of subdivision h of subsection 1 of section 15-18.2-02, subsection 2 of section 15-18.2-03, subsection 1 of section 15-18.2-05, section 15-54.1-04, subsection 2 of section 15-62.5-03, and section 54-44.1-11 of the North Dakota Century Code, sections 6 and 7 of chapter 126 of the 2021 Session Laws, sections 7, 8, and 9 of chapter 3 of the 2023 Session Laws, and subsection 17 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the powers and duties of the state board of higher education, the economic diversification research fund, matching grants for the advancement of academics, the workforce education innovation program, academic tenure policy at institutions of higher education, state aid for institutions of higher education, university system capital building funds, the scholars program, the cancellation of unexpended appropriations, transfers from the Bank of North Dakota to the skilled workforce loan repayment program fund and the skilled workforce scholarship fund, transfers from the Bank of North Dakota to the skilled workforce loan repayment program fund, the skilled workforce scholarship fund, and to the state board of higher education for dual-credit tuition scholarships, and funding for hyperbaric oxygen therapy; to repeal section 15-10-74 of the North Dakota Century Code, relating to the naming of the Bismarck state college polytechnic center; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the conveyance of real property; to provide for a legislative management higher education funding review committee; to provide for a legislative management study; to provide for a report; to provide legislative intent; 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 other funds derived from special funds and federal funds, to the state board of higher education and to the entities and institutions under the supervision of the board for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the supervision of the board, for the period beginning with the effective date of this Act, and ending June 30, 2027, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$11,197,896	(\$936,521)	\$10,261,375
Competitive research programs	5,685,750	0	5,685,750
System governance	10,569,162	1,181,064	11,750,226
State employee child care benefits	0	910,000	910,000
Core technology services	71,988,917	6,518,417	78,507,334
Student financial assistance grants	29,917,306	1,000,000	30,917,306
Supplemental student financial assistance grants	0	5,000,000	5,000,000
Professional student exchange program	3,699,342	1,500,000	5,199,342
Academic and CTE scholarships	17,216,749	0	17,216,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	1,000,000	0	1,000,000
Tribally controlled community college grants	1,400,000	200,000	1,600,000
Education incentive programs	260,000	0	260,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	454,875	0	454,875
Shared campus services	800,000	0	800,000
Nursing education consortium	1,356,000	1,100,000	2,456,000
NASA EPSCoR	342,000	0	342,000
Education challenge fund	0	24,760,000	24,760,000
Workforce education innovation grants	0	10,000,000	10,000,000
Dual-credit tuition scholarship	1,500,000	0	1,500,000
Total all funds	\$159,479,512	\$51,232,960	\$210,712,472
Less other funds	<u>26,260,897</u>	<u>36,885,852</u>	<u>63,146,749</u>
Total general fund	\$133,218,615	\$14,347,108	\$147,565,723
Full-time equivalent positions	162.83	6.00	168.83

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$110,026,302	\$5,165,031	\$115,191,333
Capital assets	<u>1,922,561</u>	<u>2,200,000</u>	<u>4,122,561</u>
Total all funds	\$111,948,863	\$7,365,031	\$119,313,894
Less other funds	<u>74,566,953</u>	<u>5,251,570</u>	<u>79,818,523</u>
Total general fund	\$37,381,910	\$2,113,461	\$39,495,371
Full-time equivalent positions	335.33	2.92	338.25

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$41,913,733	\$2,418,065	\$44,331,798
Capital assets	<u>362,667</u>	<u>2,500,000</u>	<u>2,862,667</u>

Total all funds	\$42,276,400	\$4,918,065	\$47,194,465
Less other funds	<u>26,601,597</u>	<u>3,431,171</u>	<u>30,032,768</u>
Total general fund	\$15,674,803	\$1,486,894	\$17,161,697
Full-time equivalent positions	120.59	(5.44)	115.15

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$37,378,349	\$2,423,802	\$39,802,151
Capital assets	<u>1,261,968</u>	<u>0</u>	<u>1,261,968</u>
Total all funds	\$38,640,317	\$2,423,802	\$41,064,119
Less other funds	<u>25,154,992</u>	<u>796,812</u>	<u>25,951,804</u>
Total general fund	\$13,485,325	\$1,626,990	\$15,112,315
Full-time equivalent positions	102.83	(3.09)	99.74

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$967,725,670	\$56,041,426	\$1,023,767,096
Capital assets	4,411,566	124,500,000	128,911,566
Research network	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total all funds	\$974,637,236	\$180,541,426	\$1,155,178,662
Less other funds	<u>790,481,856</u>	<u>169,626,346</u>	<u>960,108,202</u>
Total general fund	\$184,155,380	\$10,915,080	\$195,070,460
Full-time equivalent positions	2,060.56	131.39	2,191.95

Subdivision 6.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$240,396,968	\$18,815,356	\$259,212,324
Healthcare workforce initiative	<u>10,676,150</u>	<u>0</u>	<u>10,676,150</u>
Total all funds	\$251,073,118	\$18,815,356	\$269,888,474
Less other funds	<u>168,241,842</u>	<u>5,776,474</u>	<u>174,018,316</u>
Total general fund	\$82,831,276	\$13,038,882	\$95,870,158
Full-time equivalent positions	488.83	40.23	529.06

Subdivision 7.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$807,365,091	\$45,414,240	\$852,779,331
Capital assets	7,799,104	125,000,000	132,799,104
Research network	<u>2,500,000</u>	<u>0</u>	<u>2,500,000</u>
Total all funds	\$817,664,195	\$170,414,240	\$988,078,435
Less other funds	<u>653,917,430</u>	<u>163,772,791</u>	<u>817,690,221</u>
Total general fund	\$163,746,765	\$6,641,449	\$170,388,214
Full-time equivalent positions	1,867.50	(61.54)	1,805.96

Subdivision 8.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$102,490,255	\$8,221,477	\$110,711,732
Capital assets	<u>1,012,379</u>	<u>65,000</u>	<u>1,077,379</u>
Total all funds	\$103,502,634	\$8,286,477	\$111,789,111
Less other funds	<u>63,645,097</u>	<u>2,338,578</u>	<u>65,983,675</u>
Total general fund	\$39,857,537	\$5,947,899	\$45,805,436
Full-time equivalent positions	313.95	12.59	326.54

Subdivision 9.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,728,746	\$3,370,815	\$60,099,561
Capital assets	<u>409,078</u>	<u>12,500,000</u>	<u>12,909,078</u>
Total all funds	\$57,137,824	\$15,870,815	\$73,008,639
Less other funds	<u>32,697,829</u>	<u>13,758,716</u>	<u>46,456,545</u>
Total general fund	\$24,439,995	\$2,112,099	\$26,552,094
Full-time equivalent positions	178.00	(7.20)	170.80

Subdivision 10.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,295,375	\$2,799,716	\$59,095,091
Capital assets	<u>358,992</u>	<u>34,924,814</u>	<u>35,283,806</u>
Total all funds	\$56,654,367	\$37,724,530	\$94,378,897
Less other funds	<u>34,375,971</u>	<u>36,760,335</u>	<u>71,136,306</u>
Total general fund	\$22,278,396	\$964,195	\$23,242,591
Full-time equivalent positions	226.92	0.00	226.92

Subdivision 11.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$116,510,048	\$4,701,181	\$121,211,229
Capital assets	<u>1,099,620</u>	<u>27,867,000</u>	<u>28,966,620</u>
Total all funds	\$117,609,668	\$32,568,181	\$150,177,849
Less other funds	<u>68,644,425</u>	<u>22,339,213</u>	<u>90,983,638</u>
Total general fund	\$48,965,243	\$10,228,968	\$59,194,211
Full-time equivalent positions	423.63	(2.47)	421.16

Subdivision 12.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$56,008,906	\$1,499,518	\$57,508,424
Capital assets	<u>455,823</u>	<u>0</u>	<u>455,823</u>
Total all funds	\$56,464,729	\$1,499,518	\$57,964,247
Less other funds	<u>28,111,916</u>	<u>1,421,115</u>	<u>29,533,031</u>
Total general fund	\$28,352,813	\$78,403	\$28,431,216
Full-time equivalent positions	211.94	5.50	217.44

Subdivision 13.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$26,229,141	\$1,249,697	\$27,478,838
Capital assets	<u>114,007</u>	<u>500,000</u>	<u>614,007</u>
Total all funds	\$26,343,148	\$1,749,697	\$28,092,845
Less other funds	<u>14,900,270</u>	<u>555,764</u>	<u>15,456,034</u>
Total general fund	\$11,442,878	\$1,193,933	\$12,636,811
Full-time equivalent positions	84.00	3.85	87.85

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$24,874,803	\$1,942,413	\$26,817,216
Capital assets	<u>118,728</u>	<u>0</u>	<u>118,728</u>
Total all funds	\$24,993,531	\$1,942,413	\$26,935,944
Less other funds	<u>19,141,941</u>	<u>1,399,079</u>	<u>20,541,020</u>
Total general fund	\$5,851,590	\$543,334	\$6,394,924
Full-time equivalent positions	29.00	7.00	36.00

Subdivision 15.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$2,838,425,542	\$535,352,511	\$3,373,778,053
Grand total other funds	<u>2,026,743,016</u>	<u>464,113,816</u>	<u>2,490,856,832</u>
Grand total general fund	\$811,682,526	\$71,238,695	\$882,921,221

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Capital projects - general fund	\$9,635,000	\$0	\$9,635,000
Capital projects - strategic investment and improvements fund	0	101,196,814	101,196,814
Capital projects - other funds	0	219,225,000	219,225,000
Williston state college health care program startup costs	1,490,000	0	1,490,000
University of North Dakota national security crossroads	0	16,000,000	16,000,000
North Dakota state university new horizon programming	0	16,000,000	16,000,000
State college of science lease payments and aviation maintenance program	1,300,000	0	1,300,000
Mayville state university nursing simulation laboratory	500,000	0	500,000
Minot state university advancing students toward education and employment	500,000	0	500,000
Dual-credit scholarships	0	1,500,000	1,500,000
Challenge grants	0	24,760,000	24,760,000
Nursing education consortium	0	1,100,000	1,100,000
Financial aid system enhancements	25,000	0	25,000
Workforce education innovation grants	0	10,000,000	10,000,000
Forest service emerald ash borer mitigation	<u>0</u>	<u>950,000</u>	<u>950,000</u>
Total	\$13,450,000	\$390,731,814	\$404,181,814

SECTION 3. ADDITIONAL 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, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2025, and ending June 30, 2027. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2025, and ending June 30, 2027, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 4. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution, excluding the university of North Dakota and North Dakota state university, shall provide one dollar of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. The university of North Dakota and North Dakota state university shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The grand total other funds line item in subdivision 15 of section 1 of this Act includes \$170,006,814 from the strategic investment and improvements fund as follows:

Challenge grants	\$24,760,000
Nursing education consortium	1,100,000
Workforce education innovation grants	10,000,000
Forest service emerald ash borer mitigation	950,000
Lake Region state college roof project	2,500,000
University of North Dakota science, technology, engineering, and mathematics building	55,640,000
University of North Dakota national security crossroads	16,000,000
North Dakota state university new horizon programming	16,000,000
Mayville state university old main renovation	34,924,814
Minot state university academic facilities projects	<u>8,132,000</u>
Total strategic investment and improvements fund	\$170,006,814

SECTION 6. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - ALLIED HEALTH FACILITY. The other funds line item in subdivision 5 of section 1 of this Act includes \$5,000,000 from the community health trust fund for the university of North Dakota school of medicine and health sciences allied health facility project.

SECTION 7. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - BISMARCK STATE COLLEGE. Of the funding appropriated in the system governance and core technology services line items in subdivision 1 of section 1 of this Act, the state board of higher education shall transfer \$500,000 to the operations line item in subdivision 2 of section 1 of this Act by August 1, 2025. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of this transfer.

SECTION 8. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - LAKE REGION STATE COLLEGE. Of the funding appropriated in the system governance and core technology services line items in subdivision 1 of section 1 of this Act, the state board of higher education shall transfer \$342,000 to the operations line item in subdivision 3 of section 1 of this Act by August 1, 2025. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of this transfer.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF HIGHER EDUCATION SCHOLARSHIPS. The industrial commission shall transfer to the North Dakota university system office a total of \$1,500,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, as requested by the commissioner of higher education. The other funds line item in subdivision 1 of section 1 includes \$1,500,000 for the North Dakota university system office for dual-credit tuition scholarships.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND. The office of management and budget shall transfer \$26,500,000 from the strategic investment and improvements fund to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2027, as requested by the commissioner of higher education. Funding transferred pursuant to this section is to be allocated to each institution as follows:

	<u>Tier II</u>	<u>Tier III</u>	<u>Total</u>
Bismarck state college	\$770,505	\$700,000	\$1,470,505
Lake Region state college	233,263	700,000	933,263
Williston state college	322,154	700,000	1,022,154
University of North Dakota	5,354,139	2,600,000	7,954,139
North Dakota state university	4,695,895	2,600,000	7,295,895
North Dakota state college of science	1,214,738	700,000	1,914,738
Dickinson state university	516,884	700,000	1,216,884
Mayville state university	332,070	700,000	1,032,070
Minot state university	906,412	700,000	1,606,412
Valley City state university	452,403	700,000	1,152,403
Dakota college at Bottineau	<u>201,537</u>	<u>700,000</u>	<u>901,537</u>
Total	\$15,000,000	\$11,500,000	\$26,500,000

SECTION 11. CAPITAL BUILDING FUNDS - USES. The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-ninth legislative assembly:

Bismarck state college - student housing	\$2,200,000
University of North Dakota - science, technology, engineering, and mathematics building	79,500,000
University of North Dakota - allied health facility	45,000,000
Dickinson state university - Woods hall and agriculture and technical education building projects	12,500,000
North Dakota state university - university village replacement phase II	54,000,000
North Dakota state university - Van Es biosafety laboratory	8,000,000
Minot state university - regional health sciences institute	<u>13,000,000</u>
Total	\$214,200,000

SECTION 12. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the biennium beginning July 1, 2025, and ending June 30, 2027, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 13. BOND ISSUANCE AUTHORIZATION - PURPOSES. 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, during the period beginning with the effective date of this Act, and ending June 30, 2027. 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 in section 1 of this Act for the following capital projects:

North Dakota state university - university village replacement phase II	\$54,000,000
North Dakota state university - memorial union renovation and addition and related demolition of other facilities	50,000,000
Dickinson state university - Woods hall, agriculture and technical education building, and rodeo arena projects	12,500,000
Minot state university - student center	<u>3,100,000</u>
Total special funds	\$119,600,000

SECTION 14. NORTH DAKOTA STATE COLLEGE OF SCIENCE - ENHANCED LEASE PAYMENTS. The appropriation in subdivision 8 of section 1 of this Act includes \$800,000 for enhanced lease payments for deferred maintenance and extraordinary repairs for a facility in Fargo. The enhanced lease payments must be made pursuant to an agreement with the lessor that includes the repayment of the enhanced lease payments if the property is leased to another party or conveyed prior to June 30, 2035.

SECTION 15. AMENDMENT. Subsection 2 of section 6-09-53 of the North Dakota Century Code is amended and reenacted as follows:

2. In consultation with representatives of North Dakota state university and the university of North Dakota, the Bank, in consultation with the state board of higher education, shall award grants to institutions under the control of the state board of higher education. ~~The sum of five million dollars must be awarded~~The bank must award ninety percent of the funds available each biennium to North Dakota state university and the university of North Dakota with equal amounts awarded to each institution. The remaining funding must be awarded to the other institutions under the control of the state board of higher education, as determined by the board. The state board of higher education may not award more than fifty percent of the available funding during the first year of the biennium. The Bank of North Dakota shall distribute the grant funding as awarded by the state board of higher education.

SECTION 16. AMENDMENT. Subdivision a of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- a. ~~Appoint~~Subject to section 24 of this Act, appoint and remove the president or other faculty head, and the professors, instructors, teachers, officers, and other employees of the several institutions under the board's control, fix the salaries for those positions within the limits of legislative appropriations; and fix the terms of office and prescribe the duties of the positions.

SECTION 17. AMENDMENT. Subdivision c of subsection 1 of section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to ~~two million seven hundred thousand~~three million two hundred forty-five thousand dollars in matching grants each to the university of North Dakota and North Dakota state university; and up to ~~two million two hundred thousand~~two million six hundred forty-five thousand dollars in matching grants to the university of North Dakota school of medicine and health sciences. Of the amount available to the university of North Dakota, two hundred fifty thousand dollars must be awarded for projects dedicated to projects at the school of law.

⁶ **SECTION 18. AMENDMENT.** Subdivision a of subsection 1 of section 15-10-48.2 of the North Dakota Century Code is amended and reenacted as follows:

- a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of North Dakota state university for projects dedicated exclusively to agricultural research and

⁶ Section 15-10-48.2 was also amended by section 19 of Senate Bill No. 2003, chapter 36.

extension at the agricultural experiment station. Notwithstanding section 15-10-53, awards under this section may be used for endowments, academic scholarships, operations, facility repair projects, and new capital construction projects.

7 SECTION 19. AMENDMENT. Subdivision c of subsection 1 of section 15-10-48.2 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to ~~two million two hundred thousand~~ two million six hundred forty-five thousand dollars in matching grants under this section.

SECTION 20. AMENDMENT. Subdivision c of subsection 1 of section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to:
 - (1) ~~One million seven hundred thousand~~ Two million forty-five thousand dollars each to Bismarck state college, Dickinson state university, Minot state university, and the North Dakota state college of science;
 - (2) ~~One million one hundred thousand~~ One million three hundred twenty thousand dollars each to ~~Dickinson state university~~, Mayville state university; and Valley City state university; and
 - (3) ~~Six hundred thousand~~ Seven hundred twenty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college.

SECTION 21. AMENDMENT. Subsection 1 of section 15-10-75 of the North Dakota Century Code is amended and reenacted as follows:

1. The state board of higher education may provide award funds to institutions under its control, excluding the university of North Dakota and North Dakota state university, to create or enhance educational programs that address the workforce needs of North Dakota business and industry. An award made under this section may be used for curriculum development, equipment and technology purchases, facility modifications and equipment installation, hiring and training new and existing instructors, educational program promotion, and enhancement of postsecondary partnerships with primary and secondary schools. An institution may not be awarded more than one million five hundred thousand dollars pursuant to this section during a biennium. The state board of higher education shall establish a committee, guidelines, and application process for administration of the grant program established under this section.

SECTION 22. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Presidential searches.

The state board of higher education is responsible for appointment of presidents at institutions under the control of the board. Upon notification that the position of an institution president will become vacant, the state board of higher education may

⁷ Section 15-10-48.2 was also amended by section 18 of Senate Bill No. 2003, chapter 36.

authorize a search committee to conduct a search for a new president. The state board of higher education may retain the services of a consultant, determined and selected by the search committee, to assist the search committee.

SECTION 23. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

State commissioner of higher education - Contract terms - Institution position.

The state board of higher education may enter into a personnel contract with the state commissioner of higher education. The personnel contract may provide for the commissioner to become a faculty or staff member at an institution under the control of the state board of higher education when the contract term is complete. The salaries and wages of a person who becomes a faculty or staff member pursuant to this section must be paid from the appropriation to the North Dakota university system office. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of the salaries and wages paid pursuant to this section.

⁸ **SECTION 24. AMENDMENT.** Subsection 1 of the new section to chapter 15-10 of the North Dakota Century Code, as created by section 1 of House Bill No. 1437, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

1. By July 1, 2026, institutions of higher education under the control of the state board of higher education offering faculty academic tenure shall develop and adopt a policy for tenured and tenure-track faculty employed by the institution, which:
 - a. Defines progression and advancement criteria at each stage of tenure progression, including criteria for continued post-tenure review.
 - b. Establishes a procedure for annual evaluation of all nontenure, tenure-track, and tenured faculty by the president of the institution or the designee of the president.
 - c. Establishes a procedure for post-tenure evaluations, which must be informed by the annual evaluations under subdivision b and conducted by a committee appointed by the president of the institution or the designee of the president. The first post-tenure evaluation must be completed within three years. Subsequent post-tenure evaluations must be completed at least every five years or more frequently.
 - d. Provides the composition of a culminating post-tenure evaluation committee must include the administrative supervisor of the faculty member being evaluated, at least one ranking administrator, and tenured faculty comprising no less than one-third and no more than one-half of the committee.
 - e. Defines the outcome of an unsatisfactory review of post-tenured faculty, which may be removal from the position. The decision to remove faculty from a position must be made by the employing institution and the state board of higher education.

⁸ Section 15-10-13.4 was created by section 1 of House Bill No. 1437, chapter 151.

- f. Is approved by the state board of higher education.
- g. Provides for a hearing and appeal process for a faculty member aggrieved by the policy adopted under this subsection or decision made by the committee under subdivision c.

SECTION 25. AMENDMENT. Paragraph 3 of subdivision h of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- (3) ~~9-014.0~~ for professional level credits;

SECTION 26. AMENDMENT. Subsection 2 of section 15-18.2-03 of the North Dakota Century Code is amended and reenacted as follows:

- 2. If the number of credit-hours completed by an institution would cause a decrease in the credit completion factor for that institution compared to the credit completion factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium, the state board of higher education shall multiply the product determined under section 15-18.2-02 by a credit growth factor of 1.0 for credits in excess of the factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium. Any weighted credit-hours multiplied by a credit growth factor under this section must have a weight of 1.0 under section 15-18.2-02. The state board of higher education shall multiply the remaining weighted credits by the credit completion factor the institution ~~was entitled to receive during the 2017-19~~received during the prior biennium.

SECTION 27. AMENDMENT. Subsection 1 of section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

- 1. Except as provided under subsections 2 and 3, to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-03 by a base amount of:
 - a. ~~\$73.15~~\$79.57 in the case of North Dakota state university and the university of North Dakota;
 - b. ~~\$103.76~~\$111.55 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
 - c. ~~\$110.38~~\$119.91 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.

SECTION 28. AMENDMENT. Section 15-54.1-04 of the North Dakota Century Code is amended and reenacted as follows:

15-54.1-04. Tier III capital building funds - Matching requirements.

The state board of higher education may allocate tier III capital building fund moneys to an institution only after the institution, excluding the university of North Dakota and North Dakota state university, provides ~~two dollars~~one dollar of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. The state board of higher education may allocate

tier III capital building fund moneys to the university of North Dakota and North Dakota state university only after the institution provides two dollars of matching funds from operations or other sources for each one dollar from the university system capital building fund for the project. An institution may not use tier I extraordinary repairs funding, tier II capital building fund moneys, or state funding appropriated for a specific capital project as matching funds under this section.

SECTION 29. AMENDMENT. Subsection 2 of section 15-62.5-03 of the North Dakota Century Code is amended and reenacted as follows:

2. If two or more applicants have the same scores as determined in subsection 1, they must be ranked by the numeric sum of their ~~four~~ scale scores on the ACT or equivalent scores. If a nationally recognized standardized test approved by the state board of higher education does not calculate scale scores, the equivalent will be zero.

SECTION 30. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, ~~2025~~2027)

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, ~~2025~~2027) The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

SECTION 31. AMENDMENT. Section 6 of chapter 126 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 6. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND. The Bank of North Dakota shall transfer the sum of \$2,250,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce student loan repayment fund during the biennium period beginning July 1, 2021, and ending June 30, ~~2023~~2027.

SECTION 32. AMENDMENT. Section 7 of chapter 126 of the 2021 Session Laws is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - SKILLED WORKFORCE SCHOLARSHIP FUND. The Bank of North Dakota shall transfer the sum of \$2,250,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the skilled workforce scholarship fund during the biennium period beginning July 1, 2021, and ending June 30, ~~2023~~2027.

SECTION 33. AMENDMENT. Section 7 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF HIGHER EDUCATION SCHOLARSHIPS.

The industrial commission shall transfer to the North Dakota university system a total of \$1,500,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium period beginning July 1, 2023, and ending June 30, ~~2025~~2027, as requested by the commissioner of higher education. The estimated income line item in subdivision 1 of section 1 includes \$1,500,000 for the North Dakota university system office for dual-credit tuition scholarships.

SECTION 34. AMENDMENT. Section 8 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.

The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce student loan repayment program fund during the biennium period beginning July 1, 2023, and ending June 30, ~~2025~~2027.

SECTION 35. AMENDMENT. Section 9 of chapter 3 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE SCHOLARSHIP FUND.

The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce scholarship fund during the biennium period beginning July 1, 2023, and ending June 30, ~~2025~~2027.

SECTION 36. AMENDMENT. Subsection 17 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

17. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$2,104,121, or so much of the sum as may be necessary, to the university of North Dakota school of medicine and health sciences for the purpose of purchasing equipment ~~and hiring personnel to be granted to health care providers in the state~~ to provide hyperbaric oxygen therapy for the period beginning with the effective date of this Act, and ending June 30, ~~2023~~2027.

SECTION 37. REPEAL. Section 15-10-74 of the North Dakota Century Code is repealed.

SECTION 38. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.

Notwithstanding section 54-16-04, the office of management and budget shall transfer appropriation authority from the operations to the capital assets line items within subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher education, for the period beginning with the effective date of this Act, and ending June 30, 2027. The board shall report any transfer of funds under this section to the legislative management.

SECTION 39. EXEMPTION - 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 during the biennium

beginning July 1, 2025, and ending June 30, 2027. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2027-29 biennium budget request.

SECTION 40. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining from the \$18,160,000 appropriated from the general fund for capital projects inflation and \$411,724,026 appropriated from other funds, including \$209,976,971 appropriated from the strategic investment and improvements fund, for capital projects at institutions under the control of the state board of higher education in section 1 of chapter 3 of the 2023 Session Laws;
2. Any amounts remaining from the \$8,500,000 appropriated from other funds to Bismarck state college for the multipurpose academic and athletic center in section 2 of chapter 638 of the 2023 Special Session Session Laws;
3. Any amounts remaining from the \$1,500,000 appropriated from Bank of North Dakota profits for dual-credit scholarships in section 1 of chapter 3 of the 2023 Session Laws;
4. Any amounts remaining from the funding appropriated from federal funds derived from the state fiscal recovery fund to the state board of higher education and institutions under the control of the state board of higher education in section 1 of chapter 548 and section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the biennium beginning July 1, 2023, and ending June 30, 2025, in section 42 of chapter 3 of the 2023 Session Laws.

SECTION 41. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining from the funding appropriated for the branch research centers capital projects inflation in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.
2. Any amounts remaining from the funding appropriated for the northern crops institute feed production center facility upgrade and pellet mill in subdivision 2 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.
3. Any amounts remaining from the funding appropriated for the main research center Waldron hall replacement project in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws, including related revenues.

SECTION 42. EXEMPTION - SALE OF PROPERTY AUTHORIZED - USE OF PROCEEDS. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at the intersection of sixth avenue north and forty-second street north, in the southeast corner, unplatted parts including the north half of the northwest quarter of the southwest quarter of section 5, township 151 north, range 50, estimated to include 20 acres, in the records of the city of Grand Forks. If any real property authorized to be conveyed under this section is conveyed, the terms of conveyance must be determined jointly by the state

board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section. Any proceeds from the sale of land pursuant to this section may be used only for deferred maintenance and extraordinary repairs.

SECTION 43. EXEMPTION - SALE OF PROPERTY AUTHORIZED - USE OF PROCEEDS. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at the intersection of Demers avenue and forty-second street north, in the northwest corner, known as 4201 James Ray drive, the south east corner of lot 1, block 1, estimated to be 2.74 acres, in the records of the city of Grand Forks. If any real property authorized to be conveyed under this section is conveyed, the terms of conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section. Any proceeds from the sale of land pursuant to this section may be used only for deferred maintenance and extraordinary repairs.

SECTION 44. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - UNIVERSITY OF NORTH DAKOTA PHYSICIAN ASSISTANT PROGRAM - STUDENT RESIDENCY - REPORT. The university of North Dakota shall develop and implement student recruitment and acceptance strategies to increase the number of resident medical students enrolled in the school of medicine and health sciences and to increase the number of resident students enrolled in the physician assistant program, with a goal for eighty-five percent of medical students enrolled at the school of medicine and health sciences and in the physician assistant program to be residents of the state by the fall 2030 semester. The university of North Dakota shall provide an annual report to the legislative management regarding strategies under consideration and implemented to increase resident medical student enrollment in the school of medicine and health sciences and in the physician assistant program, during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 45. HIGHER EDUCATION FUNDING REVIEW COMMITTEE - REPORT TO THE LEGISLATIVE MANAGEMENT.

1. During the 2025-26 interim, the higher education funding review committee is created and composed of thirteen members as follows:
 - a. Two members of the house of representatives appointed by the majority leader of the house of representatives and one member appointed by the minority leader of the house of representatives;
 - b. Two members of the senate appointed by the majority leader of the senate and one member appointed by the minority leader of the senate;
 - c. One member of the legislative assembly appointed by the legislative management to serve as the committee chairman;
 - d. Six nonvoting members, including:
 - (1) The university of North Dakota vice president for finance and operations, or a designee of the vice president for finance and operations;

- (2) The North Dakota state university vice president for finance and administration, or a designee of the vice president for finance and administration;
 - (3) Two representatives from regional four-year universities, including dual-mission institutions, appointed by the state board of higher education; and
 - (4) Two representatives from two-year colleges, including polytechnic institutions, appointed by the state board of higher education.
2. The committee shall review funding methods for higher education in the state, including the higher education funding formula, the university system capital building fund, permanent funds distributions, property tax allocations, oil and gas gross production and oil extraction tax revenue allocations, other statutory funds for higher education and research, and other funding appropriated to institutions and entities under the control of the state board of higher education.
 3. The committee must receive and consider input from representatives of all higher education institutions under the control of the state board of higher education.
 4. The committee shall report its findings and recommendations to the legislative management by September 1, 2026.

SECTION 46. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT. During the 2025-26 interim, the legislative management shall study dual-credit in the state, including which institutions may offer dual-credit courses, where dual-credit courses may be provided by the institutions, and state funding provided for dual-credit. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 47. PRAXIS CORE TESTING PERFORMANCE - LEGISLATIVE MANAGEMENT REPORT. The legislative management shall request a report during the 2025-26 interim from the association of colleges for teacher education regarding a study of the praxis core testing performance of student teachers who used grades and exams to demonstrate reading, writing, and mathematics competencies.

SECTION 48. STATE BOARD OF HIGHER EDUCATION STUDY AND REPORT - COMMISSIONER OF HIGHER EDUCATION - LEGISLATIVE INTENT - REPORT.

1. The state board of higher education shall study the costs and benefits of a system of higher education led by a chancellor compared to a commissioner during the 2025-26 interim. The state board of higher education shall report its findings and recommendations, including any legislation required to implement the recommendations, to the legislative management by May 31, 2026.
2. It is the intent of the sixty-ninth legislative assembly that:
 - a. The state board of higher education appoint a state commissioner of higher education in compliance with chapter 15-10 of the North Dakota Century Code and subsection 7 of section 6 of article VIII of the Constitution of North Dakota.

- b. The state commissioner of higher education be recognized as a position important to the efficient and effective functioning of the North Dakota university system.
 - c. The state board of higher education recognize the importance of hiring an individual for the position of state commissioner of higher education in an efficient and timely manner.
3. The state board of higher education shall provide a report to the legislative management by October 15, 2025, regarding the hiring process for the state commissioner of higher education position, including detail regarding the cause or reasoning behind any delays in the hiring process.

SECTION 49. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS. It is the intent of the sixty-ninth legislative assembly that wind energy technology and law enforcement courses be transferred to the career and technical education instructional program classification within the higher education funding formula.

SECTION 50. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - ALLIED HEALTH FACILITY. It is the intent of the sixty-ninth legislative assembly that an allied health facility expansion be completed at the university of North Dakota school of medicine and health sciences.

SECTION 51. LEGISLATIVE INTENT - SEPARATION AGREEMENTS. It is the intent of the sixty-ninth legislative assembly that the state board of higher education not enter into any separation or early retirement agreements, other than approved agreements consistent with the individual's personnel contract and state law, with a cost to the state or the institutions under the control of the state board of higher education during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 52. EMERGENCY. The workforce education innovation grants and capital assets line items in section 1 and sections 4, 5, 6, 10, 11, 13, 14, 21, 38, 42, and 43 of this Act are declared to be an emergency measure.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 37

SENATE BILL NO. 2004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the ethics commission; to create and enact a new section to chapter 54-03 and two new sections to chapter 54-66 of the North Dakota Century Code, relating to immunity and a defense for individuals voting on legislation, closure of a matter of the ethics commission, rules for complaint management time standards, and an ethics commission annual report; to amend and reenact sections 12.1-13-02, 54-66-01, 54-66-04, 54-66-05, 54-66-06, and 54-66-07, subsection 2 of section 54-66-08, and sections 54-66-09, 54-66-10, 54-66-12, and 54-66-18 of the North Dakota Century Code, relating to immunity from criminal prosecution, definitions, ethics commission meetings, complaints, an informal resolution process, law enforcement referrals, findings, appeals, confidential information related to a complaint, and conflicts of interest; 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, to the ethics commission for the purpose of defraying the expenses of the ethics commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics commission	\$1,041,374	\$316,707	\$1,358,081
New and vacant FTE pool	0	9,935	9,935
Total general fund	\$1,041,374	\$326,642	\$1,368,016
Full-time equivalent positions	3.00	0.00	3.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>
Case management system	\$50,000
Office furniture	2,348
Total	\$52,348

SECTION 3. NEW AND VACANT FULL-TIME EQUIVALENT POOL - LIMITATION - TRANSFER REQUEST. The ethics commission may not spend funds appropriated in the new and vacant full-time equivalent pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant full-time equivalent pool line item to the ethics commission line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. AMENDMENT. Section 12.1-13-02 of the North Dakota Century Code is amended and reenacted as follows:

12.1-13-02. Speculating or wagering on official action or information.

1. ~~A person~~An individual is guilty of a class A misdemeanor if during employment as a public servant, or within one year thereafter, in contemplation of official action by ~~himself~~the individual as a public servant or by a government agency with which ~~he~~the individual is or has been associated as a public servant, or in reliance on information to which ~~he~~the individual has or had access only in ~~his~~the individual's capacity as a public servant, ~~he~~the individual:
 - a. Acquires a pecuniary interest in any property, transaction, or enterprise which may be affected by ~~such~~the information or official action;
 - b. Speculates or wagers on the basis of ~~such~~the information or official action; or
 - c. Aids another individual to do any of the foregoing.
2. ~~A person~~An individual is guilty of a class A misdemeanor if as a public servant ~~he~~the individual takes official action which is likely to benefit ~~him~~the individual as a result of an acquisition of a pecuniary interest in any property, transaction, or enterprise, or of a speculation or wager, which ~~he~~the individual made, or caused or aided another to make, in contemplation of ~~such~~the official action.
3. An individual is immune from prosecution under this section if:
 - a. The individual was a member of the legislative assembly at the time the official action was taken;
 - b. The official action was a vote on a measure in the senate or house of representatives or a legislative committee; and
 - c. The individual adhered to legislative conflict of interest rules requiring an individual to disclose a personal or private interest to the member's respective chamber of the legislative assembly, a legislative committee, the president of the senate, or the speaker of the house.

***SECTION 5.** A new section to chapter 54-03 of the North Dakota Century Code is created and enacted as follows:

Voting on legislation - Immunity - Affirmative defense.

If an individual who is a member of the legislative assembly adheres to:

1. Legislative rules requiring an individual to disclose a personal or private interest to the member's respective chamber of the legislative assembly, a legislative committee, the president of the senate, or the speaker of the house, the individual and an organization for which the individual is an agent, as defined in section 12.1-03-04, is immune from criminal prosecution under the laws of this state for an offense arising from the individual voting on a measure in a legislative committee, the senate, or the house of representatives.

2. Informal advice from a staff member of the ethics commission, reliance on the advice is an affirmative defense in a prosecution for an offense arising from the individual voting on a measure in a legislative committee, the senate, or the house of representatives.

SECTION 6. AMENDMENT. Section 54-66-01 of the North Dakota Century Code is amended and reenacted as follows:

54-66-01. Definitions.

As used in this chapter, unless the context otherwise requires:

- ~~1.~~ ~~"Accused individual" means a lobbyist, public official, candidate for public office, political committee, or contributor who is alleged to have violated article XIV of the Constitution of North Dakota, this chapter, or another law or rule regarding transparency, corruption, elections, or lobbying.~~
- ~~2.~~ "Complainant" means an individual who, in writing or verbally, submits a complaint to the commission and is:
 - a. A North Dakota resident;
 - b. Subject to licensing by a state agency or other public official subject to the jurisdiction of the ethics commission; or
 - c. A party to a quasi-judicial proceeding before a state agency or other public official subject to the jurisdiction of the ethics commission.
- ~~3-2.~~ "Complaint" means a verbal or written allegation to the commission that a lobbyist, public official, candidate for public office, political committee, or contributor has violated article XIV of the Constitution of North Dakota, this chapter, or another law or rule regarding transparency, corruption, elections, or lobbying.
- ~~4-3.~~ "Ethics commission" or "commission" means the North Dakota ethics commission established by article XIV of the Constitution of North Dakota.
- ~~5-4.~~ "Gift" means any item, service, or thing of value not given in exchange for fair market consideration including travel and recreation, except:
 - a. Purely informational material;
 - b. A campaign contribution; and
 - c. An item, service, or thing of value given under conditions that do not raise ethical concerns, as set forth in rules adopted by the ethics commission, to advance opportunities for state residents to meet with public officials in educational and social settings in the state.
- ~~6-5.~~ "Influence state government action" means promoting or opposing the adoption of a rule by an administrative agency or the commission under chapter 28-32.
- ~~7-6.~~ "Lobby" means an activity listed in subsection 1 of section 54-05.1-02.
- ~~8-7.~~ "Lobbyist" means an individual required to register under section 54-05.1-03.

- ~~9-8.~~ "Public official" means an elected or appointed official of the state's executive or legislative branch, members of the commission, members of the governor's cabinet, and employees of the legislative branch.
- ~~10-9.~~ "Receives the complaint" means one or more members of the commission learn of the complaint.
10. "Respondent" means a lobbyist, public official, candidate for public office, political committee, or contributor who is alleged to have violated article XIV of the Constitution of North Dakota, this chapter, or another law or rule regarding transparency, corruption, elections, or lobbying.
11. "Ultimate and true source" means the person that knowingly contributed over two hundred dollars solely to lobby or influence state government action.

SECTION 7. AMENDMENT. Section 54-66-04 of the North Dakota Century Code is amended and reenacted as follows:

54-66-04. Ethics commission member terms - Meetings - Code of ethics - Compensation - Office.

1. The terms of the initial members of the ethics commission must be staggered to ensure no more than two members' terms expire in one year. The terms of the initial members may be less than four years to accommodate the required staggering of terms.
2. Unless the complaint at issue has resulted in the imposition of a penalty or referral for enforcement under section 54-66-09, any portion of a meeting during which commission members discuss complaints, informal resolutions, attempts to informally resolve complaints, investigations, or referrals under this chapter, the identity of ~~an accused individual~~ a respondent or complainant, or any other matter arising from a complaint are closed meetings.
3. The commission shall abide by a code of ethics adopted in a public meeting. The code of ethics must specify when a commission member is disqualified from participating in matters before the commission.
4. Ethics commission members are entitled to:
 - a. Compensation for each day necessarily spent conducting commission business in the amount provided for members of the legislative management under section 54-35-10; and
 - b. Payment for mileage and travel expenses necessarily incurred in the conduct of commission business as provided under sections 44-08-04 and 54-06-09.
5. The director of the office of management and budget shall allocate office space in the state capitol for the ethics commission, or, if office space in the capitol is unavailable, shall negotiate for, contract for, and obtain office space for the ethics commission in the city of Bismarck or in the Bismarck area. The ethics commission's office space may not be located in the office space of any other government agency, board, commission, or other governmental entity, and must provide sufficient privacy and security for the ethics commission to conduct its business. The director shall charge the ethics commission an amount equal to the fair value of the office space and related services the office of management and budget renders to the ethics commission.

SECTION 8. AMENDMENT. Section 54-66-05 of the North Dakota Century Code is amended and reenacted as follows:

54-66-05. Making a complaint - Summary dismissal of complaint.

1. A complaint may be made to the commission orally or in writing. If a complainant does not provide the complainant's name, address, and telephone number with the complaint, the ethics commission may not investigate or take other action regarding the complaint. The commission shall summarize each oral complaint in writing unless the complaint must be disregarded under this section.
2. Upon receipt of a complaint or information regarding a violation, the commission may summarily dismiss the complaint or decline to proceed with a complaint if the alleged violation does not fall within the commission's jurisdiction, is insufficient to identify a possible violation, or fails to comply with rules adopted by the commission. In lieu of summary dismissal, the commission may refer the matter under section 54-66-08.
3. If a complainant would like the complainant's identity to remain confidential, the commission may not release the complainant's name and address to the ~~accused individual~~respondent without the authorization of the complainant. If the complainant does not authorize release of the complainant's name and address to the ~~accused individual~~respondent, the statement of the complainant may not be used as evidence of a violation.
4. If the commission receives an anonymous complaint that contains documentary or real evidence of possible criminal conduct, the commission may refer the matter to the appropriate law enforcement agency as provided under section 54-66-08, and may not otherwise divulge the documentary or real evidence.

SECTION 9. AMENDMENT. Section 54-66-06 of the North Dakota Century Code is amended and reenacted as follows:

54-66-06. Informing the ~~accused individual~~respondent - Written response permitted - Petition to dismiss complaint.

1. Within thirty calendar days, the commission shall inform an ~~accused individual~~respondent of the complaint. Subject to the confidentiality requirements set forth in section 54-66-05, the ~~accused individual~~respondent will be provided with the written complaint or written summary of the oral complaint, witness statements, and other documentary evidence included with the complaint. The ~~accused individual~~respondent may provide a written response to the complaint within thirty calendar days, or after the commission requests a written response to the complaint or summary of the complaint, a period as set by the commission. This subsection does not preclude the ~~accused individual~~respondent from providing a written response to the complaint before receiving a request for written response from the commission.
2. If the commission has summarily dismissed the complaint under subsection 2 of section 54-66-05, before notifying the ~~accused individual~~respondent as required by this section, the notification to the ~~accused individual~~respondent must include notice of the summary dismissal.

SECTION 10. AMENDMENT. Section 54-66-07 of the North Dakota Century Code is amended and reenacted as follows:

54-66-07. Informal resolution.

The commission shall attempt to negotiate or mediate an informal resolution between the ~~accused individual respondent~~ and the complainant unless the commission summarily dismissed the complaint under section 54-66-05. The ~~accused individual respondent~~ may be accompanied by legal counsel in a negotiation or mediation. If the informal resolution process between the respondent and the complainant is unsuccessful, the commission may work with the respondent to settle and close the matter.

SECTION 11. AMENDMENT. Subsection 2 of section 54-66-08 of the North Dakota Century Code is amended and reenacted as follows:

2. If the commission believes a complaint contains allegations of criminal conduct, the matter ~~must~~ may be coordinated with the appropriate law enforcement agency with jurisdiction over the offense. If the law enforcement agency agrees to accept a referral for ~~possible~~ criminal prosecution, the commission may not take further action on the complaint until the law enforcement agency informs the commission law enforcement proceedings regarding the complaint are complete. If the law enforcement agency declines a referral for prosecution, the commission may investigate the complaint under the rules adopted by the commission. If the law enforcement agency takes no action on the referral for prosecution within sixty days, the commission may resume its review of the complaint. Unless the agency accepting the referral objects, the commission shall inform the complainant and respondent as soon as reasonably possible of a referral and the nature of the referred allegations.

SECTION 12. AMENDMENT. Section 54-66-09 of the North Dakota Century Code is amended and reenacted as follows:

54-66-09. Investigation findings - Ethics commission determinations.

1. An investigator, other than a law enforcement agency, of a complaint shall provide written findings of the investigation to the ethics commission within a reasonable amount of time. The ethics commission shall provide copies of the written findings and evidence considered to the ~~accused individual respondent~~, who may respond to the commission in person or in writing within a reasonable time. If the ~~accused individual respondent~~ responds in person, no fewer than three members of the commission shall meet in a closed meeting with the ~~accused individual respondent~~. ~~An accused individual~~ A respondent may be accompanied by legal counsel when responding to the commission in person. Upon completion of an investigation, the executive director shall prepare a report and recommendation to the commission to close the matter or issue an alleged violation. The commission may issue an alleged violation, require additional investigation, or close the matter.
2. After providing a reasonable time for ~~an accused individual~~ a respondent to respond to the investigation findings and considering any response to the findings, the ethics commission shall determine whether a violation of article XIV of the Constitution of North Dakota, this chapter, or another law or rule regarding transparency, corruption, elections, or lobbying occurred, and inform the ~~accused individual respondent~~ of the determination. If the commission determined a violation occurred, the commission may impose a penalty authorized by law for the violation or refer the matter to the agency with enforcement authority over the violation.

3. The commission may not terminate the employment of a public official or otherwise remove a public official from the public official's public office.
4. The ethics commission may not reconsider, invalidate, or overturn a decision, ruling, recommended finding of fact, recommended conclusion of law, finding of fact, conclusion of law, or order by a hearing officer under chapter 28-32 on the grounds the hearing officer failed to grant a request for disqualification under section 28-32-27 or failed to comply with subsection 5 of section 2 of article XIV of the Constitution of North Dakota.
5. The respondent may petition the commission at any time to dismiss the complaint in the manner prescribed by the commission.

SECTION 13. AMENDMENT. Section 54-66-10 of the North Dakota Century Code is amended and reenacted as follows:

54-66-10. Appeals.

~~An accused individual~~A respondent may appeal a finding of the ethics commission to the district court of the county where the ~~accused individual~~respondent resides.

SECTION 14. AMENDMENT. Section 54-66-12 of the North Dakota Century Code is amended and reenacted as follows:

54-66-12. Confidential information.

1. The following information is a confidential record as defined in section 44-04-17.1, unless the commission has determined the ~~accused individual~~respondent violated article XIV of the Constitution of North Dakota, this chapter, or another law or rule regarding transparency, corruption, elections, or lobbying, and a court affirmed the determination if appealed, except the information may be disclosed as required by law or as necessary to conduct an investigation arising from a complaint:
 - a. Information revealing the contents of a complaint;
 - b. Information that reasonably may be used to identify ~~an accused individual~~a respondent; and
 - c. Information relating to or created as part of an investigation of a complaint.
2. If a complaint is informally resolved under section 54-66-07, the following information is a confidential record as defined in section 44-04-17.1:
 - a. Information revealing the contents of the complaint;
 - b. Information that reasonably may be used to identify the ~~accused individual~~respondent;
 - c. Information relating to or created as part of the process leading to the informal resolution; and
 - d. Information revealing the informal resolution.
3. Information that reasonably may be used to identify the complainant is confidential unless the complainant waives confidentiality, authorizes its

disclosure, or divulges information that reasonably would identify the complainant. Information, including evidence under consideration by the investigator or commission, deemed confidential under this subsection may be disclosed as required by law or as necessary to conduct an investigation arising from a complaint to include disclosure of evidence being considered to ~~an accused individual~~ a respondent.

4. The information deemed confidential in subsections 1 and 2 may be disclosed by the respondent and the ethics commission if the ~~accused individual~~ respondent agrees to the disclosure.

SECTION 15. AMENDMENT. Section 54-66-18 of the North Dakota Century Code is amended and reenacted as follows:

54-66-18. Conflicts of interest - Legislative assembly.

1. Each legislative assembly shall adopt conflict of interest rules. The rules must:
 - a. Require the disclosure by a member of a potential conflict of interest relating to any bill in which the member may have a ~~direct, unique, substantial, or~~ and individual interest.
 - b. Ensure a mechanism is in place to record each disclosure and make it readily available to the public.
2. If the legislative assembly adopts rules under subsection 1 which are at least as restrictive as the conflict of interest rules adopted by the ethics commission, the disclosure process portion of the conflict of interest rules adopted by the ethics commission may not apply to members of the legislative assembly.

SECTION 16. A new section to chapter 54-66 of the North Dakota Century Code is created and enacted as follows:

Complaint management time standards.

The commission shall adopt rules for the efficient and timely disposition of complaints from receipt to resolution.

SECTION 17. A new section to chapter 54-66 of the North Dakota Century Code is created and enacted as follows:

Ethics commission annual report.

1. The ethics commission shall prepare an annual report each fiscal year. The ethics commission shall make the annual report available on its public website within sixty days of the end of each fiscal year.
2. The annual report must include:
 - a. The number of complaints received by the commission, the status of those complaints, the commission's actions to resolve the complaints, and the timing related to those actions;
 - b. The number of advisory opinions requested and issued, as well as information regarding general conflict disclosures and quasi-judicial disclosures received; and

-
- c. Information regarding education and outreach and the status of the commission's budget.
 - 3. The annual report may include recommendations for new or revised laws, rules, or policies that could improve the confidence that North Dakota citizens have in their government.

SECTION 18. EMERGENCY. Sections 4, 5, 10, 11, 14, and 15 of this Act are declared to be an emergency measure.

Approved May 19, 2025

Filed May 19, 2025

* Section 5 of Senate Bill No. 2004 was vetoed, see chapter 605.

CHAPTER 38

SENATE BILL NO. 2005

(Appropriations Committee)

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 the Indian affairs commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$948,903	\$49,040	\$997,943
New and vacant FTE pool	0	10,462	10,462
Operating expenses	<u>267,718</u>	<u>12,228</u>	<u>279,946</u>
Total general fund	\$1,216,621	\$71,730	\$1,288,351
Full-time equivalent positions	4.00	0.00	4.00

SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The Indian affairs commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved April 2, 2025

Filed April 3, 2025

CHAPTER 39

SENATE BILL NO. 2006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; to provide an exemption; and to provide a statement of 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 other funds derived from special funds and federal funds, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,789,878	\$132,794	\$1,922,672
New and vacant FTE pool	0	20,495	20,495
Operating expenses	3,285,000	(119)	3,284,881
Grants	<u>27,100,000</u>	<u>93,775,000</u>	<u>120,875,000</u>
Total all funds	\$32,174,878	\$93,928,170	\$126,103,048
Less other funds	<u>31,699,878</u>	<u>93,928,170</u>	<u>125,628,048</u>
Total general fund	\$475,000	\$0	\$475,000
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Generational airport projects	<u>\$90,000,000</u>
Total	\$90,000,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The North Dakota aeronautics commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - AIRPORT INFRASTRUCTURE FUND - AIRPORT GRANTS - EXEMPTION. The other funds appropriation in section 1 of this Act includes \$20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2025,

and ending June 30, 2027. Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2027, must be continued into the biennium beginning July 1, 2027, and ending June 30, 2029, and may be expended only for providing grants to airports.

SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GENERATIONAL AIRPORT PROJECTS - EXEMPTION - LEGISLATIVE INTENT.

1. The other funds appropriation in section 1 of this Act includes \$90,000,000 from the strategic investment and improvements fund for generational airport projects during the biennium beginning July 1, 2025, and ending June 30, 2027.
2. Section 54-44.1-11 does not apply to the funding identified in this section and appropriated in section 1 of this Act, and any funds not spent by June 30, 2027, must be continued into the biennium beginning July 1, 2027, and ending June 30, 2029, and may be expended only for generational airport projects.
3. It is the intent of the sixty-ninth legislative assembly that state funds not be used to replace any federal grant funds applied for but not received for a generational airport project. It is further the intent of the sixty-ninth legislative assembly that, of the funding identified in this section, \$45,000,000 is for the Fargo commercial terminal expansion project, \$20,000,000 is for the Grand Forks primary runway reconstruction project, and \$25,000,000 is for the Dickinson terminal construction project.

SECTION 6. DICKINSON AIRPORT PROJECT DEBT REPAYMENTS. During the 2025-27 biennium, the city of Dickinson shall use funding allocated to it from the hub city debt relief funding pool under section 57-51-15 for debt repayments related to debt incurred for a project at the Dickinson airport.

SECTION 7. EXEMPTION - INTERNATIONAL PEACE GARDEN AIRPORT REHABILITATION PROJECT. The sum of \$3,750,000 appropriated from federal funds and special funds for the International Peace Garden airport pavement rehabilitation project in section 1 of chapter 6 of the 2023 Session Laws is not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available and may be expended during the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved May 16, 2025

Filed May 19, 2025

CHAPTER 40

SENATE BILL NO. 2007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the veterans' home; to create and enact a new section to chapter 37-15 of the North Dakota Century Code, relating to meals provided to employees of the veterans' home; 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 other funds derived from special funds and federal funds, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,582,989	\$1,815,877	\$22,398,866
New and vacant FTE pool	0	852,924	852,924
Operating expenses	6,061,325	1,207,368	7,268,693
Capital assets	<u>407,252</u>	<u>725,055</u>	<u>1,132,307</u>
Total all funds	\$27,051,566	\$4,601,224	\$31,652,790
Less other funds	<u>20,833,167</u>	<u>4,106,515</u>	<u>24,939,682</u>
Total general fund	\$6,218,399	\$494,709	\$6,713,108
Full-time equivalent positions	114.79	0.00	114.79

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Building maintenance	\$390,000
Resident garages and storage units	175,000
Equipment	<u>22,050</u>
Total	\$587,050

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The veterans' home may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. A new section to chapter 37-15 of the North Dakota Century Code is created and enacted as follows:

Meals provided to employees of the veterans' home.

In the event of a disruption of operations, the veterans' home may provide meals at a fair value or without a charge to employees of the veterans' home as required by the job assignments of the employees.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget may transfer up to \$600,000 from special funds from the salaries and wages line item to the operating expenses line item in section 1 of chapter 7 of the 2023 Session Laws, during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the veterans' home. The veterans' home shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME FACILITIES. During the 2025-26 interim, the legislative management shall consider studying the usage of the veterans' home facilities. The study must consider any organizational changes necessary to increase resident census at the veterans' home, potential uses for unoccupied space, and federal requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 7. EMERGENCY. Section 5 of this Act and the sum of \$175,000 appropriated from the Melvin Norgard memorial fund for resident garages and storage units in the other funds line item in section 1 of this Act are declared to be an emergency measure.

Approved April 30, 2025

Filed May 1, 2025

CHAPTER 41

SENATE BILL NO. 2009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state fair association; to repeal section 4.1-45-22.1 of the North Dakota Century Code, relating to state fair facility operations and maintenance costs; 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, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Premiums	\$642,833	\$0	\$642,833
Campground rest facility	0	750,000	750,000
Safety and security infrastructure	0	800,000	800,000
Total all funds	\$642,833	\$1,550,000	\$2,192,833
Less other funds	0	1,550,000	1,550,000
Total general fund	\$642,833	\$0	\$642,833

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Campground rest facility	\$0	\$750,000	\$750,000
Safety and security infrastructure	0	800,000	800,000
Total	\$0	\$1,550,000	\$1,550,000

SECTION 3. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$1,550,000 from the strategic investment and improvements fund for a campground rest facility and for safety and security infrastructure.

SECTION 4. CAMPGROUND REST FACILITY FUNDING - DISTRIBUTION. Funding provided for the campground rest facility in section 1 of this Act is to provide a cost-share, not to exceed \$750,000. The cost-share provides \$2 of state funding for each \$1 of state fair funds.

SECTION 5. REPEAL. Section 4.1-45-22.1 of the North Dakota Century Code is repealed.

SECTION 6. EMERGENCY. The sum of \$1,550,000 provided for the campground rest facility and the safety and security infrastructure in section 1 of this Act is declared to be an emergency measure.

Approved May 2, 2025

Filed May 2, 2025

CHAPTER 42

SENATE BILL NO. 2010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts; to provide for a transfer; to provide for a report; 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 other funds derived from special funds and federal funds, 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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,222,195	\$412,927	\$1,635,122
New and vacant FTE pool	0	16,519	16,519
Operating expenses	674,093	5,000	679,093
Grants	<u>2,355,342</u>	<u>(18,541)</u>	<u>2,336,801</u>
Total all funds	\$4,251,630	\$415,905	\$4,667,535
Less other funds	<u>1,880,000</u>	<u>150,000</u>	<u>2,030,000</u>
Total general fund	\$2,371,630	\$265,905	\$2,637,535
Full-time equivalent positions	6.00	0.00	6.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General fund</u>
Arts across the prairie education	<u>\$5,000</u>
Total	\$5,000

SECTION 3. APPROPRIATION - CULTURAL ENDOWMENT FUND. 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, 2025, and ending June 30, 2027. The council on the arts may spend accrued interest in the fund, including on the portion of the fund designated for maintenance of art projects constructed as part of the creative placemaking program, for the fabrication, site preparation, and installation of creative placemaking program art projects. The accrued interest is not subject to any spending limitations associated with maintenance of the art projects established by the sixty-seventh legislative assembly.

SECTION 4. APPROPRIATION - GIFTS, GRANTS, AND BEQUESTS. All gifts, grants, devises, bequests, donations, and assignments received by the council on the arts are appropriated to the council on the arts for the purposes provided in section 54-54-06, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The council on the arts may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 6. STATE TROUBADOUR - POET LAUREATE. The grants line item in section 1 of this Act includes \$10,000 for the state troubadour and \$10,000 for the poet laureate.

SECTION 7. EXEMPTION - LINE ITEM TRANSFERS - REPORT. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer funds between line items, excluding the new and vacant FTE pool line item, in section 1 of this Act as requested by the council on the arts. The council on the arts shall notify the legislative council of any transfer made pursuant to this section. The council on the arts shall report to the budget section after June 30, 2026, any transfer made in excess of \$50,000 and to the appropriations committees of the seventieth legislative assembly regarding any transfers made pursuant to this section.

SECTION 8. EXEMPTION - UNEXPENDED APPROPRIATION. The amount of \$25,000 appropriated from the general fund for the purpose of accrued leave payouts in section 1 of chapter 10 of the 2023 Session Laws is not subject to section 54-44.1-11 and any unexpended funds may be continued and are available to the council on the arts for costs relating to accrued leave payouts during the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved May 2, 2025

Filed May 2, 2025

CHAPTER 43

SENATE BILL NO. 2011

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to provide for a transfer; 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 other funds derived from special funds and federal funds, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Highway patrol	\$68,085,546	\$14,653,962	\$82,739,508
New and vacant FTE pool	0	2,445,122	2,445,122
Total all funds	\$68,085,546	\$17,099,084	\$85,184,630
Less other funds	20,428,226	6,251,313	26,679,539
Total general fund	\$47,657,320	\$10,847,771	\$58,505,091
Full-time equivalent positions	205.00	0.00	205.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Motor pool costs	\$3,705,000	\$278,000	\$3,983,000
Conductive electronic weapon replacement	0	870,000	870,000
Emergency operations course resurface	0	260,000	260,000
Preliminary breath test devices	0	50,000	50,000
Gun replacement	0	200,000	200,000
Federal grant authority	0	480,000	480,000
Crash assistance position	0	194,000	194,000
Total	\$3,705,000	\$2,332,000	\$6,037,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The highway patrol may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the highway patrol line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - TRANSFER - HIGHWAY TAX DISTRIBUTION

FUND. The other funds line item in section 1 of this Act includes the sum of \$12,836,056, 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 defraying the expenses of the highway patrol during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. OTHER FUNDS - MOTOR CARRIER ELECTRONIC PERMIT

FUND. The other funds line item in section 1 of this Act includes \$3,419,828 from the motor carrier electronic permit transaction fund for defraying various expenses associated with the issuance of permits and other nonenforcement motor carrier and administrative activities during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. PAYMENTS TO HIGHWAY PATROL OFFICERS.

Each patrol officer of the state 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, 2025, and ending June 30, 2027. 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 the patrol officers' 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 7. EXEMPTION - UNEXPENDED APPROPRIATIONS.

The sum of \$45,000 appropriated from the motor carrier electronic permit transaction fund for technology enhancements in section 1 of chapter 11 of the 2023 Session Laws is not subject to the provisions of section 54-44.1-11 and any unexpended funds may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved April 30, 2025

Filed May 1, 2025

CHAPTER 44

SENATE BILL NO. 2012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to create and enact a new section to chapter 24-02 and a new section to chapter 54-27 of the North Dakota Century Code, relating to rail passenger authority agreements and a legacy earnings fund; to amend and reenact section 6-09.4-10.1, subsection 1 of section 21-10-06, and sections 24-02-37.3, 54-27-19, and 57-40.3-10, section 57-51.1-07.5 as amended by Senate Bill No. 2323 as approved by the sixty-ninth legislative assembly, and sections 57-51.1-07.7 and 57-51.1-07.8 of the North Dakota Century Code, relating to funds invested by the state investment board, the flexible transportation fund, the highway tax distribution fund, motor vehicle excise tax collections, the state share of oil and gas taxes, the municipal infrastructure fund, and the county and township infrastructure fund; to repeal sections 21-10-12, 21-10-13, 54-27-19.3, and 54-27-19.4 of the North Dakota Century Code, relating to legacy fund definitions, a legacy earnings fund, the legacy earnings highway distribution fund, and legacy earnings township highway aid fund; to provide for a legislative management report; to provide for application; to provide an effective date; 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 from other funds derived from special funds and federal funds, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$219,279,648	\$16,710,943	\$235,990,591
New and vacant FTE pool	0	13,576,477	13,576,477
Operating expenses	316,256,474	71,088,648	387,345,122
Capital assets	1,101,395,065	867,394,552	1,968,789,617
Grants	<u>112,821,458</u>	<u>3,569,000</u>	<u>116,390,458</u>
Total other funds	\$1,749,752,645	\$972,339,620	\$2,722,092,265
Full-time equivalent positions	1,001.00	4.00	1,005.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Other Funds</u>
Facility improvements	\$5,970,000
Appointment system upgrade	3,000,000
Inventory tracking system	350,000

Highway projects	287,100,000
Passenger rail authority grant	150,000
Increased roadway maintenance costs	9,842,212
Walking trail grant	100,000
Equipment	5,872,000
Total	\$312,384,212

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of transportation may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - FLEXIBLE TRANSPORTATION FUND. The office of management and budget shall transfer the sum of \$142,500,000 from the strategic investment and improvements fund to the flexible transportation fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority among the salaries and wages, operating expenses, capital assets, and grants line items in section 1 of this Act as requested by the director of the department of transportation when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the legislative council of any transfers made pursuant to this section.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$287,100,000 from the strategic investment and improvements fund for highway projects and \$150,000 from the strategic investment and improvements fund for a rail passenger authority grant.

SECTION 7. OTHER FUNDS - MUNICIPAL INFRASTRUCTURE FUND - COUNTY AND TOWNSHIP INFRASTRUCTURE FUND. The other funds line item in section 1 of this Act includes the sum of \$40,000,000, or so much of the sum as may be necessary, from the municipal infrastructure fund and the sum of \$40,000,000, or so much of the sum as may be necessary, from the county and township infrastructure fund.

⁹ **SECTION 8. AMENDMENT.** Section 6-09.4-10.1 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-10.1. Legacy sinking and interest fund - Debt service requirements - Public finance authority.

There is created in the state treasury the legacy sinking and interest fund. The fund consists of all moneys deposited in the fund under section 24-10-1313 of this Act. Moneys in the fund may be spent by the public finance authority pursuant to legislative appropriations to meet the debt service requirements for evidences of indebtedness issued by the authority for transfer to the Bank of North Dakota for allocations to infrastructure projects and programs.

⁹ Section 6-09.4-10.1 was also amended by section 1 of House Bill No. 1176, chapter 555.

¹⁰ **SECTION 9. AMENDMENT.** Subsection 1 of section 21-10-06 of the North Dakota Century Code is amended and reenacted as follows:

1. Subject to the provisions of section 21-10-02, the board shall invest the following funds:
 - a. State bonding fund.
 - b. Teachers' fund for retirement.
 - c. State fire and tornado fund.
 - d. Workforce safety and insurance fund.
 - e. Public employees retirement system.
 - f. Insurance regulatory trust fund.
 - g. State risk management fund.
 - h. Budget stabilization fund.
 - i. Water projects stabilization fund.
 - j. Health care trust fund.
 - k. Cultural endowment fund.
 - l. Petroleum tank release compensation fund.
 - m. Legacy fund.
 - n. ~~Legacy earnings fund.~~
 - o. Opioid settlement fund.
 - p. ~~o.~~ A fund under contract with the board pursuant to subsection 3.

SECTION 10. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Big sky north coast corridor identification and development program.

The director may enter an agreement with the big sky passenger rail authority regarding the creation of a service development plan.

SECTION 11. AMENDMENT. Section 24-02-37.3 of the North Dakota Century Code is amended and reenacted as follows:

24-02-37.3. Flexible transportation fund - Budget section approval - State treasurer distributions to political subdivisions - Report. (Retroactive application - See note)

¹⁰ Section 21-10-06 was also amended by section 2 of House Bill No. 1176, chapter 555.

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
 - a. Providing a match for federal funding obtained by the department of transportation.
 - b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.
 - c. State-funded road and, bridge, and other infrastructure construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
3. The director must receive budget section approval for any project that utilizes more than ten million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
4. ~~The director shall allocate at least twenty five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil producing county and township road and bridge projects as follows:~~
 - ~~a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;~~
 - ~~b. The department shall establish criteria to distribute the funds;~~
 - ~~c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;~~
 - ~~d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;~~
 - ~~e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and~~
 - ~~f. For purposes of this subsection, "non oil producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even numbered fiscal year before the start of each biennium. The director shall allocate a portion of funds deposited in the flexible transportation fund for the benefit of road and bridge maintenance and projects in counties, cities, and townships as follows:~~

- a. The following percentage of state funds deposited in the fund must be allocated by the director for grants to counties, cities, and townships in non-oil-producing counties for road and bridge repair and replacement projects:
 - (1) Nineteen and one-half percent for county and city projects.
 - (2) Thirteen and one-half percent for township projects.
 - b. Seventeen and one-half percent of state funds deposited in the fund must be allocated by the director for grants to eligible counties for bridge repair and replacement projects.
 - c. The director shall establish criteria to distribute the funds under this subsection. Priority must be given to projects that match federal or private funds and to projects that improve roadways that serve as local corridors. Priority for organized township road projects must be given to projects located in townships that levy at least eighteen mills for general purposes and have a general fund balance of less than one hundred thousand dollars as of December thirty-first of the prior year. Priority for unorganized township road projects must be given to unorganized township projects located in counties that levy at least eighteen mills for unorganized township road and bridge purposes. For purposes of determining the mills levied by a township or county, the director shall use the most recent mill rate data published by the tax commissioner.
 - d. The amount allocated to organized townships under this subsection must be paid by the county treasurer to each organized township and the amount allocated for unorganized townships under this subsection must be credited by the county treasurer to a special fund for unorganized township roads.
 - e. Any funds allocated under this subsection not committed by October first of each even-numbered year may be reallocated by the director for any other projects eligible for funding under this section.
5. The state treasurer shall allocate a portion of funds deposited in the flexible transportation fund for the benefit of road, bridge, and other infrastructure maintenance and projects in counties, cities, and townships, as follows:
- a. Nine percent of state funds deposited in the fund must be distributed to non-oil-producing counties for the benefit of organized and unorganized township road needs using the distribution method in section 54-27-19.1. To receive an allocation under this subdivision, an organized township must levy at least eighteen mills for general purposes and have a general fund balance of less than one hundred thousand dollars as of December thirty-first of the prior year. To receive an allocation under this subdivision for unorganized townships, a county must levy at least eighteen mills for unorganized township road and bridge purposes. For purposes of determining the mills levied by a township or county, the state treasurer shall use the most recent mill rate data published by the tax commissioner.
 - b. Nineteen and one-half percent of state funds deposited in the fund must be distributed to non-oil-producing counties and cities for road, bridge, and other infrastructure projects using the formula established in subsection 4 of section 54-27-19.

6. Twenty-one percent of state funds deposited in the fund must be used by the director for any projects eligible for funding under this section.
7. For purposes of this section, "non-oil-producing county" means a county that had average annual oil production of fewer than ten million barrels based on the average annual oil production in the three-year period ending with the most recently completed even-numbered fiscal year before the start of each biennium. For purposes of determining the average annual oil production under this section, the state treasurer shall use the most recently available data compiled by the industrial commission in a report on the historical barrels of oil produced by county.
- 5-8. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund.

SECTION 12. AMENDMENT. Section 54-27-19 of the North Dakota Century Code is amended and reenacted as follows:

54-27-19. Highway tax distribution fund - State treasurer to make allocation to state, counties, and cities.

A highway tax distribution fund is created as a special fund in the state treasury into which must be deposited the moneys available by law from collections of motor vehicle registration and related fees, fuels taxes, special fuels taxes, use taxes, and special fuels excise taxes. The state treasurer shall transfer the first five million five hundred thousand dollars per biennium from the highway tax distribution fund to the state highway fund for the purpose of providing administrative assistance to other transferees. After the transfer of the first five million five hundred thousand dollars, any moneys in the highway tax distribution fund must be allocated and transferred monthly by the state treasurer, as follows:

1. ~~Sixty-one and three-tenths~~Sixty percent must be transferred monthly to the state department of transportation and placed in a state highway fund.
2. ~~Two and seven-tenths~~Three and four-tenths percent must be transferred monthly to the township highway aid fund.
3. ~~One and five-tenths~~One and six-tenths percent must be transferred monthly to the public transportation fund.
4. ~~Thirty-four and five-tenths~~Thirty-five percent must be allocated to the counties of this state in proportion to the number of vehicle registrations credited to each county. Each county must be credited with the certificates of title of vehicles registered by residents of the county. The state treasurer shall compute and distribute the counties' share monthly after deducting the incorporated cities' share. All the moneys received by the counties from the highway tax distribution fund must be set aside in a separate fund called the "highway tax distribution fund" and must be appropriated and applied solely for highway purposes in accordance with section 11 of article X of the Constitution of North Dakota. The state treasurer shall compute and distribute monthly the sums allocated to the incorporated cities within each county according to the formulas in this subsection using the incorporated cities' populations as determined by the last official regular or special federal census or the census taken in accordance with the provisions of chapter 40-02 in case of a city incorporated subsequent to the census.

- a. For counties having no cities with a population of ten thousand or more, twenty-seven percent of the total county allocation must be distributed to all of the incorporated cities within the county on a countywide per capita basis. The remaining county allocation amount must be transferred into the county highway tax distribution fund.
- b. For each county having a city with a population of ten thousand or more, the amount transferred each month into the county highway tax distribution fund must be the difference between the amount allocated to that county pursuant to this subsection and the total amount allocated and distributed to the incorporated cities in that county as computed according to the following formula:
 - (1) A statewide per capita average as determined by calculating twenty-seven percent of the amount allocated to all of the counties under this subsection divided by the total population of all of the incorporated cities in the state.
 - (2) The share distributed to each city in the county having a population of less than one thousand must be determined by multiplying the population of that city by the product of 1.50 times the statewide per capita average computed under paragraph 1.
 - (3) The share distributed to each city in the county having a population of one thousand to four thousand nine hundred ninety-nine, inclusive, must be determined by multiplying the population of that city by the product of 1.25 times the statewide per capita average computed under paragraph 1.
 - (4) The share distributed to each city in the county having a population of five thousand or more must be determined by multiplying the population of that city by the statewide per capita average for all such cities, which per capita average must be computed as follows: the total of the shares computed under paragraphs 2 and 3 for all cities in the state having a population of less than five thousand must be subtracted from the total incorporated cities' share in the state as computed under paragraph 1 and the balance remaining must then be divided by the total population of all cities of five thousand or more in the state.
5. The moneys allocated to the incorporated cities must be distributed to them monthly by the state treasurer and must be deposited by the cities in a separate fund and may only be used in accordance with section 11 of article X of the Constitution of North Dakota and an incorporated city may use the fund for the construction, reconstruction, repair, and maintenance of public highways within or outside the city pursuant to an agreement entered into between the city and any other political subdivision as authorized by section 54-40-08.

¹¹ **SECTION 13.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

¹¹ Section 54-27-32 was also created by section 5 of House Bill No. 1176, chapter 555.

Legacy earnings fund - State treasurer - Legacy fund distribution - Allocations.

1. There is created in the state treasury the legacy earnings fund. The fund consists of all moneys distributed by the state treasurer from the legacy fund pursuant to section 26 of article X of the Constitution of North Dakota. The distribution from the legacy fund on July first of each odd-numbered year must be equal to eight percent of the five-year average value of the legacy fund balance as reported by the state investment board. The average value of the legacy fund balance must be calculated using the fund balance at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.
2. From the amount distributed to the legacy earnings fund under subsection 1, the state treasurer shall allocate the funding in July of each odd-numbered year in the following order:
 - a. The first one hundred two million six hundred twenty-four thousand dollars or an amount equal to the amount appropriated from the legacy sinking and interest fund for debt service payments for a biennium, whichever is less, to the legacy sinking and interest fund under section 6-09.4-10.1.
 - b. The remaining amount as follows:
 - (1) Thirty percent to the highway fund.
 - (2) The remainder to the legacy property tax relief fund.

SECTION 14. AMENDMENT. Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

57-40.3-10. Transfer of revenue.

After the deposits under sections 57-39.2-26.1, 57-39.2-26.2, and 57-39.2-26.3, moneys collected and received under this chapter must be deposited monthly in the state treasury and allocated as follows:

1. Fifty percent to the general fund; ~~and~~
2. ~~The remaining fifty percent to the flexible transportation fund~~Twenty five percent to the highway tax distribution fund; and
3. Twenty-five percent to the flexible transportation fund.

¹² **SECTION 15. AMENDMENT.** Section 57-51.1-07.5, as amended in Section 2 of Senate Bill No. 2323, as approved by the sixty-ninth legislative assembly, is amended and reenacted as follows:

57-51.1-07.5. State share of oil and gas taxes - Deposits.

From the revenues designated for deposit in the state general fund under chapters 57-51 and 57-51.1, the state treasurer shall deposit the revenues received each biennium in the following order:

¹² Section 57-51.1-07.5 was also amended by section 2 of Senate Bill No. 2323, chapter 569.

1. The first two hundred fifty million dollars into the state general fund;
2. The next two hundred fifty million dollars into the social service fund;
3. The next seventy-five million dollars into the budget stabilization fund, but not in an amount that would bring the balance in the fund to more than the limit in section 54-27.2-01;
4. The next two hundred fifty million dollars into the state general fund;
5. The next ten million dollars into the lignite research fund;
6. The next twenty million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than twenty million dollars;
7. ~~The next three hundred sixty million dollars into the strategic investment and improvements fund;~~
8. ~~The next sixty-five million dollars to the public employees retirement fund for the main system plan;~~
9. The next fifty-nine million seven hundred fifty thousand dollars, or the amount necessary to provide for twice the amount of the distributions under subsection 23 of section 57-51.1-07.7, into the funds designated for infrastructure development in non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal infrastructure fund and fifty percent deposited into the county and township infrastructure fund;
- 40-8. ~~The next one hundred seventy million two hundred fifty thousand one hundred million two hundred fifty thousand~~ dollars or the amount necessary to provide a total of ~~two hundred thirty million one hundred sixty million~~ dollars into the funds designated for infrastructure development in non-oil-producing counties under sections 57-51.1-07.7 and 57-51.1-07.8 with fifty percent deposited into the municipal infrastructure fund and fifty percent deposited into the county and township infrastructure fund;
- 44-9. ~~The next sixty-five million dollars to the public employees retirement fund for the main system plan;~~
10. The next twenty million dollars into the airport infrastructure fund; and
- 42-11. Any additional revenues into the strategic investment and improvements fund.

¹³ **SECTION 16. AMENDMENT.** Section 57-51.1-07.7 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.7. Municipal infrastructure fund - Continuing appropriation - State treasurer - Department of transportation - Reports.

¹³ Section 57-51.1-07.7 was also amended by section 1 of Senate Bill No. 2074, chapter 571.

1. There is created in the state treasury the municipal infrastructure fund. The fund consists of all moneys deposited in the fund under section 57-51.1-07.5. ~~All moneys~~
 - a. ~~The first forty million dollars deposited in the fund are each biennium is~~ appropriated to the state treasurer on a continuing basis for the purpose of providing grants to cities located in non-oil-producing counties pursuant to subsections 2 through 5. The grant funding may be distributed only to cities located in non-oil-producing counties, excluding hub cities, and may be used only for essential infrastructure projects.
 - b. The remaining moneys deposited in the fund are available to the department of transportation, within the limits of legislative appropriation, for the purpose of providing grants to cities located in non-oil-producing counties pursuant to subsection 6.
- 4-2. By November thirtieth of each even-numbered year, ~~starting in 2022~~, a city that receives a grant from the fund under subsection 3 or 4 shall provide a report to the state treasurer on the use of the funding. The state treasurer shall notify cities of the reporting requirement by November first of each even-numbered year, ~~starting in 2022~~. Upon request, the state treasurer may provide an extension of up to fifteen days for a city to submit the report. The state treasurer shall determine the format of the report. The report must include the amount of grant funding received and spent by the city and a description of the infrastructure projects completed in part or in whole with the grant funding. The state treasurer shall make the reports available to the public on the state treasurer's website. A city that does not provide the report in a timely manner or in the correct format is not eligible to receive a grant from the fund under subsection 3 or 4 for a period of two years starting from the date the report was due. If a city uses the funding in a manner inconsistent with the requirements of this section as identified in any financial audits conducted by the state auditor or an independent accounting firm, the state treasurer shall reduce any future grants to that city under subsection 3 or 4 by the amount spent that was inconsistent with the requirements.
- 2-3. Within forty days after the fund ~~balance is receives total deposits under subdivision a of subsection 1 that are~~ greater than or equal to the amount needed for the grants under this subsection or by September thirtieth of each odd-numbered year, whichever is earlier, the state treasurer shall distribute moneys in the fund as grants to cities for essential infrastructure projects. The state treasurer shall distribute the grants only if the fund ~~balance is receives total deposits that are~~ at least ten percent of the amount needed for distributions under this subsection based on the following:
 - a. Two million five hundred thousand dollars to each city with a population of at least five thousand;
 - b. Five hundred thousand dollars to each city with a population of at least two thousand but less than five thousand; and
 - c. One hundred twenty-five thousand dollars to each city with a population of at least one thousand but less than two thousand.

- d. If, at the time of the distributions, the moneys in the fund are less than the amount needed for the grants under this subsection, the state treasurer shall distribute the grants under this subsection on a pro rata basis.
- e. For the purposes of determining the city's population under this subsection, the state treasurer shall use the most recent actual or estimated census data published by the United States census bureau.

~~3-4.~~ Within sixty days after the fund receives ~~its statutory limit of oil and gas tax allocations under section 57-51.1-07.5~~ total deposits equal to the amount identified under subdivision a of subsection 1 or by September thirtieth of each odd-numbered year, whichever is earlier, the state treasurer shall distribute the moneys in the fund as grants to cities for essential infrastructure projects. The state treasurer shall distribute the grants only if the fund ~~balance~~ receives total deposits equal to the amount needed under subsection 2 plus at least ten percent of the amount needed for distributions under this subsection identified under subdivision a of subsection 1, based on the following:

- a. One hundred fifty dollars per person of the city's population.
- b. In addition to the amounts in subdivision a, for a city with a positive average of the annual percentage increase in population from three years prior, a dollar amount equal to the product of the following:
 - (1) The amount calculated in subdivision a; and
 - (2) The average of the annual percentage increase in population from three years prior, multiplied by ten.
- c. In addition to the amounts in subdivisions a and b, for a city with a positive average of the annual percentage increase in taxable property values from three years prior, a dollar amount equal to the average of the annual property valuation percentage increase for the three most recent years, multiplied by twenty-five thousandths.
- d. Grants may be distributed under this subdivision only if the grant distributions under subsection ~~23~~ are completed. ~~If the moneys in the fund~~ total deposits equal to the amount identified under subdivision a of subsection 1 are insufficient to provide for the grants, the state treasurer shall distribute the grants under this subsection on a pro rata basis. ~~If any moneys remain in the fund from the total deposits equal to the amount identified under subdivision a of subsection 1 after the distribution of grants under this subsection, the state treasurer shall distribute any remaining moneys in the fund in proportion to the combined total distributed to each city under this section~~ subsections 3 and 4 relative to the combined total distributed to all the cities under this section subsections 3 and 4.
- e. For the purposes of determining the city's population under this subsection, the state treasurer shall use the most recent actual or estimated census data published by the United States census bureau.

- f. For the purposes of determining taxable property values, the state treasurer shall use the most recent data published by the tax commissioner in the tax levy report.

4.5. For purposes of ~~this section~~ subsections 2 through 4:

- a. "Essential infrastructure projects" means capital construction projects to construct new infrastructure or to replace existing infrastructure, which provide the fixed installations necessary for the function of a city. Capital construction projects exclude debt repayments and routine maintenance and repair projects, but include the following:
- (1) Water treatment plants;
 - (2) Wastewater treatment plants;
 - (3) Sewer lines and water lines, including lift stations and pumping systems;
 - (4) Water storage systems, including dams, water tanks, and water towers;
 - (5) Storm water infrastructure, including curb and gutter construction;
 - (6) Road and bridge infrastructure, including paved and unpaved roads and bridges;
 - (7) Airport infrastructure;
 - (8) Electricity transmission infrastructure;
 - (9) Natural gas transmission infrastructure; and
 - (10) Communications infrastructure, excluding fiber optic infrastructure.
- b. "Fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
- c. "Non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.

6. From the funding identified under subdivision b of subsection 1, the director of the department of transportation shall distribute grants to cities located in non-oil-producing counties from the fund in accordance with the provisions of the flexible transportation fund under section 24-02-37.3.

¹⁴ **SECTION 17. AMENDMENT.** Section 57-51.1-07.8 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.8. County and township infrastructure fund - Continuing appropriation - State treasurer - Department of transportation - Reports.

¹⁴ Section 57-51.1-07.8 was also amended by section 1 of House Bill No. 1065, chapter 572.

1. There is created in the state treasury the county and township infrastructure fund. The fund consists of all moneys deposited in the fund under section 57-51.1-07.5. ~~All moneys~~
 - a. The first forty million dollars deposited in the fund are each biennium is appropriated to the state treasurer on a continuing basis for the purpose of providing grants to non-oil-producing counties and townships located in non-oil-producing counties pursuant to subsections 2 through 7. The grant funding may be distributed only to non-oil-producing counties and townships located in non-oil-producing counties and may be used only for road and bridge infrastructure projects.
 - b. The remaining moneys deposited in the fund are available to the department of transportation, within the limits of legislative appropriation, for the purpose of providing grants to non-oil-producing counties and townships located in non-oil-producing counties pursuant to subsection 8.
- 4-2. ~~By November thirtieth of each even-numbered year, starting in 2022, a county that receives a grant from the fund under subsection 5 shall provide a report to the state treasurer on the use of the funding. The state treasurer shall notify counties of the reporting requirement by November first of each even-numbered year, starting in 2022. Upon request, the state treasurer may provide an extension of up to fifteen days for a county to submit the report. The state treasurer shall determine the format of the report. The report must include the amount of grant funding received and spent by the county and a description of the road and bridge infrastructure projects completed in part or in whole with the grant funding. The state treasurer shall make the reports available to the public on the state treasurer's website. A county that does not provide the report in a timely manner or in the correct format is not eligible to receive a grant from the fund under subsection 5 for a period of two years starting from the date the report was due. If a county uses the funding in a manner inconsistent with the requirements of this section as identified in any financial audits conducted by the state auditor or an independent accounting firm, the state treasurer shall reduce any future grants to that county under subsection 5 by the amount spent that was inconsistent with the requirements.~~
- 2-3. ~~Within sixty days after the fund receives its statutory limit of oil and gas tax allocations under section 57-51.1-07.5 total deposits equal to the amount identified under subdivision a of subsection 1 or by September thirtieth of each odd-numbered year, whichever is earlier, the state treasurer shall distribute moneys in the fund as grants to counties for road and bridge infrastructure projects. The state treasurer shall distribute the grants only if the fund balance receives total deposits that are at least ten percent of the amount needed for distributions under this section identified under subdivision a of subsection 1.~~
- 3-4. ~~The state treasurer shall distribute the lesser of thirteen percent of the balance of the fund or sixteen million one hundred thousand dollars total deposits under subdivision a of subsection 1 to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an equal allocation to each organized and unorganized township which is proportional to the number of township road miles in each organized and unorganized township relative to the combined total township road miles in all organized and unorganized townships in all non-oil-producing counties. For purposes of this subsection, township road miles must be based on~~

certifications provided to the state treasurer under section 54-27-19.1. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads.

- a. To be eligible for an allocation of funds under this subsection, an organized township must levy at least eighteen mills for general purposes and have a general fund balance of less than one hundred thousand dollars as of December thirty-first of the prior year.
- b. To be eligible for an allocation of funds under this subsection for unorganized townships, a county must levy at least eighteen mills for unorganized township road and bridge purposes.
- c. For purposes of determining the mills levied by a township or county, the state treasurer shall use the most recent mill rate data published by the tax commissioner.

4-5. After the distributions in subsection ~~34~~, the state treasurer shall distribute the remaining ~~money in the fund~~eighty-seven percent of the total deposits under subdivision a of subsection 1 to non-oil-producing counties based on the most recent data compiled by the upper great plains transportation institute regarding North Dakota's county, township, and tribal road and bridge infrastructure needs. The distribution to each non-oil-producing county must be proportional to each non-oil-producing county's total estimated road and bridge investment needs relative to the combined total estimated road and bridge investment needs of all the non-oil-producing counties. The total estimated road and bridge investment needs for each county is the twenty-year estimate for unpaved and paved road and bridge needs as identified by the upper great plains transportation institute. If the data compiled by the upper great plains transportation institute includes more than one twenty-year estimate for the total needs of each county, the state treasurer shall use an average of the twenty-year estimates for each county.

5-6. If the ~~moneys in the fund~~total deposits under subdivision a of subsection 1 are insufficient to provide for the grants under ~~this section~~subsections 4 and 5, the state treasurer shall distribute the grants on a pro rata basis.

6-7. For purposes of ~~this section~~subsections 2 through 6:

- a. "Fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
- b. "Non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
- c. "Road and bridge infrastructure projects" means the projects associated with the construction of new unpaved and paved road and bridge infrastructure or associated with the maintenance, repair, or replacement of existing unpaved and paved road and bridge infrastructure.

8. From the funding identified under subdivision b of subsection 1, the director of the department of transportation shall distribute grants to non-oil-producing counties and townships located in non-oil-producing counties from the fund in accordance with the provisions of the flexible transportation fund under section 24-02-37.3.

¹⁵ **SECTION 18. REPEAL.** Sections 21-10-12, 21-10-13, 54-27-19.3, and 54-27-19.4 of the North Dakota Century Code are repealed.

SECTION 19. DEPARTMENT OF TRANSPORTATION - UNITED STATES HIGHWAY 85 PROJECT - REPORT. When the request for bids for construction on the last segment of the United States highway 85 project between interstate highway 94 and North Dakota highway 200 commences, the department of transportation shall prepare and complete an environmental impact statement to construct a four-lane highway for the remaining sections of the Theodore Roosevelt expressway as described in section 24-01-54 which do not have four lanes from the South Dakota border to interstate highway 94 and from Williston to the Montana border. The department shall provide reports to the legislative management regarding the costs and status of the impact statement process.

SECTION 20. REST AREA COOPERATIVE AGREEMENT. During the biennium beginning July 1, 2025, and ending June 30, 2027, the director of the department of transportation shall review options to enter a cooperative agreement pursuant to section 24-02-02.5 to jointly administer a rest area at the Theodore Roosevelt national park painted canyon visitor center. The director may expend moneys from the state highway fund within the limits of legislative appropriations for operational support of the facility and for facility improvements to support year-round operations of the facility.

SECTION 21. MISCELLANEOUS EXPENSES FOR DEPARTMENT OF TRANSPORTATION FACILITIES. The department of transportation may expend funds for workplace appliances limited to coffee makers, microwaves, and refrigerators, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 22. UNITED STATES HIGHWAY 85 FOUR-LANE PROJECT. During the biennium beginning July 1, 2025, and ending June 30, 2027, the director of the department of transportation shall construct and complete the remaining portions of the United States highway 85 four-lane project between highway 200 and the long x bridge.

SECTION 23. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$100,000,000 appropriated from special funds for the purpose of road and bridge construction projects in subsection 2 of section 13 of chapter 15 of the 2021 Session Laws;
2. The sum of \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 7 of chapter 548 of the 2021 Session Laws;

¹⁵ Section 21-10-12 was also repealed by section 25 of House Bill No. 1176, chapter 555; section 21-10-13 was also repealed by section 25 of House Bill No. 1176, chapter 555; section 54-27-19.3 was amended by section 4 of House Bill No. 1176, chapter 555.

3. The sum of \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws;
4. The sum of \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws;
5. The sum of \$9,125,000 appropriated from the general fund in the operating expenses line item relating to information technology projects in section 1 of chapter 12 of the 2023 Session Laws;
6. The sum of \$2,500,000 appropriated from special funds to match funding from the state of Minnesota and other sources for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding in section 2 of chapter 12 of the 2023 Session Laws;
7. The sum of \$5,000,000 appropriated from special funds for an environmental study of a portion of United States highway 52, in section 1 of chapter 12 of the 2023 Session Laws;
8. The sum of \$757,000 included in the deferred maintenance funding pool line item and transferred to the department of transportation pursuant to section 9 of chapter 640 of the 2023 Special Session Session Laws; and
9. The sum of \$161,000,000 appropriated from special funds for flexible transportation fund projects in section 1 of chapter 12 of the 2023 Session Laws.

SECTION 24. APPLICATION. Distributions by the state treasurer for organized and unorganized township road and bridge needs under subsection 5 of section 24-02-37.3 and subsection 4 of section 57-51.1-07.8 may not commence until January 1, 2026.

SECTION 25. EFFECTIVE DATE. Section 14 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2025.

Approved May 12, 2025

Filed May 13, 2025

CHAPTER 45

SENATE BILL NO. 2013

(Appropriations Committee)

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; and to provide for a report.

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, 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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,005,331	\$1,835,598	\$9,840,929
New and vacant FTE pool	0	419,754	419,754
Operating expenses	1,763,694	(164,362)	1,599,332
Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$9,869,025	\$2,090,990	\$11,960,015
Full-time equivalent positions	33.00	1.00	34.00

SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The commissioner of university and school lands may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 3. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2025, and ending June 30, 2027, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common schools	\$584,677,350
North Dakota state university	8,770,000
University of North Dakota	6,948,000
Youth correctional center	3,136,000
School for the deaf	2,388,000
North Dakota state college of science	2,570,284
State hospital	1,976,284
Veterans' home	994,284
Valley City state university	1,566,000
North Dakota vision services - school for the blind	1,936,284
Mayville state university	1,102,000
Dakota college at Bottineau	406,284

Dickinson state university	406,284
Minot state university	<u>406,284</u>
Total	\$617,283,338

SECTION 4. REVENUE DIVERSIFICATION AND DEVELOPMENT OPPORTUNITIES - DEPARTMENT OF COMMERCE - REPORT. During the biennium beginning July 1, 2025, and ending June 30, 2027, the commissioner of university and school lands and the commissioner of commerce shall collaborate to identify revenue diversification and development opportunities on trust lands. The commissioner of university and school lands shall report to the appropriations committees of the seventieth legislative assembly on the results of the collaboration to identify revenue diversification and development opportunities.

Approved April 30, 2025

Filed May 1, 2025

CHAPTER 46

SENATE BILL NO. 2014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the industrial commission and the agencies under its control; to create and enact a new section to chapter 6-09 and a new subdivision to subsection 2 of section 38-08-04.5 of the North Dakota Century Code, relating to a rail revolving loan fund and uses of the abandoned oil and gas well plugging and site reclamation fund; to amend and reenact subsection 7 of section 6-08.1-02 and sections 6-09-35, 6-09-46.2, 6-09.7-05, 6-09.14-04, and 49-17.1-02.1, subsection 1 of section 54-17-40, and subdivision a of subsection 4 of section 54-17.7-04 of the North Dakota Century Code, and section 15 of chapter 14 of the 2023 Session Laws, relating to confidential and exempt records of the Bank of North Dakota, the rebuilders loan program, loan guarantees through the strategic investment and improvements fund, interest rate buydown limits for the partnership in assisting community expansion fund, department of transportation review and approval of rail projects, uses of the housing incentive fund, North Dakota pipeline borrowing authority, and a salt cavern underground energy storage research project; to repeal section 3 of Senate Bill No. 2188, as approved by the sixty-ninth legislative assembly, relating to a transfer from the strategic investment and improvements fund to the clean sustainable energy fund; to provide a deficiency appropriation; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide for a legislative management report; to provide for a report; 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 other funds derived from special funds and federal funds, to the industrial commission and agencies under its control for the purpose of defraying the expenses of the industrial commission and the agencies under its control, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,884,918	\$701,583	\$2,586,501
New and vacant FTE pool	0	20,376	20,376
Operating expenses	472,271	3,821,991	4,294,262
Grants	0	13,668,089	13,668,089
Grants - bond payments	<u>119,879,913</u>	<u>(2,761,713)</u>	<u>117,118,200</u>
Total all funds	\$122,237,102	\$15,450,326	\$137,687,428
Less other funds	<u>122,237,102</u>	<u>15,050,326</u>	<u>137,287,428</u>
Total general fund	\$0	\$400,000	\$400,000
Full-time equivalent positions	9.75	0.00	9.75

Subdivision 2.

BANK OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$70,899,761	\$5,461,643	\$76,361,404
New and vacant FTE pool	0	2,122,074	2,122,074
Capital assets	<u>705,722</u>	<u>3,437,577</u>	<u>4,143,299</u>
Total other funds	\$71,605,483	\$11,021,294	\$82,626,777
Full-time equivalent positions	187.00	0.00	187.00

Subdivision 3.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,413,354	\$1,655,543	\$13,068,897
New and vacant FTE pool	0	1,422,760	1,422,760
Operating expenses	10,903,883	(1,433,707)	9,470,176
Capital assets	20,000	0	20,000
Grants	48,805,110	(2,700,000)	46,105,110
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total all funds	\$71,242,347	(\$1,055,404)	\$70,186,943
Less other funds	<u>68,742,347</u>	<u>1,444,596</u>	<u>70,186,943</u>
Total general fund	\$2,500,000	(\$2,500,000)	\$0
Full-time equivalent positions	54.00	5.00	59.00

Subdivision 4.

DEPARTMENT OF MINERAL RESOURCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,261,532	\$3,026,192	\$26,287,724
New and vacant FTE pool	0	2,121,618	2,121,618
Operating expenses	5,120,253	6,778,008	11,898,261
Capital assets	<u>0</u>	<u>45,000</u>	<u>45,000</u>
Total all funds	\$28,381,785	\$11,970,818	\$40,352,603
Less other funds	<u>268,000</u>	<u>5,754,837</u>	<u>6,022,837</u>
Total general fund	\$28,113,785	\$6,215,981	\$34,329,766
Full-time equivalent positions	108.00	5.00	113.00

Subdivision 5.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$54,019,267	\$6,345,741	\$60,365,008
New and vacant FTE pool	0	1,973,530	1,973,530
Operating expenses	42,391,653	2,710,224	45,101,877
Contingencies	500,000	0	500,000
Agriculture promotion	<u>500,000</u>	<u>0</u>	<u>500,000</u>
Total special funds	\$97,410,920	\$11,029,495	\$108,440,415
Full-time equivalent positions	170.00	2.00	172.00

Subdivision 6.

TOTAL SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$390,877,637	\$48,416,529	\$439,294,166
Less grand total other funds	<u>360,263,852</u>	<u>44,300,548</u>	<u>404,564,400</u>
Grand total general fund	\$30,613,785	\$4,115,981	\$34,729,766

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Industrial commission			
Electricity grid resiliency federal grant	\$0	\$13,668,089	\$13,668,089
Lignite litigation	<u>0</u>	<u>3,000,000</u>	<u>3,000,000</u>
Subtotal industrial commission	\$0	\$16,668,089	\$16,668,089
Bank of North Dakota			
Capital improvement projects	\$0	\$2,633,299	\$2,633,299
Economic development study	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Subtotal Bank of North Dakota	\$0	\$2,883,299	\$2,883,299
Department of mineral resources			
Federal abandoned well program	\$0	\$1,444,377	\$1,444,377
FTE position operating expenses	24,435	51,495	75,930
Mineral analyses	100,000	0	100,000
Rare earth elements study	0	400,000	400,000
Paleontology excavation project	0	150,000	150,000
Oil and gas litigation	0	3,000,000	3,000,000
Portable mineral detection equipment	<u>45,000</u>	<u>0</u>	<u>45,000</u>
Subtotal department of mineral resources	<u>\$169,435</u>	<u>\$5,045,872</u>	<u>\$5,215,307</u>
Grand total	\$169,435	\$24,597,260	\$24,766,695

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The industrial commission and agencies under its control may not spend funds appropriated in the new and vacant FTE pool line items in section 1 of this Act, but may request the office of management and budget to transfer funds, within each respective subdivision, from the new and vacant FTE pool line item to the salaries and wages line items or Bank of North Dakota operations line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. BOND PAYMENTS. The amount of \$117,118,200 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, 2025, and ending June 30, 2027:

Infrastructure project and program bonds -	\$102,622,743
legacy sinking and interest fund	
North Dakota university system	14,083,250
Veterans' home	<u>412,207</u>
Total	\$117,118,200

SECTION 5. APPROPRIATION - 2023-25 BIENNIUM - INDUSTRIAL COMMISSION - HYDROGEN ENERGY RESEARCH PROJECT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$627,587, or so much of the sum as may be necessary, to the industrial commission for the purpose of paying an outstanding invoice related to a hydrogen energy research project, for the period beginning with the effective date of this section and ending June 30, 2025.

SECTION 6. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME. In addition to the amount appropriated to the housing finance agency in subdivision 3 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or special funds which may become available to the agency, for the biennium beginning July 1, 2025, and ending June 30, 2027. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency resulting in an increase in appropriation authority.

***SECTION 7. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING INCENTIVE FUND - TRANSFER STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO HOUSING INCENTIVE FUND - HOMELESS PROGRAMS - HOUSING PROGRAMS - EXEMPTION - ONE-TIME FUNDING.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, which the office of management and budget shall transfer to the housing incentive fund for homeless programs, during the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation under this subsection is considered a one-time funding item. Notwithstanding any other requirements under section 54-17-40 and pursuant to the continuing appropriation under section 54-17-40, the housing finance agency shall distribute a passthrough grant of \$150,000 from the housing incentive fund to a Native American-focused organization with a presence in multiple communities for a Native American homelessness liaison, from the \$10,000,000 transferred to the housing incentive fund under this subsection.
2. The office of management and budget shall transfer the sum of \$25,000,000 from the strategic investment and improvements fund to the housing incentive fund for housing projects and programs during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 8. TRANSFER - ENTITIES AND FUNDS UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND - ADMINISTRATION - EXEMPTION.

1. The sum of \$2,260,660, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities and funds within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2025, and ending June 30, 2027, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.

2. The amount of \$1,818,114 appropriated to the industrial commission in subdivision 1 of section 1 of chapter 14 of the 2023 Session Laws and transferred pursuant to section 8 of chapter 14 of the 2023 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND. The Bank of North Dakota shall transfer \$140,000,000 from the Bank's current earnings and undivided profits to the general fund during the biennium beginning July 1, 2025, and ending June 30, 2027. The moneys must be transferred in the amount and at the times requested by the director of the office of management and budget after consultation with the Bank president. For legislative council budget status reporting purposes, the transfer under this section is considered an ongoing revenue source.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO ECONOMIC DEVELOPMENT PROGRAMS - SMALL BUSINESS DEVELOPMENT CENTER - LINE OF CREDIT INTEREST RATE BUYDOWN. During the biennium beginning July 1, 2025, and ending June 30, 2027, the Bank of North Dakota shall transfer the following amounts from the Bank's current earnings and undivided profits:

1. \$60,000,000 to economic development programs administered by the Bank, including the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, the biofuels partnership in assisting community expansion fund, and the beginning farmer revolving loan fund;
2. \$1,900,000 to the university of North Dakota for the North Dakota small business development center for the purpose of matching federal grants; and
3. Up to \$5,000,000 to the parks and recreation department for an interest rate buydown on the line of credit for the Theodore Roosevelt presidential library project. The interest rate buydown may not exceed the amount needed to buydown the interest rate on the outstanding balance of the line of credit from the prevailing interest rate charged to North Dakota governmental entities to two percent.

SECTION 11. TRANSFER - RAIL FUND TO RAIL REVOLVING LOAN FUND. The department of transportation shall transfer any outstanding loans and remaining balance from the rail fund to the rail revolving loan fund on July 1, 2025.

SECTION 12. TRANSFER STATE ENERGY RESEARCH CENTER FUND TO OIL AND GAS RESEARCH FUND - TRANSFER STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO OIL AND GAS RESEARCH FUND - ENHANCED OIL RECOVERY GRANT PROGRAM.

1. From the \$6,000,000 transferred to the state energy research center fund pursuant to section 15 of chapter 14 of the 2023 Session Laws, the office of management and budget shall transfer the sum of \$4,000,000 to the oil and gas research fund during the biennium beginning July 1, 2025, and ending June 30, 2027.
2. The office of management and budget shall transfer the sum of \$21,000,000 from the strategic investment and improvements fund to the oil and gas research fund during the biennium beginning July 1, 2025, and ending June 30, 2027.

3. Pursuant to the continuing appropriation under section 57-51.1-07.3 and the powers of the industrial commission under chapter 54-17.6, the commission shall use \$25,000,000 from the oil and gas research fund, transferred under this section, for an enhanced oil recovery grant program. The commission shall develop guidelines for the grant program, including eligibility criteria, requirements for matching funds, and reporting requirements.

SECTION 13. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY.

1. Pursuant to the continuing appropriation under section 57-61-01.6, up to \$4,500,000 from the lignite research fund may be used 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 designated under this section also may be used for the purpose of contracting for nonmatching studies and activities in support of advanced energy technology and other technology development programs; 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 needed for the purposes stated in this section are available to the industrial commission for funding projects, processes, or activities under the lignite research, development, and marketing program.
2. The industrial commission shall report to the appropriations committees of the seventieth legislative assembly on the amounts spent pursuant to this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRANT, LITIGATION, STUDY, AND PROJECT FUNDING. The grand total other funds line item in section 1 of this Act includes the sum of \$8,332,794 from the strategic investment and improvements fund as follows:

1. \$4,782,794 in the other funds line item in subdivision 1 of section 1 of this Act and identified as one-time funding in section 2 of this Act, including \$1,782,794 for matching federal funds for an electricity grid resiliency grant and \$3,000,000 for lignite litigation.
2. \$3,550,000 in the other funds line item in subdivision 4 of section 1 of this Act and identified as one-time funding in section 2 of this Act, including \$400,000 for a rare earth elements study, \$150,000 for a paleontology excavation project, and \$3,000,000 for oil and gas litigation.

SECTION 15. OTHER FUNDS - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND - ADMINISTRATIVE EXPENSES.

The other funds line item in subdivision 4 of section 1 of this Act includes the sum of \$799,926 from the abandoned oil and gas well plugging and site reclamation fund for administrative expenses, including funding for reclamation specialist positions and related operating expenses.

SECTION 16. OTHER FUNDS - HOUSING INCENTIVE FUND - ADMINISTRATIVE EXPENSES. The other funds line item in subdivision 3 of section 1 of this Act includes the sum of \$213,880, transferred from the housing incentive fund to the agency's operating fund for administrative expenses, including funding for a homelessness program position and related operating expenses.

SECTION 17. AMENDMENT. Subsection 7 of section 6-08.1-02 of the North Dakota Century Code is amended and reenacted as follows:

7. The release by the industrial commission, in its capacity as the managing body of the Bank of North Dakota, of the following:
 - a. The name of any person who has obtained approval for direct ~~or indirect~~ financing or security, including a loan guarantee or a letter of credit, through the Bank of North Dakota primarily for purposes other than personal, family, or household purposes.
 - b. The amount of any financing or security referenced in subdivision a.
 - c. The amount of any net writeoff or loan forgiveness ~~associated with the financing or security referenced in subdivision a which~~ that the industrial commission determines is uncollectible.
 - d. The program under which any financing or security referenced in subdivision a was made.

SECTION 18. AMENDMENT. Section 6-09-35 of the North Dakota Century Code is amended and reenacted as follows:

6-09-35. Confidentiality of Bank records - Exempt records.

1. The following records of the Bank of North Dakota are confidential:
 - ~~4.~~ a. Commercial or financial information of a customer, whether obtained directly or indirectly, except for routine credit inquiries or unless required by due legal process. As used in this subsection, "customer" means any person who has transacted or is transacting business with, or has used or is using the services of, the Bank of North Dakota, or for whom the Bank of North Dakota has acted as a fiduciary with respect to trust property.
 - ~~2.~~ b. Internal or interagency memorandums or letters which would not be available by law to a party other than in litigation with the Bank.
 - ~~3.~~ c. Information contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of a state or federal agency responsible for the regulation or supervision of any Bank activity.
 - ~~4.~~ d. Information obtained from the state department of financial institutions which would not be available from that agency under section 6-01-07.1.
 - ~~5.~~ e. The report by a Bank officer or member of the Bank's advisory board of directors concerning personal financial statements.
2. The following records of the Bank of North Dakota are exempt:
 - a. Bond insurance coverage, including excess bond insurance coverage.

b. Cyber liability coverage, including excess cyber liability coverage.

SECTION 19. AMENDMENT. Section 6-09-46.2 of the North Dakota Century Code is amended and reenacted as follows:

6-09-46.2. Rebuilders loan program - Rebuilders permanent loan fund - Continuing appropriation.

1. The Bank of North Dakota shall develop a rebuilders loan program to make or participate in loans to North Dakota residents ~~affected by extraordinary losses~~ as a result of a:
 - a. A presidentially declared disaster ~~or in the state~~;
 - b. A governor-declared disaster ~~or in the state~~;
 - c. An emergency in the state;
 - d. A weather-related incident in the state as determined by the governor; or
 - e. An economic hardship as determined by the governor.
- ~~2.~~ Under the rebuilders loan program, the Bank shall develop and implement specific loan programs to respond to the specific needs resulting from a disaster ~~or~~ emergency, incident, or hardship. The Bank may fund the loan from any available funding in the rebuilders permanent loan fund and may accept private sector donations and funds from the federal government.
- ~~2-3.~~ Upon request of the Bank of North Dakota, the governor shall furnish the Bank with information relating to the nature and amount of state and local resources that have been or will be committed to alleviating the results of the disaster or emergency, an estimate of the amount and severity of the damage and the impact on the private and public sectors, and an estimate of the type and amount of assistance needed.
- ~~3-4.~~ To apply for a loan under the program, a person shall apply to the originating financial institution. Upon Bank of North Dakota approval of an application, the Bank shall make a loan in accordance with the loan program established under this section. The Bank shall establish a loan application period, which may not exceed a period of eighteen months from the date of the declaration of the disaster or emergency.
- ~~4-5.~~ Excluding the rebuilders and rebuilders home loans transferred to the fund, the Bank of North Dakota shall deposit in the fund all principal and interest paid on the loans made from the fund. The Bank may deduct from interest payments received on a loan under the program a service fee for administering the fund for the Bank and the originating financial institution. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit and any other actual costs incurred by the Bank on behalf of the fund, must be paid by the fund.
- ~~5-6.~~ There is created in the state treasury the rebuilders permanent loan fund administered by the Bank of North Dakota. The fund consists of all moneys transferred to the fund by the legislative assembly, interest on moneys in the fund, and payments to the fund of principal and interest on loans made from the fund. All moneys in the fund are appropriated to the Bank on a continuing basis for the rebuilders loan program.

~~6-7.~~ If approved by the industrial commission, the fund may borrow from the Bank of North Dakota to provide funding for loans under this section. A loan made to the fund by the Bank must be repaid with principal and interest payment received by the rebuilders permanent loan fund or with moneys appropriated by the legislative assembly.

~~7-8.~~ The Bank of North Dakota shall adopt policies to implement this section.

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

Rail revolving loan fund - Continuing appropriation.

1. The rail revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to counties, cities, railroads, and other freight railroad users to construct or upgrade rail infrastructure to improve rail service.
2. The Bank shall administer the fund in accordance with the provisions of this section and may adopt policies and establish guidelines for the loans, including policies for eligibility and allowing participation by local financial institutions. Class I railroads are not eligible.
3. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
4. The department of transportation shall review and approve the project before the Bank may issue a loan based on policies developed by the department.
5. The Bank shall deposit in the fund all payments of principal and interest paid on loans made from the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs which may not exceed one-half of one percent of the amount of the outstanding loans.
6. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursements according to this section.
7. The fund must be audited annually pursuant to section 6-09-29, and the cost of the audit must be paid from the fund.

SECTION 21. AMENDMENT. Section 6-09.7-05 of the North Dakota Century Code is amended and reenacted as follows:

~~6-09.7-05. Establishment and maintenance of adequate guarantee funds-- Use of strategic investment and improvements fund. (Effective through June 30, 2025)~~

~~The Bank of North Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The Bank may request the director of the office of management and budget to transfer funds from the strategic investment and improvements fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve fund balance. Transfers from the~~

~~strategic investment and improvements fund may not exceed a total of eighty million dollars. Moneys in the guarantee reserve fund are available to reimburse lenders for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program must be deposited in the reserve fund. The amount of reserves for all guaranteed loans must be determined by a formula that will assure, as determined by the Bank, an adequate amount of reserve.~~

Establishment and maintenance of adequate guarantee funds - Use of strategic investment and improvements fund. (~~Effective after June 30, 2025~~) The Bank of North Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The Bank may request the director of the office of management and budget to transfer funds from the strategic investment and improvements fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve fund balance. Transfers from the strategic investment and improvements fund may not exceed a total of ~~one hundred forty million~~ one hundred sixty million dollars. Moneys in the guarantee reserve fund are available to reimburse lenders, including the Bank, for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program must be deposited in the reserve fund. The amount of reserves for all guaranteed loans must be determined by a formula that will assure, as determined by the Bank, an adequate amount of reserve.

SECTION 22. AMENDMENT. Section 6-09.14-04 of the North Dakota Century Code is amended and reenacted as follows:

6-09.14-04. Fund moneys - Eligible uses.

1. The fund moneys may be used to participate in an interest rate buydown on a loan to a new or expanding business for the following eligible uses:
 - a. Purchase of real property and equipment.
 - b. Expansion of facilities.
 - c. Working capital.
 - d. Inventory.
2. The loan funds cannot be used to refinance any existing debt or for the relocation of the business within North Dakota.
- ~~2-3.~~ The community shall determine the amount of the interest rate buydown and apply to the Bank of North Dakota for participation from the partnership in assisting community expansion fund. The funds for the community's portion of the buydown may come from a local development corporation, contributions, community funds, future dedicated tax programs, or any other community source.

- ~~3-4.~~ The fund participation portion in the buydown must be determined by the Bank of North Dakota based on economic conditions in the city or county in which the business is located.
- 4-5. a. The maximum amount from the fund in the interest rate buydown may not exceed five hundred thousand dollars per loan.
- b. If the Bank determines the project has a substantial economic impact and qualifies as a primary sector business, the maximum amount from the fund in the interest rate buydown may be increased by up to one million dollars, in addition to the amount under subdivision a, without a required community match.
6. The fund participation must be limited to the amount required to buy down the interest to five hundred basis points below the national prime interest rate.
- 5-7. The Bank of North Dakota shall adopt rules to implement this chapter.

SECTION 23. A new subdivision to subsection 2 of section 38-08-04.5 of the North Dakota Century Code is created and enacted as follows:

Administrative expenses, including salaries and wages and operating expenses, subject to legislative appropriation.

SECTION 24. AMENDMENT. Section 49-17.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

49-17.1-02.1. ~~Department may authorize local~~Review and approval of rail projects.

~~For the purpose of promoting the public interest and local economic development, the department may utilize revenue generated under this chapter for the construction or improvement of railway freight transportation projects not otherwise eligible for assistance under the Railroad Revitalization and Regulatory Reform Act of 1976 [Pub. L. 94-210; 90 Stat. 149; 49 U.S.C. 1651 et seq.] and which meet standards and specifications developed by the department.~~
The department shall coordinate with the Bank of North Dakota to approve and review rail projects financed under the rail revolving loan fund under section 19 of this Act.

SECTION 25. AMENDMENT. Subsection 1 of section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.~~
a special fund in the state treasury administered by the housing finance agency. Moneys in the fund are appropriated to the housing finance agency on a continuing basis for assistance under subsection 3. Moneys in the fund may be transferred to the housing finance agency's operating fund for administrative expenses, which are subject to legislative appropriation.

SECTION 26. AMENDMENT. Subdivision a of subsection 4 of section 54-17.7-04 of the North Dakota Century Code is amended and reenacted as follows:

- a. (1) The authority may borrow up to sixty million dollars through a line of credit from the Bank.

(2) In addition to the borrowing under paragraph 1, the authority may borrow up to forty million dollars through a line of credit from the Bank to provide total borrowing of up to one hundred million dollars under this subdivision. The borrowing under this paragraph is available only if the authority enters a capacity purchase agreement by December 31, 2026, related to a pipeline project to transport natural gas from the western area of the state to the eastern area of the state.

(3) The interest rate on the line of credit must be the prevailing interest rate charged to North Dakota governmental entities.

SECTION 27. AMENDMENT. Section 15 of chapter 14 of the 2023 Session Laws is amended and reenacted as follows:

SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO STATE ENERGY RESEARCH CENTER FUND - FEDERAL STATE FISCAL RECOVERY FUND - UNDERGROUND ENERGY STORAGE RESEARCH PROJECT - REPORT TO LEGISLATIVE MANAGEMENT.

1. The office of management and budget shall transfer the sum of \$6,000,000 from the strategic investment and improvements fund to the state energy research center fund.
2. Pursuant to the continuing appropriation authority under section 57-51.1-07.9 and pursuant to subsection 36 of section 1 of chapter 550 of the 2021 Special Session Session Laws, as amended in section 24 of this Act and exempted in section 26 of this Act, the industrial commission shall distribute up to ~~\$6,000,000~~ \$2,000,000 from the state energy research center fund and up to \$5,300,000 of federal funds from the state fiscal recovery fund to the state energy research center for a salt cavern underground energy storage research project.
3. The research project must include a business case analysis for the construction of up to two salt caverns in geological formations in North Dakota for the development of underground storage of energy resources, including natural gas, liquified natural gas, natural gas liquids, and hydrogen. The state energy research center may collaborate with other entities as needed on the research project. Prior to distributing the funding, the industrial commission must receive, from at least one nonstate entity, assurance of financial or other types of support that demonstrate a commitment to the research project.
4. During the 2023-24 ~~interim~~ and 2025-26 ~~interims~~, the state energy research center shall provide quarterly reports to the industrial commission and at least one report each interim to the legislative management regarding the status and results of the research project.

SECTION 28. REPEAL. Section 3 of Senate Bill No. 2188, as approved by the sixty-ninth legislative assembly, is repealed.

SECTION 29. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$1,250,000 appropriated from special funds for grant management software in subdivision 1 of section 1 of chapter 14 of the 2023 Session Laws, identified as one-time funding in section 2 of chapter 14 of the 2023 Session Laws, and transferred in section 9 of chapter 14 of the 2023 Session Laws.
2. The sum of \$75,000 appropriated from special funds for a records digitization project in subdivision 1 of section 1 of chapter 14 of the 2023 Session Laws and identified as one-time funding in section 2 of chapter 14 of the 2023 Session Laws.
3. The sum of \$1,124,856 appropriated from the general fund and \$7,499,037 appropriated from federal funds for an electricity grid resilience federal grant in subdivision 1 of section 1 of chapter 14 of the 2023 Session Laws and identified as one-time funding in section 2 of chapter 14 of the 2023 Session Laws.
4. The sum of \$3,200,000 appropriated from the federal state fiscal recovery fund for an abandoned oil well conversion to water supply grant program in subdivision 2 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in subsection 1 of section 27 of chapter 14 of the 2023 Session Laws.
5. The sum of \$800,000 appropriated from the strategic investment and improvements fund to the department of mineral resources for a survey review in section 2 of chapter 426 of the 2017 Session Laws and continued into the 2019-21 biennium pursuant to section 27 of chapter 14 of the 2019 Session Laws, into the 2021-23 biennium pursuant to section 33 of chapter 42 of the 2021 Session Laws, and into the 2023-25 biennium pursuant to section 27 of chapter 14 of the 2023 Session Laws.
6. Up to \$225,500 of the \$2,300,000 appropriated from federal funds to the department of mineral resources for administrative expenses related to an abandoned well reclamation program in subdivision 2 of section 1 of chapter 14 of the 2023 Session Laws and identified as one-time funding in section 2 of chapter 14 of the 2023 Session Laws.

SECTION 30. LEGISLATIVE MANAGEMENT STUDY - HOMELESSNESS.

During the 2025-26 interim, the legislative management shall consider studying homelessness in the state. The study must include a review of data and funding available to address homelessness, an analysis of the use of available funds to identify gaps and potential solutions, and input from homeless program service providers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

***SECTION 31. ECONOMIC DEVELOPMENT STUDY - BANK OF NORTH DAKOTA - REPORT.** During the 2025-27 biennium, the Bank of North Dakota shall use up to \$250,000 included in the Bank's appropriation in section 1 of this Act and identified as one-time funding in section 2 of this Act to conduct a study of economic development opportunities to sustain the economies of communities in western North Dakota as oil and gas development activities decrease. The Bank shall coordinate with the department of commerce and representatives from oil-producing counties to develop a long-term strategic plan for economic development opportunities in western North Dakota. The Bank shall provide at least one report to the legislative management during the 2025-26 interim and shall provide a report to the appropriations committees of the seventieth legislative assembly regarding the results of the study.

SECTION 32. REPORT TO BUDGET SECTION - NORTH DAKOTA PIPELINE AUTHORITY - PIPELINE CAPACITY AGREEMENT. By December 31, 2026, the North Dakota pipeline authority shall provide at least one report to the budget section regarding the status of any pipeline capacity agreements, including commitments from other private sector entities, the commitment by the authority, anticipated borrowing by the authority under subsection 4 of section 54-17.7-04, and other information requested by the budget section.

SECTION 33. EFFECTIVE DATE. Section 21 of this Act becomes effective July 1, 2027.

SECTION 34. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved May 19, 2025

Filed May 19, 2025

* Sections 7 and 31 of Senate Bill No. 2014 were vetoed, see chapter 606.

CHAPTER 47

SENATE BILL NO. 2015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to authorize a line of credit; to provide a statement of legislative intent; to provide for a report; to provide for a legislative management study; 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 other funds derived from special funds and federal funds, 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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$265,998,440	\$174,577,338	\$440,575,778
Youth services	26,853,221	9,349,903	36,203,124
New and vacant FTE pool	0	15,248,196	15,248,196
Total all funds	\$292,851,661	\$199,175,437	\$492,027,098
Less other funds	45,744,746	101,911,978	147,656,724
Total general fund	\$247,106,915	\$97,263,459	\$344,370,374
Full-time equivalent positions	929.79	34.50	964.29

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Heart River correctional center	\$36,742	\$35,635,000	\$35,671,742
Missouri River correctional center temporary housing unit	121,136	8,032,757	8,153,893
Payments to county and regional jails	28,430,210	0	28,430,210
Deferred maintenance and extraordinary repairs	0	13,006,609	13,006,609
New FTE costs	40,000	0	40,000
James River correctional center study	0	750,000	750,000
Missouri River correctional center planning and design	0	20,000,000	20,000,000
Software systems and technology upgrades	0	9,750,000	9,750,000

Equipment	0	2,079,700	2,079,700
Victims of crime grants	0	7,000,000	7,000,000
Mental health assessments and services	0	550,000	550,000
Rough rider industries equipment and supplies	0	13,722,181	13,722,181
Workforce training and education	0	1,027,500	1,027,500
James River correctional center maintenance building demolition	<u>0</u>	<u>570,000</u>	<u>570,000</u>
Total	\$28,628,088	\$112,123,747	\$140,751,835

SECTION 3. NEW AND VACANT FULL-TIME EQUIVALENT POOL - LIMITATION - TRANSFER REQUEST. The department of corrections and rehabilitation may not spend funds appropriated in the new and vacant full-time equivalent pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant full-time equivalent pool line item to the adult services and youth services line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$95,834,175 from the strategic investment and improvements fund for one-time projects and programs as follows:

Heart River correctional center project	\$35,635,000
Missouri River correctional center temporary housing	8,032,757
Missouri River correctional center planning and design	20,000,000
James River correctional center facilities study	750,000
James River correctional center maintenance building demolition	570,000
Deferred maintenance and extraordinary repairs	13,006,609
Software and technology upgrades	9,750,000
Equipment	1,089,809
Victims of crime grants	<u>7,000,000</u>
Total	\$95,834,175

SECTION 5. OTHER FUNDS - FEDERAL FUNDS - CONTINGENT BANK OF NORTH DAKOTA LINE OF CREDIT - DEPARTMENT OF CORRECTIONS AND REHABILITATION. The other funds line item in section 1 of this Act includes \$989,891 from federal funds or proceeds from a line of credit for purchasing tasers, body cameras, and ballistic vests. If the department of corrections and rehabilitation is unsuccessful in obtaining a federal grant of \$989,891 for this purpose and notifies the office of management and budget that it will not receive federal funds for this purpose during the biennium beginning July 1, 2025, and ending June 30, 2027, the department of corrections and rehabilitation may borrow up to \$989,891 through a line of credit from the Bank of North Dakota for the purchase of tasers, body cameras, and ballistic vests during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the department of corrections and rehabilitation accesses the line of credit, the department of corrections and rehabilitation shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 6. DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND REVENUES. Any moneys received by the department of corrections and rehabilitation from correctional supervision, electronic monitoring, and

detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the youth correctional center permanent fund, may be deposited in the department of corrections and rehabilitation operating fund and expended pursuant to legislative appropriation, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 7. MISSOURI RIVER CORRECTIONAL CENTER PLANNING AND DESIGN - STEERING COMMITTEE - LEGISLATIVE INTENT - REPORT. The appropriation in the adult services line item in section 1 of this Act includes \$20,000,000 from the strategic investment and improvements fund for planning and design for a new minimum security male correctional facility for the Missouri River correctional center. The department of corrections and rehabilitation shall establish a Missouri River correctional center steering committee to oversee the design and construction of the new Missouri River correctional center facility, including other options, for the biennium beginning July 1, 2025, and ending June 30, 2027. The committee must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house. It is the intent of the sixty-ninth legislative assembly that the seventieth legislative assembly consider supporting the completion of a new minimum security facility for the Missouri River correctional center during the biennium beginning July 1, 2027, and ending June 30, 2029. The department of corrections and rehabilitation shall provide a quarterly report to the legislative management regarding the planning and design of a new minimum security facility.

SECTION 8. LEGISLATIVE MANAGEMENT STUDY - DIVERSION AND DEFLECTION CENTERS. During the 2025-26 interim, the legislative management shall consider studying the need for diversion and deflection centers in the state. The study must include the appropriate involvement of the state in the planning and establishment of diversion and deflection centers. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - SENTENCING, CORRECTIONS, AND PAROLE OVERSIGHT. During the 2025-26 interim, the legislative management shall study the sentencing, correctional, and parole systems within the state, with a focus on improving transparency, consistency, and outcomes in the administration of justice. The study must include a comprehensive review of:

1. Sentencing requirements and incarceration impacts, including an evaluation of the potential impacts of requiring offenders sentenced to the custody of the department of corrections and rehabilitation to serve eighty-five percent of their terms in secured facilities. The study must include:
 - a. Cost analyses;
 - b. Consideration of data and trends relating to criminal offenses and sentencing;
 - c. Consideration of recidivism trends;
 - d. Consideration of rehabilitation and re-entry opportunities;
 - e. Definitions of terms related to sentencing and incarceration; and

- f. Safety and accountability measures for minimum security facilities and transitional facilities.
2. The structure and function of the parole board, including provisions of chapter 12-59 and any rules adopted by the parole board. The study must include:
 - a. Membership structure, appointment process, terms, quorum, and meeting transparency;
 - b. Parole eligibility requirements and determinations;
 - c. Victim rights and notification systems; and
 - d. The role and input of the department of corrections and rehabilitation in parole-related matters.

The study may include input from:

1. The judicial branch, including district court judges regarding sentencing decisions;
2. State's attorney and defense attorneys regarding charging practices, plea negotiations, and trial resources;
3. The department of corrections and rehabilitation regarding inmate classification, housing, placement authority, and transitional services, including work or educational release;
4. The parole board regarding parole eligibility and release decisions;
5. Law enforcement representatives, including the chiefs of police association, sheriff's association, and attorney general's office, regarding impacts to public safety and local and regional jails;
6. The league of cities and association of counties regarding impacts to public safety and local and regional jails;
7. Justice-involved individuals regarding the impact of current and potential sentencing and parole practices; and
8. Crime victims regarding the impact of sentencing.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 10. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. Any amounts remaining from funds transferred to the department of corrections and rehabilitation for deferred maintenance and extraordinary repairs from funding appropriated from the strategic investment and improvements fund to the office of management and budget in section 1 of chapter 640 of the 2023 Special Session Session Laws.

2. Any amounts remaining from funds transferred to the department of corrections and rehabilitation for deferred maintenance and extraordinary repairs from funding appropriated from federal funds derived from the state fiscal recovery fund to the office of management and budget in subsection 10 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued pursuant to section 9 of chapter 15 of the 2023 Session Laws.
3. The sum of \$131,200,000 appropriated from the strategic investment and improvements fund for the construction of a new Heart River correctional center in section 1 of chapter 15 of the 2023 Session Laws.
4. The sum of \$307,000 appropriated from the strategic investment and improvements fund for DOCSTARS maintenance in section 1 of chapter 15 of the 2023 Session Laws.
5. The sum of \$2,000,000 appropriated from the strategic investment and improvements fund for information technology needs in section 1 of chapter 15 of the 2023 Session Laws.

Approved May 12, 2025

Filed May 12, 2025

CHAPTER 48**SENATE BILL NO. 2016**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; 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 other funds derived from special funds and federal funds, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$34,722,502	\$2,765,451	\$37,487,953
New and vacant FTE pool	0	1,614,189	1,614,189
Operating expenses	22,290,155	(1,261,892)	21,028,263
Capital assets	20,000	0	20,000
Grants	8,054,512	0	8,054,512
Reed Act - unemployment insurance	<u>10,915,000</u>	<u>0</u>	<u>10,915,000</u>
computer modernization			
Total all funds	\$76,002,169	\$3,117,748	\$79,119,917
Less other funds	<u>69,268,250</u>	<u>(798,726)</u>	<u>68,469,524</u>
Total general fund	\$6,733,919	\$3,916,474	\$10,650,393
Full-time equivalent positions	158.61	1.00	159.61

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Salaries funding source change	\$2,100,000	(\$2,100,000)	\$0
Total	\$2,100,000	(\$2,100,000)	\$0

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. Job service North Dakota may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. OTHER FUNDS - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The other funds appropriation in section 1 of this Act includes the sum of \$10,915,000 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 federal Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernization unemployment insurance computer system.

SECTION 6. EXEMPTION - UNEMPLOYMENT INSURANCE MODERNIZATION PROJECT - FEDERAL STATE FISCAL RECOVERY FUND. The amount of \$45,000,000 from federal funds derived from the state fiscal recovery fund for the unemployment insurance modernization project in section 1 of chapter 16 of the 2023 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be continued and used during the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved April 16, 2025

Filed April 16, 2025

CHAPTER 49

SENATE BILL NO. 2017

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings; and to authorize a line of credit.

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, 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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,446,690	\$113,239	\$1,559,929
New and vacant FTE pool	0	16,570	16,570
Operating expenses	<u>1,582,392</u>	<u>(3,141)</u>	<u>1,579,251</u>
Total special funds	\$3,029,082	\$126,668	\$3,155,750
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The office of administrative hearings may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 3. BANK OF NORTH DAKOTA LINE OF CREDIT - AGENCY CASHFLOW NEEDS. The office of administrative hearings may borrow up to \$150,000 from the Bank of North Dakota through a line of credit to manage agency cashflow needs during the biennium beginning July 1, 2025, and ending June 30, 2027. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The office of administrative hearings shall repay the line of credit with available funding from the administrative hearings fund.

Approved April 16, 2025

Filed April 16, 2025

CHAPTER 50

SENATE BILL NO. 2018

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the attorney general; to provide an appropriation to the department of career and technical education; to provide an appropriation to the state fair association; to provide a contingent appropriation; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to department of commerce grant reporting requirements; to amend and reenact subsection 1 of section 10-30.5-02, sections 54-60-09, 54-60-19, 54-60-28, 54-60-29, 54-60-29.1, and 54-60-31 of the North Dakota Century Code, relating to the purpose of the North Dakota development fund, duties and talent strategy of the division of workforce development, the uncrewed aircraft systems program, the uncrewed aircraft systems program fund, the beyond visual line of sight uncrewed aircraft system program, and changing the name of the office of legal immigration to the global talent office; to authorize a Bank of North Dakota line of credit; to provide for a transfer; to provide an application; to provide an exemption; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,785,306	\$1,912,342	\$17,697,648
New and vacant FTE pool	0	582,600	582,600
Operating expenses	19,462,643	7,220,023	26,682,666
Grants	47,636,118	53,921,197	101,557,315
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	7,000,000	7,000,000
Partner programs	907,920	0	907,920
Entrepreneurship grants and vouchers	<u>948,467</u>	<u>759,044</u>	<u>1,707,511</u>
Total all funds	\$86,890,454	\$71,395,206	\$158,285,660
Less other funds	<u>53,344,371</u>	<u>62,645,336</u>	<u>115,989,707</u>
Total general fund	\$33,546,083	\$8,749,870	\$42,295,953
Full-time equivalent positions	62.80	3.00	65.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Temporary salaries	\$50,000	\$103,590	\$153,590
Tourism marketing awareness	0	5,000,000	5,000,000
Operation intern	2,000,000	0	2,000,000
Global talent office	1,000,000	0	1,000,000
Tourism destination development grants	0	15,000,000	15,000,000
Uncrewed aerial vehicle replacement grant program	0	9,000,000	9,000,000
Beyond visual line of sight uncrewed aircraft system program	0	15,000,000	15,000,000
Enhanced use lease grant	0	2,500,000	2,500,000
Autonomous agriculture grants	0	7,500,000	7,500,000
Base enhancement grants	0	1,000,000	1,000,000
Tribally controlled community college grants	750,000	0	750,000
Native American small business grant	0	600,000	600,000
Historic theater restoration grant	0	500,000	500,000
Historic opera house restoration grant	0	250,000	250,000
Historic theater improvement grant	0	250,000	250,000
Medora transportation improvement grant	0	1,000,000	1,000,000
Community hall grant	0	175,000	175,000
Regional planning council grants	1,400,000	0	1,400,000
Entrepreneurship grants and vouchers	759,044	0	759,044
Regional workforce impact program grants	0	5,000,000	5,000,000
Technical skills training grants	<u>1,000,000</u>	<u>0</u>	<u>1,000,000</u>
Total	\$6,959,044	\$62,878,590	\$69,837,634

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER

REQUEST. The department of commerce may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. CONTINGENT APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CHILDREN'S EDUCATION SCIENCE CENTER GRANTS - ONE-TIME FUNDING.

There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants of up to \$1,000,000 to support the construction of children's education science centers in cities in the state with a population of at least 50,000 residents, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is available only if the state treasurer certifies to the office of management and budget that oil and gas tax revenue allocations to the strategic investment and improvements fund under section 57-51.1-07.5 have exceeded \$402,000,000 during the 2025-27 biennium. The appropriation in this section is considered a one-time funding item.

SECTION 5. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ATTORNEY GENERAL - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing autonomous technology grants to individuals or entities that aid the bureau of criminal investigation in conducting missing person searches, crime scene reconstruction, and law enforcement first response operations, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The attorney general shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, an individual or entity shall certify to the attorney general that the operation of the autonomous technology is related to conducting missing person searches, crime scene reconstruction, and law enforcement first response operations. The attorney general may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. An individual or entity may use grant funding for autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the attorney general.
4. During the 2025-26 interim, the attorney general shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - AUTONOMOUS TECHNOLOGY GRANTS - MATCHING FUNDS REQUIREMENT - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.

1. There is appropriated out of any moneys in the strategic investment and improvements fund, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of providing autonomous technology grants to a workforce training center serving the northwest area of the state for providing workforce training to address workforce shortages in the state, including shortages in the oil and gas industry, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.
2. For purposes of this section, autonomous technology includes uncrewed aircraft systems; autonomous vehicles; or other autonomous systems, processes, or technologies.
3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, matching requirements, eligible uses of grant funding, and maximum grant awards. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the autonomous technology is related to workforce training to address workforce shortages in the state, including shortages in the oil and gas industry. The

department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. A workforce training center may use grant funding for education or training curriculum expenses related to autonomous technology, autonomous technology operations, contracting for services related to autonomous technology, or other eligible uses as determined by the department of career and technical education.

4. During the 2025-26 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

***SECTION 7. APPROPRIATION - STATE FAIR ASSOCIATION - SANITATION RESTORATION PROJECT - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general 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 state fair association for the purpose of a sanitation restoration project, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

SECTION 8. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$3,000,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND. The office of management and budget shall transfer the sum of \$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 10. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND - EXEMPTION. The office of management and budget shall transfer the sum of \$25,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, for the biennium beginning July 1, 2025, and ending June 30, 2027. Notwithstanding section 10-30.5-02, the North Dakota development fund may use up to \$10,000,000 of the funds provided in this section for nonprimary sector business activities.

SECTION 11. BANK OF NORTH DAKOTA LINE OF CREDIT - TRANSFER TO NORTH DAKOTA DEVELOPMENT FUND. The department of commerce may borrow up to \$25,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which must be transferred to the North Dakota development fund for programs under chapter 10-30.5. The interest rate associated with the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. The department of commerce shall repay the line of credit from moneys available in the North Dakota development fund. If the moneys available in the North Dakota development fund are not sufficient to repay the line of credit, the department of commerce shall request a deficiency appropriation from the seventieth legislative assembly to repay the line of credit.

SECTION 12. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT. The grants line item in section 1 of this Act includes \$444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds appropriated in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

SECTION 13. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MATCHING FUNDS REQUIREMENT - APPLICATION. The other funds line item in section 1 of this Act includes the sum of \$62,775,000 from the strategic investment and improvements fund, of which:

1. \$5,000,000 is for tourism marketing awareness, including \$250,000 for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine;
2. \$15,000,000 is for tourism destination development grants;
3. \$9,000,000 is for an uncrewed aerial vehicle replacement program;
4. \$15,000,000 is for the beyond visual line of sight uncrewed aircraft system program;
5. \$2,500,000 is for the enhanced use lease grant program;
6. \$7,500,000 is for autonomous agriculture grants;
7. \$1,000,000 is for providing base enhancement grants to communities with an air force base or air national guard facilities, including \$600,000 to eligible organizations in Minot, \$250,000 to eligible organizations in Grand Forks, and \$150,000 to eligible organizations in Fargo;
8. \$600,000 is for a Native American small business grant;
9. \$500,000 is for a historic theater restoration grant, which the department of commerce may spend only to the extent an organization has secured one dollar of matching funds from nonstate sources for every one dollar provided by the department of commerce;
10. \$250,000 is for a historic opera house restoration grant;
11. \$250,000 is for a historic theater improvement grant;
12. \$1,000,000 is for a Medora transportation improvement grant;
13. \$175,000 is for a community hall grant; and
14. \$5,000,000 is for regional workforce impact program grants.

The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.

SECTION 14. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNCREWED AERIAL VEHICLE REPLACEMENT PROGRAM - LEGISLATIVE MANAGEMENT REPORT. The other funds line item in section 1 of this Act includes the sum of \$9,000,000 which the department of commerce shall use for the purpose of administering an uncrewed aerial vehicle replacement program, for the period beginning with the effective date of this Act, and ending June 30, 2027.

1. The department of commerce shall collaborate with the uncrewed aircraft systems test site established in section 54-60-28 and state agencies, including institutions under the control of the state board of higher education, to replace uncrewed aerial vehicles owned by the state which do not comply with requirements of the federal National Defense Authorization Act and the American Security Drone Act of 2023. The information technology department, in consultation with the department of commerce and the uncrewed aircraft systems test site, may implement an enterprise uncrewed aerial vehicle data management solution. An enterprise uncrewed aerial vehicle data management solution implemented under this section must ensure all data collected, transmitted, stored, and consumed by an uncrewed aerial vehicle remain under the control of the state. As used in this section "enterprise uncrewed aerial vehicle data management solution" means a system for secure, end-to-end data collection, transportation, storage, processing, and consumption through enterprise software. A state agency owning an uncrewed aerial vehicle before January 1, 2025, is eligible to receive a new uncrewed aerial vehicle that is in compliance with federal requirements and is of equivalent capability to the agency's existing uncrewed aerial vehicle. The department of commerce shall purchase each uncrewed aerial vehicle based on the needs of the agency and a recommendation from the uncrewed aircraft systems test site and provide the uncrewed aerial vehicle to the agency. The department of commerce shall use a portion of the funding provided in this section to pay for training needed for agency staff to operate the new uncrewed aerial vehicle. The department of commerce and uncrewed aircraft systems test site shall give priority to state agencies willing to share uncrewed aerial vehicles rather than purchasing multiple uncrewed aerial vehicles.
2. Any uncrewed aerial vehicle replaced under this section must be remitted to the uncrewed aircraft systems test site for proper decommissioning and disposal pursuant to federal and state regulations, which may include the sale of uncrewed aerial vehicles to the United States department of homeland security at market rates for use in the counter unmanned aircraft system program. The department of commerce shall remit any funding received under this section to the state treasurer for deposit in the general fund.
3. The department of commerce shall maintain an inventory of uncrewed aerial vehicles purchased for state agencies under this section and encourage state agencies to use the state beyond visual line of sight program. The uncrewed aircraft systems test site shall provide guidance to state agencies regarding the integration of uncrewed aerial vehicles into the beyond visual line of sight system and proper maintenance schedules for uncrewed aerial vehicles. The uncrewed aircraft systems test site shall establish a centralized system for state agencies to register uncrewed aerial vehicles and authorized operators for accessing the beyond visual line of sight system and shall provide operational support when state agencies use uncrewed aircraft systems test site integrated platforms.

4. During the 2025-26 interim, the department of commerce shall compile information from state agencies and provide a report to the legislative management by June 30, 2026, regarding the status of the program, funding spent on uncrewed aerial vehicle replacements and training costs, the number of uncrewed aerial vehicles replaced in each state agency, the number of uncrewed aerial vehicles sold or disposed, and any future needs for each state agency to be compliant with the federal National Defense Authorization Act and the American Security Drone Act of 2023.

SECTION 15. TRIBALLY CONTROLLED COMMUNITY COLLEGE GRANTS - LEGISLATIVE MANAGEMENT REPORT. The grants line item in section 1 of this Act includes \$750,000 from the general fund for the purpose of providing workforce development grants to a tribally controlled community college. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2025-26 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2026, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2026, regarding the use of grant funds.

SECTION 16. DISCRETIONARY FUNDS - REGIONAL PLANNING COUNCIL GRANTS. The discretionary funds line item in section 1 of this Act includes \$2,150,000 from the general fund, of which \$600,000 is designated for grants to support regional planning councils under chapter 54-40.1.

¹⁶ **SECTION 17. AMENDMENT.** Subsection 1 of section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

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 form a management and operations entity, and 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, joint ventures, or other forms of business associations in order to further its mission of primary sector economic development.

SECTION 18. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Reporting requirements - Budget section - Grant programs.

The department shall compile a report regarding grant programs administered by the department, excluding federally funded programs, to be provided semiannually to the budget section. The report must include the following for each grant program:

1. The purpose of the grant program;
2. Funding history;
3. The number of days the grant application was open to applicants;

¹⁶ Section 10-30.5-02 was also amended by section 20 of House Bill No. 1015, chapter 14.

4. The name of each grant recipient and the amount of each grant award; and
5. The distribution date of grant funds or the anticipated distribution date of grant funds.

SECTION 19. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties - Report.

The division of workforce development shall:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. ~~Develop and implement a statewide intelligence coordination strategy~~continually refine the state workforce mission, vision, and strategies.
4. Conduct regular employer talent and skills supply and demand studies, the results of which must be reported to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.

SECTION 20. AMENDMENT. Section 54-60-19 of the North Dakota Century Code is amended and reenacted as follows:

54-60-19. Division of workforce development - Talent strategy - Performance and accountability - Report.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:
 - a. ~~Consult with partners in the state's system for workforce development, workforce training, and talent attraction~~Collect data on all workforce programs administered by state agencies, including job service North Dakota, the department of career and technical education, the superintendent of public instruction, the state board of higher education, the department of health and human services, and other divisions of the department of commerce, to determine standard measurements of success and to compile and analyze the program data in a report to be provided to a standing committee of each house of the legislative assembly as determined by the legislative management during each regular legislative session.
 - b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.
 - c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.
 - d. ~~Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure~~

~~coordination and nonduplication of programs and services provided in the state. Review all workforce development programs administered by state agencies for the coordination and prevention of duplication of workforce development services.~~

2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 21. AMENDMENT. Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

54-60-28. Uncrewed aircraft systems program - Report to legislative management.

1. The department may operate and administer an uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department may cooperate and contract with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and other public or private entities as determined by the commissioner in the operation and administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.
2. In administering the uncrewed aircraft systems program, the uncrewed aircraft systems test site established in subsection 1 may:
 - a. Enter contracts and agreements with public, private, and nonprofit organizations for projects, activities, and research topics, and for the operation and management of a public-private partnership under chapter 48-02.1;
 - b. Enter partnerships, limited liability companies, joint ventures, or other contractual arrangements with private businesses for the purpose of business or industrial development; and
 - c. Adopt policies governing ownership or transfer of ownership rights and distribution of income that may be derived from an invention or discovery resulting from research or employment in the uncrewed aircraft systems test site.

SECTION 22. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Uncrewed aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the uncrewed aircraft systems fund, which may be used to defray the expenses of the:
 - a. Operations of an uncrewed aircraft systems test site officially designated by the federal aviation administration;
 - b. Beyond visual line of sight uncrewed aircraft system program; and
 - c. Enhanced use lease grant program.
2. The fund consists of fees, royalties, gifts, grants, devises, bequests, donations, assignments, and other revenue collected for the administration of the test site and federal and other funds appropriated by the legislative assembly. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 23. AMENDMENT. Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29.1. Beyond visual line of sight uncrewed aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight uncrewed aircraft system. The department may enter contracts, agreements, and contractual arrangements and adopt policies related to the beyond visual line of sight uncrewed aircraft system program in the same manner authorized for the uncrewed aircraft system program under section 54-60-28. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight uncrewed aircraft system to provide quarterly payments to the state treasurer based on a fee structure determined by the commissioner. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 24. AMENDMENT. Section 54-60-31 of the North Dakota Century Code is amended and reenacted as follows:

~~54-60-31. Office of legal immigration~~Global talent office - Duties.

There is created ~~an office of legal immigration~~a global talent office within the department of commerce. Employees of the ~~office of legal immigration~~global talent office report to the commissioner. ~~The office of legal immigration~~global talent office:

1. Shall develop and implement a statewide strategy to support businesses in recruiting and retaining foreign labor, including immigrants already in the United States and integration of immigrants into the state to promote economic opportunities for immigrant communities.
2. Shall advise and make recommendations to the governor, legislative assembly, and state agencies regarding immigrant integration and foreign labor issues.

3. Shall develop a pilot program to support businesses pursuing or employing legal immigrants and to support communities to develop immigration integration plans and activities.
4. May contract with other state agencies to develop and administer programs or services related to immigration integration and access to basic needs that promote entrance and movement throughout the workforce.
5. May contract with an organization with expertise related to the goals of the office of legal immigration/global talent office.

SECTION 25. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$3,000,000 appropriated from federal COVID-19 funds for the community development block grant program in section 1 of chapter 27 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
2. The sum of \$56,234,176 appropriated from federal COVID-19 funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
3. The sum of \$15,000,000 appropriated from the federal state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
4. The sum of \$5,000,000 appropriated from the federal state fiscal recovery fund for the technical skills training grant program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 29 of chapter 18 of the 2023 Session Laws.
5. The sum of \$28,500,000 appropriated from the general fund for workforce programs, of which \$12,000,000 was for workforce talent attraction initiative operating expenses, \$12,500,000 was for workforce investment program grants, \$2,000,000 was for technical skills training grants, and \$2,000,000 was for new Americans workforce development and training grants, in section 1 of chapter 18 of the 2023 Session Laws.
6. The sum of \$25,000,000 appropriated from the strategic investment and improvements fund for the tourism destination development initiative in section 1 of chapter 18 of the 2023 Session Laws.
7. The sum of \$10,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 18 of the 2023 Session Laws.
8. The sum of \$120,000,000 appropriated from federal funds for weatherization and energy assistance programs in section 1 of chapter 18 of the 2023 Session Laws.

9. The sum of \$2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 18 of the 2023 Session Laws.
10. The sum of \$3,258,084 appropriated from federal funds for heating, furnace, and cooling assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
11. The sum of \$14,081,719 appropriated from federal funds for energy conservation assistance grants in section 1 of chapter 18 of the 2023 Session Laws.
12. The sum of \$1,550,000 appropriated from federal funds for the parks and recreation program in section 1 of chapter 18 of the 2023 Session Laws, which may be used for operating expenses of the program.
13. The sum of \$572,143 appropriated from federal funds for the state small business credit initiative program in section 1 of chapter 18 of the 2023 Session Laws.
14. The sum of \$948,467, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund, for the entrepreneurship grants and vouchers program in section 1 of chapter 18 of the 2023 Session Laws.
15. The sum of \$2,000,000 appropriated from the general fund for the office of legal immigration in section 1 of chapter 639 of the 2023 Special Session Laws.

Approved May 19, 2025

Filed May 19, 2025

* Section 7 of Senate Bill No. 2018 was vetoed, see chapter 607.

CHAPTER 51

SENATE BILL NO. 2019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of career and technical education; 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 other funds derived from special funds and federal funds, to the department of career and technical education for the purpose of defraying the expenses of the department of career and technical education, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,118,145	\$720,245	\$5,838,390
New and vacant FTE pool	0	126,203	126,203
Operating expenses	3,046,350	1,699,261	4,745,611
Grants	11,507,349	2,500,000	14,007,349
Grants - secondary	41,537,780	10,500,000	52,037,780
Marketplace for kids	300,000	100,000	400,000
Science, technology, engineering, and mathematics initiative	100,000	0	100,000
Adult farm management	1,706,138	(1,706,138)	0
Workforce training	<u>2,500,000</u>	<u>750,000</u>	<u>3,250,000</u>
Total all funds	\$65,815,762	\$14,689,571	\$80,505,333
Less other funds	<u>14,500,485</u>	<u>3,927,524</u>	<u>18,428,009</u>
Total general fund	\$51,315,277	\$10,762,047	\$62,077,324
Full-time equivalent positions	23.50	0.00	23.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Virtual reality career exploration	\$0	\$1,000,000	\$1,000,000
Rent, moving, and office equipment expenses	<u>300,000</u>	<u>0</u>	<u>300,000</u>
Total	\$300,000	\$1,000,000	\$1,300,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of career and technical education may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but

may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$1,000,000 from the strategic investment and improvements fund for the purpose of purchasing virtual reality career exploration hardware and software.

SECTION 5. EXEMPTION - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM. The sum of \$74,595,701 appropriated from the federal coronavirus capital projects fund for the statewide area career center initiative grant program, of which \$68,276,228 was appropriated in section 1 of chapter 548 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in section 3 of chapter 27 of the 2023 Session Laws and \$6,319,473 was transferred in section 10 of chapter 21 of the 2023 Session Laws, is not subject to section 54-44.1-11 and any unexpended funds from these appropriations may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. EMERGENCY. The \$300,000 appropriated from the general fund in the operating expenses line item for rent, moving, and office equipment expenses in section 1 of this Act is declared to be an emergency measure.

Approved May 2, 2025

Filed May 2, 2025

CHAPTER 52

SENATE BILL NO. 2020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; to provide 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 other funds derived from special funds and federal funds, 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, 2025, and ending June 30, 2027, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$59,478,945	\$2,342,700	\$61,821,645
Soil conservation committee	1,361,520	0	1,361,520
New and vacant FTE pool	0	3,301,295	3,301,295
Total all funds	\$60,840,465	\$5,643,995	\$66,484,460
Less other funds	<u>29,049,776</u>	<u>2,839,356</u>	<u>31,889,132</u>
Total general fund	\$31,790,689	\$2,804,639	\$34,595,328
Full-time equivalent positions	252.70	3.74	256.44

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$5,724,771	\$1,549,397	\$7,274,168
New and vacant FTE pool	0	101,995	101,995
Total all funds	\$5,724,771	\$1,651,392	\$7,376,163
Less other funds	<u>3,541,116</u>	<u>852,928</u>	<u>4,394,044</u>
Total general fund	\$2,183,655	\$798,464	\$2,982,119
Full-time equivalent positions	18.15	0.20	18.35

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Upper great plains transportation institute	\$24,807,516	\$521,955	\$25,329,471
New and vacant FTE pool	0	266,019	266,019
Total all funds	\$24,807,516	\$787,974	\$25,595,490
Less other funds	19,581,141	507,090	20,088,231
Total general fund	\$5,226,375	\$280,884	\$5,507,259
Full-time equivalent positions	43.88	(1.00)	42.88

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$116,148,130	\$19,566,700	\$135,714,830
New and vacant FTE pool	0	5,060,201	5,060,201
Total all funds	\$116,148,130	\$24,626,901	\$140,775,031
Less other funds	58,022,465	19,051,827	77,074,292
Total general fund	\$58,125,665	\$5,575,074	\$63,700,739
Full-time equivalent positions	358.47	6.08	364.55

Subdivision 5.

BRANCH RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$7,379,838	\$435,827	\$7,815,665
Central grasslands research center	3,618,270	168,766	3,787,036
Hettinger research center	5,381,248	240,658	5,621,906
Langdon research center	3,195,869	360,058	3,555,927
North Central research center	5,355,217	202,311	5,557,528
Williston research center	5,527,125	266,785	5,793,910
Carrington research center	10,191,002	408,102	10,599,104
New and vacant FTE pool	0	1,089,674	1,089,674
Total all funds	\$40,648,569	\$3,172,181	\$43,820,750
Less other funds	20,964,971	885,212	21,850,183
Total general fund	\$19,683,598	\$2,286,969	\$21,970,567
Full-time equivalent positions	111.81	(4.65)	107.16

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,632,722	\$39,931	\$1,672,653
New and vacant FTE pool	0	7,343	7,343
Total special funds	\$1,632,722	\$47,274	\$1,679,996
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

SECTION 1 TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$249,802,173	\$35,929,717	\$285,731,890
Less grand total other funds	<u>132,792,191</u>	<u>24,183,687</u>	<u>156,975,878</u>
Grand total general fund	\$117,009,982	\$11,746,030	\$128,756,012
Full-time equivalent positions	788.01	4.37	792.38

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which each entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Northern crops institute			
Protein extraction and air classification system	<u>\$0</u>	<u>\$350,000</u>	<u>\$350,000</u>
Total northern crops institute	\$0	\$350,000	\$350,000
Main research center			
Equipment storage sheds	\$1,567,500	\$0	\$1,567,500
Oakes irrigation research site interior	0	620,000	620,000
Langdon seed conditioning plant	0	2,600,000	2,600,000
Nesson Valley irrigation research site	0	2,300,000	2,300,000
Deferred maintenance	0	500,000	500,000
Williston research center storage shed	0	200,000	200,000
Swine facility renovation	0	6,000,000	6,000,000
Main research center greenhouse addition	<u>0</u>	<u>3,250,000</u>	<u>3,250,000</u>
Total main research center	<u>\$1,567,500</u>	<u>\$15,470,000</u>	<u>\$17,037,500</u>
Grand total	\$1,567,500	\$15,820,000	\$17,387,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2025-27 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures, for the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 5. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the seventieth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2023, and ending June 30, 2025, and the biennium beginning July 1, 2025, and ending June 30, 2027.

SECTION 6. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts included in the other funds appropriation line items and special funds appropriations 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, 2025, and ending June 30, 2027.

SECTION 7. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - MAIN RESEARCH CENTER. The other funds line item in subdivision 4 of section 1 of the Act includes the sum of \$2,470,000 from the strategic investment and improvements fund, of which \$950,000 is for the Langdon seed conditioning plant, \$620,000 is for the Oakes irrigation research site, \$500,000 is for deferred maintenance, and \$400,000 is for the Nesson Valley irrigation research site.

SECTION 8. EXEMPTION - TRANSFER AUTHORITY. Notwithstanding section 54-16-04, upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the office of management and budget shall transfer appropriation authority, except appropriation authority in the new and vacant FTE pool line items, within subdivisions 1, 2, 4, and 5 of section 1 of this Act.

SECTION 9. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS - REPORT. Notwithstanding any other provisions of law, the state 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. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 10. EXEMPTION - UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority available 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, 2027, and ending June 30, 2029.

SECTION 11. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$475,000 appropriated from the strategic investment and improvements fund for storage sheds in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws; and
2. The sum of \$1,700,000 appropriated from the general fund for the Nesson Valley irrigation research site project in subdivision 4 of section 1 of chapter 20 of the 2023 Session Laws.

SECTION 12. EXEMPTION - MAIN RESEARCH CENTER - PUBLIC IMPROVEMENT CONSTRUCTION. The main research center, for its use of the \$1,567,500 appropriated from the general fund for branch research center storage sheds is not subject to the provisions of section 48-01.2-02.1, and the main research center may spend this funding without procuring plans, drawings, and specifications from an architect or engineer.

SECTION 13. EMERGENCY. The \$6,000,000 appropriated from other funds for the swine facility renovation in subdivision 4 of section 1 of this Act is declared to be an emergency measure.

Approved May 2, 2025

Filed May 2, 2025

CHAPTER 53

SENATE BILL NO. 2021

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact sections 54-35-15.1, 54-59-14, and 54-59-15 of the North Dakota Century Code, relating to membership of the information technology committee and the information technology operating fund; to provide an exemption; to provide for a legislative management study; and to provide for a legislative management report.

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 other funds derived from special funds and federal funds, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$112,233,364	\$16,747,954	\$128,981,318
New and vacant FTE pool	0	8,403,424	8,403,424
Operating expenses	119,115,018	(98,975,025)	20,139,993
Capital assets	3,443,909	(3,312,874)	131,035
Statewide longitudinal data system	4,625,661	(504,904)	4,120,757
Edutech	10,348,826	(2,832,440)	7,516,386
K-12 wide area network	5,915,668	786,356	6,702,024
Geographic information system	1,109,786	48,157	1,157,943
Health information technology office	5,822,725	1,928,517	7,751,242
Statewide interoperable radio network	<u>18,449,852</u>	<u>(2,845,242)</u>	<u>15,604,610</u>
Total all funds	\$281,064,809	(\$80,556,077)	\$200,508,732
Less other funds	<u>239,646,504</u>	<u>(87,178,908)</u>	<u>152,467,596</u>
Total general fund	\$41,418,305	\$6,622,831	\$48,041,136
Full-time equivalent positions	507.00	2.00	509.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
State data center migration project	\$0	\$1,719,061	\$1,719,061
Information technology services automation	<u>0</u>	<u>1,793,609</u>	<u>1,793,609</u>
Total	\$0	\$3,512,670	\$3,512,670

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The information technology department may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item and other line items with salaries and wages in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. EXEMPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act, except the new and vacant FTE pool line item, for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects. The department shall notify the legislative council of any transfers made pursuant to this section.

SECTION 5. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$3,512,670 from the strategic investment and improvements fund, including \$1,719,061 for a state data center migration project and \$1,793,609 for the cost of automating information technology services and the purchase of software licenses.

SECTION 6. AMENDMENT. Section 54-35-15.1 of the North Dakota Century Code is amended and reenacted as follows:

54-35-15.1. Information technology committee - Appointment.

The legislative management, during each biennium, shall appoint an information technology committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint six members of the house of representatives and five members of the senate to the committee. The chief information officer of the state ~~is and~~ an individual with information technology-related experience from the department of health and human services, appointed by the commissioner of the department of health and human services, are ex officio, nonvoting ~~member~~ members of 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 7. AMENDMENT. Section 54-59-14 of the North Dakota Century Code is amended and reenacted as follows:

54-59-14. Information technology operating ~~account~~fund - Continuing appropriation - Report.

1. The department shall establish a state information technology operating ~~account~~fund in the state treasury to be used, ~~in accordance with legislative appropriation,~~ for procuring and maintaining information technology and network services and for providing information technology, and network services, ~~and central microfilm unit services~~ to state entities and network services to users of the state network.
2. Unless exempted by law, each agency or institution provided with information technology or network services shall pay to the department the charges for services provided as determined by the department. The department shall deposit the amounts received in the information technology operating ~~account~~

or the information technology development account, as appropriate fund, which are appropriated to the department on a continuing basis for purposes provided under this section, except the department may not use continuing appropriation authority to pay salaries and wages-related expenses.

3. The department shall compile a report regarding the status of the information technology operating fund to be provided at each meeting of the budget section. The report must include information regarding expenditures paid from the fund for department administration, operations, and information technology projects by specific object code, the amount and category of services provided to state agencies and institutions and users of the state network from moneys in the fund, and the balance remaining in the fund from the most recently completed quarter. The department shall present the mostly recently completed report to the appropriation committees of the legislative assembly each legislative session.

SECTION 8. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

54-59-15. Acceptance of funds.

The department may accept federal or other funds, which must be deposited in the information technology operating ~~account~~fund or other ~~accounts~~funds specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

SECTION 9. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended appropriation authority remaining may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$45,000,000 appropriated from the federal coronavirus capital projects fund for broadband infrastructure grants in section 9 of chapter 548 of the 2021 Special Session Session Laws and continued into the 2023-25 biennium in sections 9 and 10 of chapter 21 of the 2023 Session Laws.
2. The sum of \$12,000,000 appropriated from the strategic investment and improvements fund, of which \$7,000,000 was for an enterprise digitization project and \$5,000,000 was for a business gateway enterprise customer relationship management program, in section 1 of chapter 21 of the 2023 Session Laws.
3. The sum of \$4,856,876 appropriated from the information technology operating fund for governance, risk, and compliance costs and the department of public instruction lighthouse project in section 1 of chapter 21 of the 2023 Session Laws.
4. The sum of \$147,762,480 appropriated from federal funds available as a result of the Infrastructure Investment and Jobs Act for the broadband, equity, access, and deployment program, digital equity program, and state and local cybersecurity grant program in section 1 of chapter 21 of the 2023 Session Laws.
5. The sum of \$487,520 appropriated from the general fund as matching funds for the state and local cybersecurity grant program in section 1 of chapter 21 of the 2023 Session Laws.

6. The sum of \$80,000,000 appropriated from the federal state fiscal recovery fund for the statewide interoperable radio network project in section 4 of chapter 554 of the 2023 Session Laws.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - STATEWIDE INTEROPERABLE RADIO NETWORK FUNDING AND EMERGENCY COMMUNICATIONS FEES.

During the 2025-26 interim, the legislative management shall consider studying fees collected for technology services, including emergency communications, behavioral health crisis response, and the statewide interoperable radio network. The study must include an analysis of the adequacy of current fee structures, financial needs of the technology services, current fees and revenue trends for 911 and 988 services, the statewide interoperable radio network project, the estimated project completion date, estimated ongoing funding needs to operate the network, current funding available for the network, future funding options for the network that will not negatively affect existing emergency communication systems, and a comparison of statewide radio network funding models used in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 11. LEGISLATIVE MANAGEMENT STUDY - STATE ENTERPRISE RESOURCE PLANNING SYSTEM.

During the 2025-26 interim, the legislative management shall study the enterprise resource planning system for the state of North Dakota, including state agencies and institutions of higher education. The study must include consideration of:

1. The current system and potential systems, including functionality, technological structure, expected life cycle, costs and benefits of cloud-based and on-premises hosted solutions, support and maintenance costs, and potential implementation costs.
2. The desired functionality for state agency use, including financial management, human capital management, and procurement.
3. The desired functionality for institutions of higher education, including financial management, human capital management, grant management, compliance management, procurement, and student data management.
4. The costs and benefits of continuing with one enterprise resource planning system or separate systems for state agencies and institutions of higher education.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

SECTION 12. LEGISLATIVE MANAGEMENT REPORT - STUDENT INFORMATION SYSTEM TRANSITION.

During the 2025-26 interim, the information technology department and department of public instruction shall report quarterly to the budget section of the legislative management regarding the status of the student information system transition.

Approved April 22, 2025

Filed April 23, 2025

CHAPTER 54

SENATE BILL NO. 2022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents; to create and enact a new subsection to section 54-44.3-20 of the North Dakota Century Code, relating to categories of positions in the state service; 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 other funds derived from special funds and federal funds, 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, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Commission on legal counsel for indigents	\$23,022,372	\$3,576,753	\$26,599,125
New and vacant FTE pool	0	554,757	554,757
Total all funds	\$23,022,372	\$4,131,510	\$27,153,882
Less other funds	2,023,067	26,149	2,049,216
Total general fund	\$20,999,305	\$4,105,361	\$25,104,666
Full-time equivalent positions	41.00	2.00	43.00

SECTION 2. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The commission on legal counsel for indigents may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the commission on legal counsel for indigents line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 3. A new subsection to section 54-44.3-20 of the North Dakota Century Code is created and enacted as follows:

Attorneys employed by the commission on legal counsel for indigents.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - COMMISSION ON LEGAL COUNSEL FOR INDIGENTS - NORTH DAKOTA PUBLIC DEFENDERS OFFICE. During the 2025-26 interim, the legislative management shall consider studying the potential impacts of establishing the North Dakota public defenders office as an administrative agency under the authority of the commission on legal counsel for indigents. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the seventieth legislative assembly.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 55

SENATE BILL NO. 2023

(Appropriations Committee)

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 other funds derived from special funds, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$630,334	\$63,755	\$694,089
New and vacant FTE pool	0	4,953	4,953
Total all funds	\$630,334	\$68,708	\$699,042
Less other funds	172,257	4,967	177,224
Total general fund	\$458,077	\$63,741	\$521,818
Full-time equivalent positions	2.00	0.00	2.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>
Copier replacement	\$13,000
Internships	20,000
Total	\$33,000

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The racing commission may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of the Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the racing commission line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 56

SENATE BILL NO. 2024

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of environmental quality; and to amend and reenact section 23.1-13-16 of the North Dakota Century Code, relating to inspection fees.

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 other funds derived from special funds and federal funds, to the department of environmental quality for the purpose of defraying the expenses of the department of environmental quality, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$38,756,030	\$4,479,208	\$43,235,238
New and vacant FTE pool	0	2,290,870	2,290,870
Operating expenses	15,457,832	6,429,374	21,887,206
Capital assets	1,013,500	3,650,100	4,663,600
Grants	<u>37,198,118</u>	<u>22,740,341</u>	<u>59,938,459</u>
Total all funds	\$92,425,480	\$39,589,893	\$132,015,373
Less other funds	<u>76,074,697</u>	<u>37,064,940</u>	<u>113,139,637</u>
Total general fund	\$16,350,783	\$2,524,953	\$18,875,736
Full-time equivalent positions	173.00	2.00	175.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>Total Other Funds</u>
Move to new chemistry laboratory	\$1,500,000
New chemistry laboratory capital assets	1,375,000
New chemistry laboratory operating expenses	700,186
Emerging contaminants program equipment	943,200
Petroleum tank database	700,000
State fuel inspection program capital assets	215,000
Water and wastewater operator certification program	<u>5,000</u>
Grand total other funds	\$5,438,386

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of environmental quality may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the salaries and wages line item in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. OTHER FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The other funds line item in section 1 of this Act includes the sum of \$250,000 from the environment and rangeland protection fund. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 5. OTHER FUNDS - PETROLEUM TANK RELEASE COMPENSATION FUND. The other funds line item in section 1 of this Act includes the sum of \$1,827,025 from the petroleum tank release compensation fund for expenses related to the petroleum tank release program.

SECTION 6. OTHER FUNDS - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The other funds line item in section 1 of this Act includes the sum of \$3,575,186 from the strategic investment and improvements fund for expenses related to moving into the new chemistry laboratory and for chemistry laboratory operating expenses and equipment purchases.

SECTION 7. AMENDMENT. Section 23.1-13-16 of the North Dakota Century Code is amended and reenacted as follows:

23.1-13-16. Inspection fees.

Every person licensed by the tax commissioner as a motor vehicle fuel or special fuels dealer shall pay to the tax commissioner an inspection fee of one-fortieth of one cent per gallon [3.79 liters] for every gallon [3.79 liters] of gasoline, kerosene, tractor fuel, heating oil, or diesel fuel sold or used during a calendar month except those gallons sold out of state or those gallons sold as original package sales as defined in chapters 57-43.1 and 57-43.2. The fee must accompany the monthly report required in the following section and is due no later than the twenty-fifth day of each calendar month for the preceding month. The tax commissioner shall forward all money collected under this section to the state treasurer monthly, and the state treasurer shall ~~place the money in the general fund of the state~~ deposit the funds in the department of environmental quality operating fund. The funds must be used, subject to legislative appropriations, for the state fuel inspection program. The tax commissioner shall make available annually a report by licensed dealer listing the number of gallons [liters] of motor vehicle fuel and special fuels upon which the inspection fee has been paid. The provisions of chapters 57-43.1 and 57-43.2 pertaining to the administration of motor vehicle fuel and special fuels taxes not in conflict with the provisions of this chapter govern the administration of the inspection fee levied by this chapter.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 57

SENATE BILL NO. 2025

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of veterans' affairs; to amend and reenact sections 37-15-03, 37-15-07, 37-15-16, 37-18-01, and 37-18-07, subsection 1 of section 37-18-12, and section 37-18.1-03 of the North Dakota Century Code, relating to the administrative committee on veterans' affairs; 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 other funds derived from federal funds, to the department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2025, and ending June 30, 2027, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	\$1,897,804	\$832,713	\$2,730,517
State approving agency	323,129	67,207	390,336
New and vacant FTE pool	0	202,907	202,907
Grants - transportation program	1,126,085	193,621	1,319,706
Transport vans	18,800	4,200	23,000
Service dogs	0	50,000	50,000
Veterans' home cemetery	0	291,500	291,500
Total all funds	\$3,365,818	\$1,642,148	\$5,007,966
Less other funds	1,449,214	558,948	2,008,162
Total general fund	\$1,916,604	\$1,083,200	\$2,999,804
Full-time equivalent positions	9.00	1.00	10.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SEVENTIETH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act which are not included in the entity's base budget for the 2027-29 biennium and which the entity shall report to the appropriations committees of the seventieth legislative assembly regarding the use of this funding:

<u>One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Homeless veterans' services	\$500,000	\$0	\$500,000
Veterans' home cemetery	0	291,500	291,500
Total	\$500,000	\$291,500	\$791,500

SECTION 3. NEW AND VACANT FTE POOL - LIMITATION - TRANSFER REQUEST. The department of veterans' affairs may not spend funds appropriated in the new and vacant FTE pool line item in section 1 of this Act, but may request the office of management and budget to transfer funds from the new and vacant FTE pool line item to the veterans' affairs and state approving agency line items in accordance with the guidelines and reporting provisions included in House Bill No. 1015, as approved by the sixty-ninth legislative assembly.

SECTION 4. APPROPRIATION - TRANSPORTATION GRANT PROGRAM - FEDERAL FUNDS - 2023-25 BIENNIUM. There is appropriated from federal funds, the sum of \$200,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the highly rural transportation grants program, for the period beginning with the effective date of this section and ending June 30, 2025.

SECTION 5. APPROPRIATION - TRANSFER TO VETERANS' POSTWAR TRUST FUND - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, which the office of management and budget shall transfer to the veterans' postwar trust fund, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item.

SECTION 6. AMENDMENT. Section 37-15-03 of the North Dakota Century Code is amended and reenacted as follows:

37-15-03. Government of veterans' home.

The general supervision and government of the veterans' home is vested in the ~~administrative committee on veterans' affairs~~ governor.

SECTION 7. AMENDMENT. Section 37-15-07 of the North Dakota Century Code is amended and reenacted as follows:

37-15-07. Administrator of veterans' home - Appointment - Qualifications.

The appointment, qualifications, term of office, and salary of the administrator of the veterans' home must be as prescribed in ~~section 37-18-1-03~~ by the governor. The ~~administrative committee on veterans' affairs~~ governor may designate the administrator as commandant of the veterans' home if the administrator is an honorably discharged veteran.

SECTION 8. AMENDMENT. Section 37-15-16 of the North Dakota Century Code is amended and reenacted as follows:

37-15-16. Administrator shall take charge of unclaimed estates of small value.

If a member of the veterans' home dies leaving property of the value of three thousand dollars or less, the administrator immediately shall take charge of the property. If within forty-five days of the date of death a valid claim of any heir or devisee is not made for the property and an application or petition has not been filed for issuance of letters of administration, the administrator shall convert the property into cash without probate or other proceedings and make payment first toward reasonable funeral expenses and second toward reasonable and necessary medical and hospital expenses of the last illness of the decedent. If any cash remains, the administrator shall deposit the cash with the state treasurer who shall credit it to the veterans' home operating fund. The administrator shall make a report of the administrator's action to the administrative committee on veterans' affairs and the governor. The report must be audited by, and included in the records of, the committee.

SECTION 9. AMENDMENT. Section 37-18-01 of the North Dakota Century Code is amended and reenacted as follows:

37-18-01. Department established - Commissioner.

There is hereby established a department of veterans' affairs under the supervision and control of a commissioner known as commissioner of veterans' affairs, hereinafter referred to as the commissioner. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner shall serve at the pleasure of the governor.

SECTION 10. AMENDMENT. Section 37-18-07 of the North Dakota Century Code is amended and reenacted as follows:

37-18-07. Commissioner - Appointment - Qualifications - Term - Salary.

The appointment, qualifications, term of office, and salary of the commissioner must be as prescribed ~~in section 37-18.1-03 by the governor.~~ The commissioner must be allowed such amounts for travel, clerkhire, and expenses as may be prescribed from time to time by legislative appropriations.

SECTION 11. AMENDMENT. Subsection 1 of section 37-18-12 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as otherwise provided by subsection 2, the department of veterans' affairs may accept and expend funds from any source, including federal or private sources, to be used to assist veterans or qualified veterans' spouses in obtaining assistance and to pay other expenses authorized by law incurred in carrying out programs of benefit and service for resident North Dakota veterans as authorized by the ~~administrative committee on veterans' affairs~~ governor with the approval of the emergency commission.

SECTION 12. AMENDMENT. Section 37-18.1-03 of the North Dakota Century Code is amended and reenacted as follows:

37-18.1-03. Powers and duties of committee - Creation of subcommittee and governing board.

The committee is responsible for advising the governor on the organization, policy, and general administration of all veterans' affairs in the state of North Dakota. It has the following powers ~~and~~ duties, and responsibilities:

1. The chairman and secretary of the committee, acting jointly, shall appoint a seven-member governing board for advising the governor on administration of the veterans' home, from within or outside the committee, subject to ratification of a majority vote of the committee, and shall establish term lengths for service on the governing board. ~~The governing board has all ordinary powers required of a governing board, including the power to establish qualifications for and selection of an administrator and to establish an appropriate salary structure, subject to limitations of legislative appropriation. The administrator serves at the pleasure of the governing board.~~
2. The chairman and secretary of the committee jointly shall appoint a subcommittee to be responsible for advising the governor on the supervision and government of the department of veterans' affairs. Once appointed, a subcommittee member may continue to serve as long as the member remains a voting member of the committee, unless removed from the subcommittee by joint action of the committee chairman and secretary. A member of the subcommittee may not serve on the governing board of the veterans' home. Each nominating organization listed in section 37-18.1-01 must have at least

one voting member nominated by the organization serving on the subcommittee. The subcommittee shall select by majority vote of the members a chairman to preside for the term of one year.

3. ~~The committee shall appoint the commissioner of the department of veterans' affairs. The commissioner must be a bona fide resident of the state, and must qualify as a veteran as defined in section 37-01-40. The commissioner serves at the pleasure of the committee. The committee shall determine the salary paid to the commissioner of the department of veterans' affairs within the limits of legislative appropriation. The commissioner of veterans' affairs shall serve as the executive secretary for the subcommittee. The commissioner has no vote in the affairs of the subcommittee.~~
4. The committee, under recommendation from the board or the subcommittee, shall present any matters needing attention and action to the ~~appropriate board, commission, agency, or department of the state, and the North Dakota veterans' legislative council~~ governor.
5. The committee shall ~~assure~~ advise the governor regarding compliance with applicable federal and state laws in the administration of both the department of veterans' affairs and the North Dakota veterans' home and shall exercise its responsibilities in all things necessary to ~~carry out the provisions of this chapter~~ advise the governor in regard to organization, policy, and general administration of the agencies served and involved in the conduct of veterans' affairs. ~~The board governing the veterans' home and the subcommittee governing the department of veterans' affairs shall conduct an annual performance evaluation of the administrator and commissioner, respectively, with the evaluation presented to the committee. The board and subcommittee shall create and implement a strategic plan for the veterans' home and the department of veterans' affairs, respectively. The board and the subcommittee annually shall report as to the status of the respective strategic plan to the committee. After receiving a report, the committee shall submit the report to the governor.~~

SECTION 13. EXEMPTION - UNEXPENDED APPROPRIATIONS. The following appropriations are not subject to the provisions of section 54-44.1-11 and any unexpended funds may be continued into the biennium beginning July 1, 2025, and ending June 30, 2027:

1. The sum of \$500,000 continued in section 5 of chapter 25 of the 2023 Session Laws appropriated from the federal state fiscal recovery fund for a grant to assist in the construction of the Fisher house at the Fargo veterans' affairs medical center in subsection 32 of section 1 of chapter 550 of the 2021 Session Laws;
2. The sum of \$147,000 continued in section 5 of chapter 25 of the 2023 Session Laws appropriated from the federal state fiscal recovery fund for improving and expanding veterans' medical transportation in subsection 33 of section 1 of chapter 550 of the 2021 Session Laws;
3. The sum of \$19,066 appropriated from the general fund for accrued leave of retiring staff in section 1 of chapter 25 of the 2023 Session Laws;
4. The sum of \$100,836 appropriated from the federal state fiscal recovery fund for a document scanning project in section 1 of chapter 25 of the 2023 Session Laws; and

5. The sum of \$500,000 appropriated from the federal state fiscal recovery fund for a grant to assist in the construction of the Fisher house at the Fargo veterans' affairs medical center in section 1 of chapter 26 of the 2023 Session Laws.

SECTION 14. EMERGENCY. Section 4 of this Act is declared to be an emergency measure.

Approved April 22, 2025

Filed April 23, 2025

CHAPTER 58

SENATE BILL NO. 2138

(Senators Weber, Cleary, Klein, Lee)
(Representatives Beltz, Pyle)

AN ACT to provide an appropriation to the department of health and human services for grants to organizations providing care for the elderly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - GRANT FUNDING FOR ORGANIZATIONS PROVIDING CARE FOR THE ELDERLY. There is appropriated out of any moneys in the general 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 department of health and human services for the purpose of providing grant funding to organizations that provide care to the elderly in rural areas of the state, for the biennium beginning July 1, 2025, and ending June 30, 2027. Of the grant funding provided under this section, \$100,000 must be provided to existing organizations providing care to elderly individuals in rural areas of the state and \$100,000 must be provided to organizations to provide services to elderly individuals in one or more rural counties in the state which do not currently have these services for elderly individuals.

Approved April 7, 2025

Filed April 8, 2025

CHAPTER 59

SENATE BILL NO. 2200

(Senators Hogan, Axtman, Lee)
(Representatives Dobervich, Frelich)

AN ACT to provide an appropriation to the department of health and human services for the 988 crisis hotline program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - 988 CRISIS HOTLINE PROGRAM. There is appropriated out of any moneys in the community health trust 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 department of health and human services for the purpose of the 988 crisis hotline program, for the biennium beginning July 1, 2025, and ending June 30, 2027.

Approved April 29, 2025

Filed April 30, 2025

CHAPTER 60

SENATE BILL NO. 2218

(Senators Klein, Erbele, Hogue)
(Representatives Brandenburg, Lefor, Pyle)

AN ACT to provide an appropriation to the insurance commissioner for a North Dakota firefighter's association grant; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA

SECTION 1. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - INSURANCE COMMISSIONER - NORTH DAKOTA FIREFIGHTER'S ASSOCIATION GRANT - ONE-TIME FUNDING. There is appropriated out of any moneys in the strategic investment and improvements 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 insurance commissioner for the purpose of providing a grant to the North Dakota firefighter's association, for the period beginning with the effective date of this Act, and ending June 30, 2027. Grant funds must be used only to defray the costs associated with a new firefighter's association building. The funding provided in this section is considered a one-time funding item.

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

Approved April 15, 2025

Filed April 17, 2025

CHAPTER 61

SENATE BILL NO. 2228

(Senators Myrdal, Klein)
(Representatives Hanson, Monson)

AN ACT to provide an appropriation to the department of commerce for a rural grocery store sustainability grant program.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL GROCERY STORE SUSTAINABILITY GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants for the preservation of rural grocery stores and increasing the availability of food access in the state, for the biennium beginning July 1, 2025, and ending June 30, 2027. The department shall prioritize grant funding awarded under this section for supporting existing rural grocery stores before awarding grant funding for feasibility costs related to reopening a grocery store in a community without a grocery store. The funding may not be used for food processing or offsite preparation operations of a rural grocery store. The department of commerce shall establish guidelines for awarding grants under this section. The appropriation in this section is considered a one-time funding item.

Approved April 21, 2025

Filed April 22, 2025

CHAPTER 62

SENATE BILL NO. 2254

(Senators Boschee, Cory, Burckhard, Sickler)
(Representatives D. Ruby, M. Ruby)

AN ACT to provide an appropriation to the department of transportation for fixed route city paratransit transportation services grants; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - FIXED ROUTE CITY PARATRANSIT TRANSPORTATION GRANTS - ONE-TIME FUNDING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing grants to fixed route city transportation providers for associated paratransit services, for the biennium beginning July 1, 2025, and ending June 30, 2027. The funding appropriated in this section is one-time funding item.

SECTION 2. LEGISLATIVE MANAGEMENT STUDY - FIXED ROUTE CITY TRANSPORTATION SERVICES FUNDING. During the 2025-26 interim, the legislative management shall study the funding needs of fixed route city transportation networks. The study must include a review of how the fixed route transportation networks can address population growth, economic development, workforce needs, and health care needs. As part of the study, the legislative management shall develop a proposed funding formula within the department of transportation budget for fixed route city transportation systems. The legislative management shall report its recommendations, along with any legislation necessary to implement the recommendations, to the seventieth legislative assembly.

Approved April 2, 2025

Filed April 3, 2025

CHAPTER 63

SENATE BILL NO. 2265

(Senators Meyer, Burckhard, Hogan, Luick, Sorvaag)
(Representative Schauer)

AN ACT to provide an appropriation to the department of veterans' affairs for a veterans' national cemetery grant; to authorize a line of credit; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LINE OF CREDIT - BANK OF NORTH DAKOTA - APPROPRIATION - DEPARTMENT OF VETERANS' AFFAIRS - DEFICIENCY APPROPRIATION REQUEST - VETERANS' NATIONAL CEMETERY GRANT - ONE-TIME FUNDING - REPORT. Subject to the provisions of this section, the department of veterans' affairs may borrow up to \$3,000,000 through a line of credit from the Bank of North Dakota during the biennium beginning July 1, 2025, and ending June 30, 2027, the proceeds of which are appropriated to the department of veterans' affairs, for the purpose of providing a grant to a nonprofit organization for construction costs associated with the construction of a welcome center, parking lot, and related infrastructure at a veterans' national cemetery in the state, for the biennium beginning July 1, 2025, and ending June 30, 2027. The appropriation in this section is considered a one-time funding item. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities. If the department of veterans' affairs accesses the line of credit, the department of veterans' affairs shall request a deficiency appropriation from the legislative assembly to repay the line of credit. The appropriation in this section is available only upon certification by the department of veterans' affairs to the director of the office of management and budget that the United States department of veterans affairs national cemetery administration will provide final approval of the project plan and authorization to begin construction on the project. The department of veterans' affairs shall require an organization that receives a grant under this section to provide a report to the department of veterans' affairs on the use of the funds received, including copies of all invoices and checks. The department of veterans' affairs shall provide the information received from the organization to the legislative audit and fiscal review committee and report to the committee on the status of the project during the 2025-26 interim.

Approved May 2, 2025

Filed May 2, 2025