

**Fifty-eighth Legislative Assembly of North Dakota
In Regular Session Commencing Tuesday, January 7, 2003**

SENATE BILL NO. 2015
(Appropriations Committee)
(At the request of the Governor)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for various transfers and financial transactions; to provide exemptions from section 54-44.1-11 of the North Dakota Century Code; to create and enact a new section to chapter 15-10, a new subsection to section 53-06.2-04, and a new section to chapter 54-59 of the North Dakota Century Code, relating to contracts for the provision of meals by institutions of higher education, the duties of the racing commission, and required information technology services from the information technology department; to create and enact section 18 of House Bill No. 1414, section 9 of House Bill No. 1012, section 16 of House Bill No. 1015, and section 2 of Senate Bill No. 2176 as approved by the fifty-eighth legislative assembly, relating to reporting disease outbreaks and quarantine of individuals and declaring that Act an emergency measure, to the speed limit on paved two-lane county and township highways and declaring that Act an emergency measure, to the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, and the beginning farmer loan fund and declaring that Act an emergency measure, and to participation by retired political subdivision employees in the uniform group insurance program and declaring that Act an emergency measure; to amend and reenact sections 15-52-03, 15.1-31-07, 26.1-21-09, 34-06-04.1, 54-35-18, 54-35-18.1, and 54-35-18.2, subsection 2 of section 54-44.1-06, section 54-44.1-12, the new section to chapter 55-02 as created by section 2 of Senate Bill No. 2249 as approved by the fifty-eighth legislative assembly, and section 57-51.1-07.2 of the North Dakota Century Code, relating to tuition apportionment payments, the membership of the medical center advisory council, the reserve amount in the bonding fund, overtime or work-period claims, the expiration date and membership of the electric industry competition committee, preparation of budget data, budget allotments, the powers of the state historical board, and payments into the permanent oil tax trust fund; to provide statements of legislative intent; to require reports to the legislative assembly; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of certain appropriation bills; to provide for reports to the budget section; to provide for a legislative council study; to provide for additional lodging reimbursement for members of the legislative assembly; to provide for state employee reductions and compensation pools; to provide for the transfer of state agency information technology positions; to provide an appropriation; to provide for a tax amnesty program; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the office of management and budget for the purpose of defraying their expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$15,388,231
Operating expenses	11,328,756
Capital assets	733,000
Grants	<u>179,000</u>
Total all funds	\$27,628,987

Less estimated income	7,888,476
Total general fund appropriation	\$19,740,511

SECTION 2. CAPITOL BUILDING FUND. The amount of \$25,000, or so much of the sum as is necessary, included in the estimated income line item in section 1 of this Act, is to be spent by the administration division from the capitol building fund for capitol grounds planning during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EXEMPTION. The amount appropriated for the fiscal management division, as contained in subdivision 1 of section 1 of chapter 15 of the 2001 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 accounting, management, and payroll systems during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State contingencies	500,000
State memberships and related expenses	449,960
Firefighter's association	126,000
Unemployment insurance	1,500,000
Capitol grounds planning commission	25,000
State consultant	120,000

SECTION 5. TRANSFER. During the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget is authorized to transfer \$2,000,000 from the lands and minerals trust fund to the general fund.

SECTION 6. TRANSFER. During the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget is authorized to transfer \$11,910,000 to the general fund from the permanent oil tax trust fund.

SECTION 7. FIRE AND TORNADO FUND. The amount of \$126,000, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the fire and tornado fund.

SECTION 8. BONDING FUND TRANSFER TO STATE GENERAL FUND. The insurance commissioner shall transfer to the general fund in the state treasury the sum of \$2,800,000 from the state bonding fund. The moneys must be transferred in such amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 9. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium ending June 30, 2005, the industrial commission shall transfer to the state general fund up to \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount transferred may come from accumulated undivided profits. The moneys must be transferred in the amounts and at such times as requested by the director of the office of management and budget.

SECTION 10. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND - BUDGET SECTION APPROVAL. If, during the biennium ending June 30, 2005, the director of the office of management and budget determines through revised projections that general fund revenue collections will not meet the revenues as forecast in the March 2003 legislative forecast, the industrial commission shall transfer to the state general fund an additional amount, as determined by the director of the office of management and budget and approved by the budget section, from the earnings and accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such times as requested by the director of the office of

management and budget. The additional amount transferred may not exceed the lesser of \$9,000,000 or the revenue shortfall of actual collections compared to the March 2003 legislative forecast. The director may determine what portion of the shortfall will be covered by the transfer pursuant to this section and what portion will be covered by allotment pursuant to section 54-44.1-12.

SECTION 11. BANK OF NORTH DAKOTA TRANSFERS - LIMITATIONS. Any transfer authorized by the fifty-eighth legislative assembly may only be made to the extent the transfer does not reduce the Bank's capital structure below \$140,000,000.

SECTION 12. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$11,000,000 from the North Dakota student loan trust. The moneys must be transferred in such amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

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

Contract - Preparation and provision of meals - Policy. An institution under the control of the state board of higher education may enter a contract to prepare and provide meals, snacks, or other food services for persons or programs not affiliated with the institution, provided the institution first establishes a policy regarding such contracts and specifically addressing issues related to competition with private sector entities. An institution under the control of the state board of higher education may not advertise to the general public its willingness to provide meals, snacks, or other food services for persons or programs not affiliated with the institution.

SECTION 14. AMENDMENT. Section 15-52-03 of the North Dakota Century Code as amended in section 1 of Senate Bill No. 2282, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

15-52-03. Medical center advisory council - Members, terms, meetings.

1. To assure the proper coordination and integration of the North Dakota state medical center with all other health and welfare activities of the state, a permanent medical center advisory council is established to advise, consult, and make recommendations to the university administration, and to the several agencies represented on the council concerning the program of the North Dakota state medical center, the adaptation of the medical center to the needs of the state and to the requirements and facilities of the several agencies involved, and the use of the North Dakota state medical center and its facilities by the various institutions and agencies of the state and its political subdivisions.
2. The council consists of fourteen members:
 - a. (1) Two members of the senate and two, one of whom must be from the majority party and one of whom must be from the minority party, selected by the chairman of the legislative council; and
(2) Two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party, to be selected by the chairman of the legislative council;
 - b. One member selected by each of the following:
 - (1) The department of human services;
 - (2) The state board of higher education;

- (3) The state department of health;
 - (4) The North Dakota medical association;
 - (5) The North Dakota healthcare association; and
 - (6) The veterans administration hospital in Fargo; and
- c. One member selected by the dean of the university of North Dakota medical school from each of the four campus areas of the medical school with headquarters in Bismarck, Fargo, Grand Forks, and Minot.
3. The representatives named by the state agencies and boards must be selected to serve as members of the medical center advisory council for periods of at least one year, but may not serve longer than their term of office on the public agency. The representatives from the North Dakota state medical association and the North Dakota healthcare association serve a term of three years or until their successors are named and qualified.
 4. The council shall name its own chairman and the dean of the university of North Dakota medical school shall serve as executive secretary of the council. The council shall meet not less than twice each year, and, from time to time, on its own motion or upon request of the university administration, to consider plans and programs of action for the North Dakota state medical center and make its recommendations to the several agencies of the state and political subdivisions involved and to the legislative assembly.

SECTION 15. AMENDMENT. Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-07. Students not subject to this chapter. If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to ~~the provisions of this chapter~~ and may attend school in the chosen school district. Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.

SECTION 16. AMENDMENT. Section 26.1-21-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-21-09. Premiums - Amount to whom paid - Minimum. The premium for a blanket bond must be determined by the commissioner. Premiums must be paid in advance by the proper authority of the state, or of the political subdivision of the state, from its treasury, to the state treasurer who shall keep the same in the fund. The state treasurer shall issue receipts in triplicate. The treasurer shall file one of such receipts in the treasurer's office, and shall mail one to the official making such payment and one to the commissioner. The minimum premium for each bond must be two dollars and fifty cents per year. Payments must be made for one year or for such longer terms as the commissioner may prescribe. From and after July 1, 1953, the premiums referred to in this section must be waived until the reserve fund of the state bonding fund has been depleted below the sum of two ~~and one-half~~ million dollars. The collection of premiums must be resumed on the bonds, at the rates ~~herein set forth~~ provided under this section, whenever the reserve fund is depleted below the sum of two ~~and one-half~~ million dollars. The premiums must continue to be collected until the reserve fund reaches a total of three million dollars, at which time all premiums must again be waived until the reserve fund has been depleted below the sum of two ~~and one-half~~ million dollars.

SECTION 17. AMENDMENT. Section 34-06-04.1 of the North Dakota Century Code is amended and reenacted as follows:

34-06-04.1. Compensatory time, overtime, and work-period claims. The state or a political subdivision of the state may provide for compensatory time and for a work period for compensatory time and overtime calculation for its employees if the state or political subdivision complies with the requirements of the Fair Labor Standards Act of 1938, as amended, [Pub. L. 75-718; 52 Stat. 1060; 29 U.S.C. ~~206~~ 201 et seq.] and any rules and interpretations adopted by the United States department of labor. The authority provided in this section applies in any proceeding brought after June 30, 2003, with respect to compensatory time or overtime earned regardless of when the work in question was performed.

SECTION 18. A new subsection to section 53-06.2-04 of the North Dakota Century Code is created and enacted as follows:

Reinstate race dates and issue a license under the certificate system to any racetrack in the state which was operational after December 31, 2000.

SECTION 19. AMENDMENT. Section 54-35-18 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18. (Effective through August 1, 2003 2007) Electric industry competition - Need for study. The legislative council shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state. The legislative assembly finds that the economy of this state depends on the availability of reliable, low cost, electric energy. There is a national trend toward competition in the generation, transmission, and distribution of electric energy and the legislative assembly acknowledges that this competition has both potential benefits and adverse impacts on this state's electric suppliers as well as on their shareholders and customers and the citizens of this state. The legislative assembly determines that it is in the best interests of the citizens of this state to study the effects of competition on the generation, transmission, and distribution of electric energy.

SECTION 20. AMENDMENT. Section 54-35-18.1 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.1. (Effective through August 1, 2003 2007) Electric industry competition committee - Composition.

1. The legislative council shall appoint a committee to study electric industry competition.
2. The committee shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state and on the state's electric suppliers.
3. As used in sections 54-35-18 through 54-35-18.2, "electric suppliers" means public utilities regulated under title 49, rural electric cooperatives organized under chapter 10-13, municipal electric utilities organized under chapters 40-33 and 40-33.2, and power marketers.
4. The committee consists of:
 - a. ~~Three or four~~ Six members of the house of representatives, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.
 - b. ~~Three or four~~ Six members of the senate, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.
5. The chairman of the legislative council shall name one of the members as chairman.

SECTION 21. AMENDMENT. Section 54-35-18.2 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.2. (Effective through August 1, 2003 2007) Electric industry competition committee - Study areas. The electric industry competition committee shall study this state's electric industry competition and electric suppliers and shall report to the legislative council in the same manner as do other interim legislative council committees, concerning the following issues:

1. Financial issues, including:
 - a. The interests of residential customers, including:
 - (1) Fairness of rates, terms, and conditions of service for services chosen.
 - (2) Affordability of rates, bills, and services.
 - (3) Stability and predictability of rates and bills.
 - (4) Reliability and quality of power supply.
 - (5) Assurance that rates, terms, and conditions are nondiscriminatory.
 - (6) Ability of customers to understand potential energy choices.
 - (7) Importance of a fair dispute resolution process.
 - (8) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - b. The interests of small business customers, large business customers, shareholders, and other stakeholders, including:
 - (1) Fairness of rates, terms, and conditions of service for the services chosen by customers.
 - (2) Affordability of rates, bills, and services for customers.
 - (3) Stability and predictability of customers' rates and bills.
 - (4) Assurance that rates, terms, and conditions are nondiscriminatory for all customers.
 - (5) Ability of customers to understand potential energy choices and the implications of these choices.
 - (6) Importance of a fair dispute resolution process for customers.
 - (7) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - c. Financial integrity of and cost of capital to electric power suppliers.
 - d. Taxes paid by electric suppliers, including franchise taxes, excise taxes, income taxes, ad valorem taxes, in lieu taxes, and real and personal property taxes.
 - e. Tax implications to local governments.
 - f. Quantification and recovery of stranded investments by electric power suppliers, including those resulting from:
 - (1) Customers who have a legal obligation to bear certain costs, who find a way to avoid those obligations, and who leave without paying costs incurred on the customer's behalf; and

- (2) The costs of investments that exceed their value in the competitive market.
 - g. Pricing of transmission and distribution services.
 - h. Pricing and rate subsidies for all classes of customers.
 - i. Unbundling of costs of services.
2. Legal issues, including:
 - a. State, tribal, and federal jurisdiction.
 - b. State statutory and regulatory constraints and oversight of the electric industry.
 - c. Those related to the federal energy regulatory commission.
 - d. Commerce clause constraints.
 - e. Review of existing state laws, rules, and constitutional provisions that affect the generation, transmission, and distribution of electric energy, including the need and appropriateness of regulatory reforms for services that will continue to be provided by a regulated utility.
 - f. Interstate reciprocity and the regional nature of the industry.
 - g. Continuing obligations of an electric supplier to serve customers.
 - h. Use and protection of proprietary information in a competitive market.
 3. Social issues, including:
 - a. Planning and operation of electric suppliers, including integrated resource planning.
 - b. Efficiency and sufficiency of an aggregate supply of energy.
 - c. Environmental impacts.
 - d. Impact on the development and use of renewable resources.
 - e. Appropriate and proper method of recovery of the cost of social, low income, and noneconomic renewable energy programs in order to ensure that costs are fairly and equitably shared among all customers of electric energy.
 4. Issues related to system planning, operation, and reliability, including:
 - a. Electric system reliability.
 - b. Provisions by which customers would be permitted to have a choice of generation providers.
 - c. Applicability of regulatory reliability criteria to nonutility market participants.
 - d. Form and requirements of contracts for the sale and purchase of electric energy.
 - e. Requirements for metering energy usage at the customer's location.
 - f. Designation and regulation of ancillary services.
 5. Identification and review of potential market structures, including:

- a. Possible market structures for a deregulated generation market and transmission market and whether these structures should be mandated or allowed to form voluntarily.
 - b. Formation of market segments in response to customer requirements.
 - c. Impact on the investment stability of the electric utility industry.
 - d. Impact on multipurpose entities.
 - e. Potential to improve economic efficiency.
 - f. Size of the market and the extent to which its size impacts the level of benefits for customers or groups of customers.
 - g. Ability of participants with control over the electricity generation and transmission system to exercise market power over pricing or the need for controls to prevent the exercise of market power.
 - h. Controls or bans on corporate relationships between regulated utilities and emerging competitive sectors.
 - i. Barriers to achieving nondiscriminatory competition among electric suppliers, including review of federal and state tax issues, availability of federal subsidies to certain energy suppliers, application of federal laws that impose regulatory requirements on the electric utility industry, and jurisdiction of the federal energy regulatory commission over competitors.
 - j. Viability of all customers to participate in and benefit from a competitive electricity market, including:
 - (1) Risks and responsibilities that customers or classes of customers incur by participating in a competitive market.
 - (2) Costs of gathering, processing, and managing information on the price and quality of electricity.
 - (3) Benefits to customers or classes of customers from participation in a competitive electricity market.
6. Whether and to what extent power produced by the Garrison dam should be taxed by the state.
 7. The source and cost of power supplied to the state's Indian reservations.
 8. Other issues related to the generation, transmission, and distribution of electric energy.

SECTION 22. AMENDMENT. Subsection 2 of section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.

SECTION 23. AMENDMENT. Section 54-44.1-12 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-12. Control over rate of expenditures. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Any allotment must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
 - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
 - b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.
4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.

SECTION 24. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Required use of electronic mail, file and print server administration, data base administration, and application server and hosting services. Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the board of higher education, the public employees retirement system, the retirement and investment office, and the attorney general, which desires electronic mail, file and print server administration, data base administration, storage, and application server and hosting services shall obtain those services from the department. The chief information officer may exempt from the application of this section any agency that demonstrates its current services are more appropriate for the specific needs of that agency than the services available from the department.

SECTION 25. AMENDMENT. The new section to chapter 55-02 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2249, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

Protection of public health and safety on sites having a public function. Notwithstanding any other provision of law, if the state or a political subdivision has a property interest in real property and that property has an existing public function in addition to any historical site registration or historical significance determination, the governing body of the agency or political subdivision owning the property interest may, subject to the following provisions, improve, alter, modify, or destroy that

property if the agency or governing body determines that action is necessary to protect public health or safety, to provide access for disabled persons, or to ensure structural integrity. If an action is to be taken by an agency or governing body under this section, notice of intent to take the action must be given to the director at the onset of the planning process. At the director's request, the agency or governing body shall inform the director of each meeting at which planning or decisions on a project are on the agenda. At each meeting, the agency or governing body shall provide the director with an opportunity to comment or provide preservation funding for the proposed project and the agency or governing body shall consider the director's comments or offers of funding in the development and implementation of the project. If the agency or governing body and the director do not agree on the action to be taken, the differences must be submitted to a mediator selected by the governor to facilitate a consensus between the parties. The cost of the mediator must be shared equally by the parties. The mediator shall issue a report within sixty days of appointment by the governor. The report of the mediator must be sent to the director and must be published once in the official newspaper of the ~~state and~~ political subdivision. Although the agency or governing body may take the action it deems necessary, the agency or governing body shall make all reasonable effort to preserve the historical characteristics of a site taking into consideration economic and technical feasibility. The ~~decision of the agency or governing body must be published~~ notify the director of its decision and must publish it once in the official newspaper of the ~~state and~~ political subdivision. After mediation, if any, if the governing body of a political subdivision determines to proceed with actions that will result in completely demolishing, removing, or significantly degrading the historical characteristics of a building or real property, a resident of the political subdivision where the building or real property is located may submit a written notice to the county auditor of intention to petition for a public vote. The notice must be filed with the county auditor within fourteen days of the publication of the decision of the governing body. A petition for a public vote must contain the names of at least ten percent of the qualified electors from that governing body's jurisdiction who voted in the last general election and must be filed with the county auditor within one hundred twenty days of the governing body's publication of notice of its final action. If a petition is filed, the matter must be submitted for a vote of the qualified electors at the next special, primary, or general election held in that jurisdiction. All actions to remove, demolish, or significantly degrade the historical characteristics of a building or real property are stayed for fourteen days after the governing body's publication of notice of its final action, and if notice of intention to seek a public vote is filed, actions are stayed until either the petition fails or the public vote is held. If the political subdivision is a home rule jurisdiction with its own referendum procedures, however, the home rule referendum procedures apply to the action of the governing body.

SECTION 26. AMENDMENT. Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of distribution formula. At the end of any biennium beginning after June 30, 1997, all revenue deposited in the general fund during that biennium and derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds ~~sixty-two~~ seventy-one million dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. ~~At the end of the 1995-97 biennium all revenue deposited in the general fund during that biennium and derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds fifty six million three hundred thousand dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund.~~ The state treasurer shall transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.

If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the ~~sixty-two~~ seventy-one million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.

Notwithstanding section 54-27.2-02, the state treasurer shall make the transfers required by this section before calculating any general fund revenue balance available for transfer to the budget stabilization fund under chapter 54-27.2. In this section, "at the end of any biennium" has the same meaning as in section 54-27.2-02.

SECTION 27. LEGISLATIVE INTENT - SUPPORT OF TELECOMMUTING. The fifty-seventh legislative assembly enacted North Dakota Century Code section 54-06-24.1 to encourage state agencies to implement telecommuting by locating state employees away from central office settings. In furtherance of this action, it is the intent of the fifty-eighth legislative assembly that the central personnel division incorporate language within every advertisement the division publishes for a position within state government that the position may be filled through telecommuting and any offer of filling the position by telecommuting will be considered. It is also the intent of the fifty-eighth legislative assembly that the central personnel division include in every employment advertisement a web site address that has complete details on telecommuting.

SECTION 28. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY FUNCTIONS. On November 1, 2003, the following number of authorized full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services must be reduced and transferred from the named agencies to the information technology department, except as otherwise provided under this section or unless exempted by the chief information officer pursuant to section 24 of this Act:

AGENCY	FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
Office of management and budget	1
Tax department	2
Department of public instruction	1
State department of health	1
Department of human services	5
Job service North Dakota	3
Industrial commission	1
Bank of North Dakota	1
Housing finance agency	1
Workers compensation bureau	2
Highway patrol	1
Department of corrections and rehabilitation	2
Game and fish department	1
State water commission	1
Department of transportation	2

After consultation with the information technology department, each affected agency shall identify the specific positions for reduction and transfer. An agency may retain any of the identified positions providing that funding for the position is available from internal savings of the agency. The agency shall conduct any reduction-in-force analysis that may be required. Each agency shall limit its consideration to information technology related positions and shall identify for reduction and transfer those positions most closely associated with services assumed centrally by the information technology department.

The agencies shall retain funding relating to the employee positions identified in this section and related costs, which is contained in the agencies' respective appropriations bill. Each of the agencies shall establish an information technology services line item consisting of funding related to the salaries and wages for the identified employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs totaling at least \$13,000 per employee for electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. Agencies shall develop documentation supporting the related funding transferred to the information technology services line item. Any line item transfer must be reported to the office of

management and budget. Each of the agencies must use the funding contained in the information technology services line item to purchase information technology services from the information technology department. Each of the agencies shall make arrangements with the information technology department for the transfer of equipment and material related to the transferred employee positions and services from the respective agency to the department. The information technology department is authorized to receive any funding relating to the purchase of information technology services under this section, which is hereby appropriated. Each agency is entitled to receive from the information technology department the equivalent in services that would have been performed by employees in the transferred positions at a cost not exceeding the amounts transferred to the agency's information technology services line item.

The information technology department shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to state agencies. The department is authorized to employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the department. In filling the employee positions, the department shall give preference to current state employees working in information technology. The department may make arrangements with the agency from which an employee was transferred to transfer any leave accrued by that employee.

In furtherance of the consolidation of information technology functions under this section, the supreme court and the attorney general shall continue to collaborate with the information technology department to implement the criminal justice information sharing program.

SECTION 29. INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - TRANSFER TO THE GENERAL FUND. The information technology department shall achieve efficiencies during the biennium beginning July 1, 2003, and ending June 30, 2005, relating to the required consolidation of information technology functions, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. The information technology department through efficiencies resulting from this consolidation shall achieve accumulated net savings totaling \$1,400,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$1,400,000 to the general fund by June 30, 2005.

SECTION 30. INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION. The information technology department shall document information relating to the delivery of the consolidated services to agencies, including service dependability, agency complaints, and information technology department responsiveness, and shall report that information and the status of the accumulated savings to the information technology committee and the budget section as requested. Any agency receiving consolidated services may provide information to the information technology committee with respect to service availability, service dependability, complaints of the agency or of persons receiving services from the agency or the department, department responsiveness, and any additional costs incurred by the agency as a result of the consolidated services.

SECTION 31. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the legislative council for the purpose of upgrading sound systems in the house and senate chambers, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 32. APPROPRIATION. 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 department of agriculture for the purpose of agriculture in the classroom, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 33. 2005-07 EXECUTIVE BUDGET - STUDENT LOAN TRUST FUND. Any proposal to transfer or spend moneys from the student loan trust fund included as part of the 2005-07

biennium executive budget must be included in a separate bill introduced for consideration by the fifty-ninth legislative assembly.

SECTION 34. STATE AGENCY CONTINUING APPROPRIATIONS - REPORTS TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The head of each executive branch agency or institution shall report during the budget presentation to the appropriations committees of the fifty-ninth legislative assembly on statutory provisions authorizing the agency or institution to spend funds pursuant to a continuing appropriation. The summary report must include justification for continuing the authority, expenditures made pursuant to the continuing appropriation and related revenues and fund balances for the 1999-2001 biennium, the 2001-03 biennium, the 2003-05 biennium to date, and projections for the 2005-07 biennium.

SECTION 35. CERTAIN APPROPRIATION BILLS - EXECUTIVE BUDGET RECOMMENDATION. Notwithstanding North Dakota Century Code section 54-44.1-06, the legislative council shall submit for introduction to the fifty-ninth legislative assembly the 2005-07 appropriation bills for the department of public instruction, department of corrections and rehabilitation, state treasurer, and secretary of state based on the same funding amounts, line items, and employee levels authorized by the fifty-eighth legislative assembly for the 2003-05 biennium. Any budget changes recommended by the office of the budget for these departments for the 2005-07 biennium must be presented to the appropriations committees of the fifty-ninth legislative assembly as a recommendation for amendment to the bill as introduced.

SECTION 36. STATE EMPLOYEE REDUCTIONS - BUDGET SECTION REPORT. The number of full-time equivalent state employees must be reduced by employee retirements, employee turnover, and vacant employee positions during the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Executive branch agencies and the office of the governor, excluding other offices of state elected officials and higher education	155
State elected officials, excluding the governor	13
Judicial branch	8

One-half of this total reduction must be accomplished by December 31, 2003. The additional reductions must be accomplished by December 31, 2004. Agencies shall report employee positions eliminated and related salary and wages and fringe benefit savings for the remainder of the 2003-05 biennium to the office of management and budget. The office of management and budget shall reduce each respective agency's appropriation authority by the amount of reported agency budgetary savings. The office of management and budget shall provide periodic reports on the employee positions eliminated by agencies and reported agency budgetary savings to the budget section of the legislative council.

SECTION 37. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE COMPENSATION POOLS. The office of management and budget shall establish a state employee compensation pool for executive branch agencies other than elected officials as provided in section 36 of this Act from agency savings resulting from employee reductions, a state employee compensation pool for state elected officials from those agency savings resulting from employee reductions, and a state employee compensation pool for the judicial branch from agency savings resulting from employee reductions.

SECTION 38. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION. By January 1, 2004, the office of management and budget shall allocate any available funds to entities in the executive branch agency state employee compensation pool and the state elected official employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2004, to be paid in February 2004. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the

agencies for the purpose of providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2004, to be paid in February 2004, may not exceed increases of one percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

SECTION 39. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION. By January 1, 2005, the office of management and budget shall allocate any available funds resulting from savings related to the employee reductions to be accomplished by December 31, 2004, to entities in the executive branch agency state employee compensation pool and the state elected official state employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2005, to be paid in February 2005. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the agencies for the purpose of providing state employee compensation adjustments for the period January 1, 2005, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2005, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2005, to be paid February 1, 2005, may not exceed increases of two percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

SECTION 40. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2003 - LEGISLATIVE ASSEMBLY. Notwithstanding the \$650 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the fifty-eighth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the fifty-eighth legislative assembly is in session during the month of April 2003.

SECTION 41. LEGISLATIVE COUNCIL STUDY - PUBLIC EMPLOYEE HEALTH INSURANCE BENEFITS. The legislative council shall consider studying, during the 2003-05 interim, public employee health insurance benefits, including options for providing health insurance for state employees, the availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 42. SPECIFIED EXEMPT COMMODITIES AND SERVICES - REPORT TO THE BUDGET SECTION. The director of the office of management and budget shall report to the budget section in December of even-numbered years on specified commodities and services exempted by written directive of the director from the procurement requirements of chapter 54-44.4.

SECTION 43. EXEMPTION. The funds appropriated in the grants line item in section 1 of chapter 44 of the 2001 Session Laws are not subject to section 54-44.1-11 in an amount of up to \$850,000 and any unexpended funds from this amount may be spent during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 44. LEGISLATIVE INTENT - PRAIRIE PUBLIC BROADCASTING. It is the intent of the fifty-eighth legislative assembly that prairie public broadcasting funding be included in the executive budget as a separate line item in the office of management and budget's budget request for the 2005-07 biennium.

SECTION 45. Section 18 of House Bill No. 1414, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 18. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 46. Section 9 of House Bill No. 1012, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 9. EMERGENCY. Subdivision f of subsection 1 of section 39-09-02 as amended by section 6 of this Act is declared to be an emergency measure.

SECTION 47. Section 16 of House Bill No. 1015, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 16. EMERGENCY. Subdivision 3 of section 1 and sections 12 and 13 are declared to be an emergency measure.

SECTION 48. Section 2 of Senate Bill No. 2176, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

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

SECTION 49. TAX COMMISSIONER - TAX AMNESTY PROGRAM. The state tax commissioner shall conduct a one-time tax amnesty program for all state tax types beginning before December 31, 2003.

SECTION 50. EXPIRATION DATE. Section 18 of this Act is effective through December 31, 2004, and after that date is ineffective.

SECTION 51. EMERGENCY. Sections 18, 40, 43, 45, 46, 47, 48, and 49 of this Act are declared to be an emergency measure.

President of the Senate

Speaker of the House

Secretary of the Senate

Chief Clerk of the House

This certifies that the within bill originated in the Senate of the Fifty-eighth Legislative Assembly of North Dakota and is known on the records of that body as Senate Bill No. 2015 and that two-thirds of the members-elect of the Senate voted in favor of said law.

Vote: Yeas 36 Nays 11 Absent 0

President of the Senate

Secretary of the Senate

This certifies that two-thirds of the members-elect of the House of Representatives voted in favor of said law.

Vote: Yeas 67 Nays 21 Absent 6

Speaker of the House

Chief Clerk of the House

Received by the Governor at _____ M. on _____, 2003.

Approved at _____ M. on _____, 2003.

Governor

Filed in this office this _____ day of _____, 2003,

at ___ o'clock _____ M.

Secretary of State