

**FIRST ENGROSSMENT
with Conference Committee Amendments**

ENGROSSED SENATE BILL NO. 2015

Introduced by

Appropriations Committee

(At the request of the Governor)

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

1 legislative assembly; to provide an exception to section 54-44.1-06 of the North Dakota Century
2 Code, relating to the preparation of certain appropriation bills; to provide for reports to the
3 budget section; to provide for a legislative council study; to provide for additional lodging
4 reimbursement for members of the legislative assembly; to provide for state employee
5 reductions and compensation pools; to provide for the transfer of state agency information
6 technology positions; to provide an appropriation; to provide for a tax amnesty program; to
7 provide an expiration date; and to declare an emergency.

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

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

15 Salaries and wages	\$15,388,231
16 Operating expenses	11,328,756
17 Capital assets	733,000
18 Grants	<u>179,000</u>
19 Total all funds	\$27,628,987
20 Less estimated income	<u>7,888,476</u>
21 Total general fund appropriation	\$19,740,511

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

26 **SECTION 3. EXEMPTION.** The amount appropriated for the fiscal management
27 division, as contained in subdivision 1 of section 1 of chapter 15 of the 2001 Session Laws is
28 not subject to the provisions of section 54-44.1-11. Any unexpended funds from this
29 appropriation are available for continued development and operating costs of the accounting,

1 management, and payroll systems during the biennium beginning July 1, 2003, and ending
2 June 30, 2005.

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

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

12 **SECTION 5. TRANSFER.** During the biennium beginning July 1, 2003, and ending
13 June 30, 2005, the director of the office of management and budget is authorized to transfer
14 \$2,000,000 from the lands and minerals trust fund to the general fund.

15 **SECTION 6. TRANSFER.** During the biennium beginning July 1, 2003, and ending
16 June 30, 2005, the director of the office of management and budget is authorized to transfer
17 \$11,910,000 to the general fund from the permanent oil tax trust fund.

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

21 **SECTION 8. BONDING FUND TRANSFER TO STATE GENERAL FUND.** The
22 insurance commissioner shall transfer to the general fund in the state treasury the sum of
23 \$2,800,000 from the state bonding fund. The moneys must be transferred in such amounts and
24 at such times as requested by the director of the office of management and budget during the
25 biennium beginning July 1, 2003, and ending June 30, 2005.

26 **SECTION 9. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL**
27 **FUND.** During the biennium ending June 30, 2005, the industrial commission shall transfer to
28 the state general fund up to \$60,000,000 from the current earnings and the accumulated
29 undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount
30 transferred may come from accumulated undivided profits. The moneys must be transferred in

1 the amounts and at such times as requested by the director of the office of management and
2 budget.

3 **SECTION 10. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE**
4 **GENERAL FUND - BUDGET SECTION APPROVAL.** If, during the biennium ending June 30,
5 2005, the director of the office of management and budget determines through revised
6 projections that general fund revenue collections will not meet the revenues as forecast in the
7 March 2003 legislative forecast, the industrial commission shall transfer to the state general
8 fund an additional amount, as determined by the director of the office of management and
9 budget and approved by the budget section, from the earnings and accumulated and undivided
10 profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such
11 times as requested by the director of the office of management and budget. The additional
12 amount transferred may not exceed the lesser of \$9,000,000 or the revenue shortfall of actual
13 collections compared to the March 2003 legislative forecast. The director may determine what
14 portion of the shortfall will be covered by the transfer pursuant to this section and what portion
15 will be covered by allotment pursuant to section 54-44.1-12.

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

19 **SECTION 12. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND.**
20 The industrial commission shall transfer to the general fund in the state treasury the sum of
21 \$11,000,000 from the North Dakota student loan trust. The moneys must be transferred in
22 such amounts and at such times as requested by the director of the office of management and
23 budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon
24 certification by the student loan trust trustee that sufficient moneys remain available to pay all
25 debt service on student loan trust bonds, all required rebate payments to the United States
26 treasury, and all program operating expenses.

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

29 **Contract - Preparation and provision of meals - Policy.** An institution under the
30 control of the state board of higher education may enter a contract to prepare and provide
31 meals, snacks, or other food services for persons or programs not affiliated with the institution,

1 provided the institution first establishes a policy regarding such contracts and specifically
2 addressing issues related to competition with private sector entities. An institution under the
3 control of the state board of higher education may not advertise to the general public its
4 willingness to provide meals, snacks, or other food services for persons or programs not
5 affiliated with the institution.

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

9 **15-52-03. Medical center advisory council - Members, terms, meetings.**

10 1. To assure the proper coordination and integration of the North Dakota state
11 medical center with all other health and welfare activities of the state, a permanent
12 medical center advisory council is established to advise, consult, and make
13 recommendations to the university administration, and to the several agencies
14 represented on the council concerning the program of the North Dakota state
15 medical center, the adaptation of the medical center to the needs of the state and
16 to the requirements and facilities of the several agencies involved, and the use of
17 the North Dakota state medical center and its facilities by the various institutions
18 and agencies of the state and its political subdivisions.

19 2. The council consists of fourteen members:

20 a. (1) Two members of the senate and two, one of whom must be from the
21 majority party and one of whom must be from the minority party,
22 selected by the chairman of the legislative council; and

23 (2) Two members of the house of representatives, one of whom must be
24 from the majority party and one of whom must be from the minority
25 party, to be selected by the chairman of the legislative council;

26 b. One member selected by each of the following:

27 (1) The department of human services;

28 (2) The state board of higher education;

29 (3) The state department of health;

30 (4) The North Dakota medical association;

31 (5) The North Dakota healthcare association; and

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

18 **SECTION 15. AMENDMENT.** Section 15.1-31-07 of the North Dakota Century Code is

19 amended and reenacted as follows:

20 **15.1-31-07. Students not subject to this chapter.** If a student, as a result of a school

21 district dissolution or reorganization, resides in a district other than the one the student chooses

22 to attend at the time of the dissolution or reorganization, the student is not subject to ~~the~~

23 ~~provisions of this chapter~~ and may attend school in the chosen school district. Notwithstanding

24 section 15.1-28-03, the superintendent of public instruction shall forward payments from the

25 state tuition fund made on behalf of the student to the student's chosen school district. The

26 student may not be considered a student in average daily membership in the student's school

27 district of residence for purposes of section 15.1-31-02.

28 **SECTION 16. AMENDMENT.** Section 26.1-21-09 of the North Dakota Century Code is

29 amended and reenacted as follows:

30 **26.1-21-09. Premiums - Amount to whom paid - Minimum.** The premium for a

31 blanket bond must be determined by the commissioner. Premiums must be paid in advance by

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

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

16 **34-06-04.1. Compensatory time, overtime, and work-period claims.** The state or a
17 political subdivision of the state may provide for compensatory time and for a work period for
18 compensatory time and overtime calculation for its employees if the state or political subdivision
19 complies with the requirements of the Fair Labor Standards Act of 1938, as amended, [Pub.
20 L. 75-718; 52 Stat. 1060; 29 U.S.C. ~~206~~ 201 et seq.] and any rules and interpretations
21 adopted by the United States department of labor. The authority provided in this section
22 applies in any proceeding brought after June 30, 2003, with respect to compensatory time or
23 overtime earned regardless of when the work in question was performed.

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

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

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

30 **54-35-18. (Effective through August 1, 2003 2007) Electric industry competition -**
31 **Need for study.** The legislative council shall study the impact of competition on the

1 generation, transmission, and distribution of electric energy within this state. The legislative
2 assembly finds that the economy of this state depends on the availability of reliable, low cost,
3 electric energy. There is a national trend toward competition in the generation, transmission,
4 and distribution of electric energy and the legislative assembly acknowledges that this
5 competition has both potential benefits and adverse impacts on this state's electric suppliers as
6 well as on their shareholders and customers and the citizens of this state. The legislative
7 assembly determines that it is in the best interests of the citizens of this state to study the
8 effects of competition on the generation, transmission, and distribution of electric energy.

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

11 **54-35-18.1. (Effective through August 1, ~~2003~~ 2007) Electric industry competition**
12 **committee - Composition.**

- 13 1. The legislative council shall appoint a committee to study electric industry
14 competition.
- 15 2. The committee shall study the impact of competition on the generation,
16 transmission, and distribution of electric energy within this state and on the state's
17 electric suppliers.
- 18 3. As used in sections 54-35-18 through 54-35-18.2, "electric suppliers" means public
19 utilities regulated under title 49, rural electric cooperatives organized under chapter
20 10-13, municipal electric utilities organized under chapters 40-33 and 40-33.2, and
21 power marketers.
- 22 4. The committee consists of:
 - 23 a. ~~Three or four~~ Six members of the house of representatives, ~~no more than two~~
24 ~~of whom may be from the same political party~~ four of whom must be from the
25 majority political party and two of whom must be from the minority political
26 party.
 - 27 b. ~~Three or four~~ Six members of the senate, ~~no more than two of whom may be~~
28 ~~from the same political party~~ four of whom must be from the majority political
29 party and two of whom must be from the minority political party.
- 30 5. The chairman of the legislative council shall name one of the members as
31 chairman.

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

3 **54-35-18.2. (Effective through August 1, ~~2003~~ 2007) Electric industry competition**
4 **committee - Study areas.** The electric industry competition committee shall study this state's
5 electric industry competition and electric suppliers and shall report to the legislative council in
6 the same manner as do other interim legislative council committees, concerning the following
7 issues:

- 8 1. Financial issues, including:
 - 9 a. The interests of residential customers, including:
 - 10 (1) Fairness of rates, terms, and conditions of service for services chosen.
 - 11 (2) Affordability of rates, bills, and services.
 - 12 (3) Stability and predictability of rates and bills.
 - 13 (4) Reliability and quality of power supply.
 - 14 (5) Assurance that rates, terms, and conditions are nondiscriminatory.
 - 15 (6) Ability of customers to understand potential energy choices.
 - 16 (7) Importance of a fair dispute resolution process.
 - 17 (8) Potential for rates to reflect the customer's desired level of energy
18 reliability and availability.
 - 19 b. The interests of small business customers, large business customers,
20 shareholders, and other stakeholders, including:
 - 21 (1) Fairness of rates, terms, and conditions of service for the services
22 chosen by customers.
 - 23 (2) Affordability of rates, bills, and services for customers.
 - 24 (3) Stability and predictability of customers' rates and bills.
 - 25 (4) Assurance that rates, terms, and conditions are nondiscriminatory for
26 all customers.
 - 27 (5) Ability of customers to understand potential energy choices and the
28 implications of these choices.
 - 29 (6) Importance of a fair dispute resolution process for customers.
 - 30 (7) Potential for rates to reflect the customer's desired level of energy
31 reliability and availability.

- 1 c. Financial integrity of and cost of capital to electric power suppliers.
- 2 d. Taxes paid by electric suppliers, including franchise taxes, excise taxes,
- 3 income taxes, ad valorem taxes, in lieu taxes, and real and personal property
- 4 taxes.
- 5 e. Tax implications to local governments.
- 6 f. Quantification and recovery of stranded investments by electric power
- 7 suppliers, including those resulting from:
 - 8 (1) Customers who have a legal obligation to bear certain costs, who find a
 - 9 way to avoid those obligations, and who leave without paying costs
 - 10 incurred on the customer's behalf; and
 - 11 (2) The costs of investments that exceed their value in the competitive
 - 12 market.
- 13 g. Pricing of transmission and distribution services.
- 14 h. Pricing and rate subsidies for all classes of customers.
- 15 i. Unbundling of costs of services.
- 16 2. Legal issues, including:
 - 17 a. State, tribal, and federal jurisdiction.
 - 18 b. State statutory and regulatory constraints and oversight of the electric
 - 19 industry.
 - 20 c. Those related to the federal energy regulatory commission.
 - 21 d. Commerce clause constraints.
 - 22 e. Review of existing state laws, rules, and constitutional provisions that affect
 - 23 the generation, transmission, and distribution of electric energy, including the
 - 24 need and appropriateness of regulatory reforms for services that will continue
 - 25 to be provided by a regulated utility.
 - 26 f. Interstate reciprocity and the regional nature of the industry.
 - 27 g. Continuing obligations of an electric supplier to serve customers.
 - 28 h. Use and protection of proprietary information in a competitive market.
- 29 3. Social issues, including:
 - 30 a. Planning and operation of electric suppliers, including integrated resource
 - 31 planning.

- 1 b. Efficiency and sufficiency of an aggregate supply of energy.
- 2 c. Environmental impacts.
- 3 d. Impact on the development and use of renewable resources.
- 4 e. Appropriate and proper method of recovery of the cost of social, low income,
5 and noneconomic renewable energy programs in order to ensure that costs
6 are fairly and equitably shared among all customers of electric energy.
- 7 4. Issues related to system planning, operation, and reliability, including:
 - 8 a. Electric system reliability.
 - 9 b. Provisions by which customers would be permitted to have a choice of
10 generation providers.
 - 11 c. Applicability of regulatory reliability criteria to nonutility market participants.
 - 12 d. Form and requirements of contracts for the sale and purchase of electric
13 energy.
 - 14 e. Requirements for metering energy usage at the customer's location.
 - 15 f. Designation and regulation of ancillary services.
- 16 5. Identification and review of potential market structures, including:
 - 17 a. Possible market structures for a deregulated generation market and
18 transmission market and whether these structures should be mandated or
19 allowed to form voluntarily.
 - 20 b. Formation of market segments in response to customer requirements.
 - 21 c. Impact on the investment stability of the electric utility industry.
 - 22 d. Impact on multipurpose entities.
 - 23 e. Potential to improve economic efficiency.
 - 24 f. Size of the market and the extent to which its size impacts the level of
25 benefits for customers or groups of customers.
 - 26 g. Ability of participants with control over the electricity generation and
27 transmission system to exercise market power over pricing or the need for
28 controls to prevent the exercise of market power.
 - 29 h. Controls or bans on corporate relationships between regulated utilities and
30 emerging competitive sectors.

- 1 i. Barriers to achieving nondiscriminatory competition among electric suppliers,
2 including review of federal and state tax issues, availability of federal
3 subsidies to certain energy suppliers, application of federal laws that impose
4 regulatory requirements on the electric utility industry, and jurisdiction of the
5 federal energy regulatory commission over competitors.
- 6 j. Viability of all customers to participate in and benefit from a competitive
7 electricity market, including:
- 8 (1) Risks and responsibilities that customers or classes of customers incur
9 by participating in a competitive market.
- 10 (2) Costs of gathering, processing, and managing information on the price
11 and quality of electricity.
- 12 (3) Benefits to customers or classes of customers from participation in a
13 competitive electricity market.
- 14 6. Whether and to what extent power produced by the Garrison dam should be taxed
15 by the state.
- 16 7. The source and cost of power supplied to the state's Indian reservations.
- 17 8. Other issues related to the generation, transmission, and distribution of electric
18 energy.

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

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

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

3 **54-44.1-12. Control over rate of expenditures.** The director of the budget shall
4 exercise continual control over the execution of the budget affecting the departments and
5 agencies of state government, with the exception of the legislative and judicial branches.
6 Execution means the analysis and approval of all commitments for conformity with the program
7 provided in the budget, frequent comparison of actual revenues and budget estimates, and on
8 the basis of these analyses and comparisons control the rate of expenditures through a system
9 of allotments. The allotment must be made by specific fund and all departments and agencies
10 that receive moneys from that fund must be allotted on a uniform percentage basis, except that
11 appropriations to the department of public instruction for foundation aid, transportation aid, and
12 special education aid may only be allotted to the extent that the allotment can be offset by
13 transfers from the foundation aid stabilization fund. Any allotment must be made to the extent
14 necessary to address any projected deficiency appropriations for agencies receiving moneys
15 from the fund. Before an allotment is made which will reduce the amount of funds which can be
16 disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure
17 is made, the director shall find one or more of the following circumstances to exist:

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

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

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

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

16 **Protection of public health and safety on sites having a public function.**
17 Notwithstanding any other provision of law, if the state or a political subdivision has a property
18 interest in real property and that property has an existing public function in addition to any
19 historical site registration or historical significance determination, the governing body of the
20 agency or political subdivision owning the property interest may, subject to the following
21 provisions, improve, alter, modify, or destroy that property if the agency or governing body
22 determines that action is necessary to protect public health or safety, to provide access for
23 disabled persons, or to ensure structural integrity. If an action is to be taken by an agency or
24 governing body under this section, notice of intent to take the action must be given to the
25 director at the onset of the planning process. At the director's request, the agency or governing
26 body shall inform the director of each meeting at which planning or decisions on a project are
27 on the agenda. At each meeting, the agency or governing body shall provide the director with
28 an opportunity to comment or provide preservation funding for the proposed project and the
29 agency or governing body shall consider the director's comments or offers of funding in the
30 development and implementation of the project. If the agency or governing body and the
31 director do not agree on the action to be taken, the differences must be submitted to a mediator

1 selected by the governor to facilitate a consensus between the parties. The cost of the
2 mediator must be shared equally by the parties. The mediator shall issue a report within sixty
3 days of appointment by the governor. The report of the mediator must be sent to the director
4 and must be published once in the official newspaper of the ~~state and~~ political subdivision.
5 Although the agency or governing body may take the action it deems necessary, the agency or
6 governing body shall make all reasonable effort to preserve the historical characteristics of a
7 site taking into consideration economic and technical feasibility. The ~~decision of the~~ agency or
8 governing body must ~~be published~~ notify the director of its decision and must publish it once in
9 the official newspaper of the ~~state and~~ political subdivision. After mediation, if any, if the
10 governing body of a political subdivision determines to proceed with actions that will result in
11 completely demolishing, removing, or significantly degrading the historical characteristics of a
12 building or real property, a resident of the political subdivision where the building or real
13 property is located may submit a written notice to the county auditor of intention to petition for a
14 public vote. The notice must be filed with the county auditor within fourteen days of the
15 publication of the decision of the governing body. A petition for a public vote must contain the
16 names of at least ten percent of the qualified electors from that governing body's jurisdiction
17 who voted in the last general election and must be filed with the county auditor within one
18 hundred twenty days of the governing body's publication of notice of its final action. If a petition
19 is filed, the matter must be submitted for a vote of the qualified electors at the next special,
20 primary, or general election held in that jurisdiction. All actions to remove, demolish, or
21 significantly degrade the historical characteristics of a building or real property are stayed for
22 fourteen days after the governing body's publication of notice of its final action, and if notice of
23 intention to seek a public vote is filed, actions are stayed until either the petition fails or the
24 public vote is held. If the political subdivision is a home rule jurisdiction with its own referendum
25 procedures, however, the home rule referendum procedures apply to the action of the
26 governing body.

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

29 **57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of**
30 **distribution formula.** At the end of any biennium beginning after June 30, 1997, all revenue
31 deposited in the general fund during that biennium and derived from taxes imposed on oil and

1 gas under chapters 57-51 and 57-51.1 which exceeds ~~sixty-two~~ seventy-one million dollars
2 must be transferred by the state treasurer to a special fund in the state treasury known as the
3 permanent oil tax trust fund. ~~At the end of the 1995-97 biennium all revenue deposited in the~~
4 ~~general fund during that biennium and derived from taxes imposed on oil and gas under~~
5 ~~chapters 57-51 and 57-51.1 which exceeds fifty-six million three hundred thousand dollars must~~
6 ~~be transferred by the state treasurer to a special fund in the state treasury known as the~~
7 ~~permanent oil tax trust fund.~~ The state treasurer shall transfer interest earnings of the
8 permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of
9 the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the
10 members elected to each house of the legislative assembly.

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

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

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

1 **SECTION 28. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY**
2 **EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY**

3 **FUNCTIONS.** On November 1, 2003, the following number of authorized full-time equivalent
4 employee positions relating to information technology services, including electronic mail, file
5 and print server administration, data base administration, storage, and application server and
6 hosting services must be reduced and transferred from the named agencies to the information
7 technology department, except as otherwise provided under this section or unless exempted by
8 the chief information officer pursuant to section 24 of this Act:

9 AGENCY	FULL-TIME EQUIVALENT
10	EMPLOYEE POSITIONS
11 Office of management and budget	1
12 Tax department	2
13 Department of public instruction	1
14 State department of health	1
15 Department of human services	5
16 Job service North Dakota	3
17 Industrial commission	1
18 Bank of North Dakota	1
19 Housing finance agency	1
20 Workers compensation bureau	2
21 Highway patrol	1
22 Department of corrections and rehabilitation	2
23 Game and fish department	1
24 State water commission	1
25 Department of transportation	2

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

1 The agencies shall retain funding relating to the employee positions identified in this
2 section and related costs, which is contained in the agencies' respective appropriations bill.
3 Each of the agencies shall establish an information technology services line item consisting of
4 funding related to the salaries and wages for the identified employee positions and related
5 funding for equipment, training, office rent, travel, contracted services, or other related costs
6 totaling at least \$13,000 per employee for electronic mail, file and print server administration,
7 data base administration, storage, and application server and hosting services. Agencies shall
8 develop documentation supporting the related funding transferred to the information technology
9 services line item. Any line item transfer must be reported to the office of management and
10 budget. Each of the agencies must use the funding contained in the information technology
11 services line item to purchase information technology services from the information technology
12 department. Each of the agencies shall make arrangements with the information technology
13 department for the transfer of equipment and material related to the transferred employee
14 positions and services from the respective agency to the department. The information
15 technology department is authorized to receive any funding relating to the purchase of
16 information technology services under this section, which is hereby appropriated. Each agency
17 is entitled to receive from the information technology department the equivalent in services that
18 would have been performed by employees in the transferred positions at a cost not exceeding
19 the amounts transferred to the agency's information technology services line item.

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

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

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

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

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

27 **SECTION 32. APPROPRIATION.** There is appropriated out of any moneys in the
28 general fund in the state treasury, not otherwise appropriated, the sum of \$45,000, or so much
29 of the sum as may be necessary, to the department of agriculture for the purpose of agriculture
30 in the classroom, for the biennium beginning July 1, 2003, and ending June 30, 2005.

1 **SECTION 33. 2005-07 EXECUTIVE BUDGET - STUDENT LOAN TRUST FUND.** Any
2 proposal to transfer or spend moneys from the student loan trust fund included as part of the
3 2005-07 biennium executive budget must be included in a separate bill introduced for
4 consideration by the fifty-ninth legislative assembly.

5 **SECTION 34. STATE AGENCY CONTINUING APPROPRIATIONS - REPORTS TO**
6 **FIFTY-NINTH LEGISLATIVE ASSEMBLY.** The head of each executive branch agency or
7 institution shall report during the budget presentation to the appropriations committees of the
8 fifty-ninth legislative assembly on statutory provisions authorizing the agency or institution to
9 spend funds pursuant to a continuing appropriation. The summary report must include
10 justification for continuing the authority, expenditures made pursuant to the continuing
11 appropriation and related revenues and fund balances for the 1999-2001 biennium, the
12 2001-03 biennium, the 2003-05 biennium to date, and projections for the 2005-07 biennium.

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

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

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

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

9 **SECTION 37. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE**

10 **COMPENSATION POOLS.** The office of management and budget shall establish a state
11 employee compensation pool for executive branch agencies other than elected officials as
12 provided in section 36 of this Act from agency savings resulting from employee reductions, a
13 state employee compensation pool for state elected officials from those agency savings
14 resulting from employee reductions, and a state employee compensation pool for the judicial
15 branch from agency savings resulting from employee reductions.

16 **SECTION 38. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS -**

17 **APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2004, the office of
18 management and budget shall allocate any available funds to entities in the executive branch
19 agency state employee compensation pool and the state elected official employee
20 compensation pool established in section 37 of this Act for providing state employee
21 compensation adjustments effective January 1, 2004, to be paid in February 2004. The funds
22 must be allocated on a pro rata basis for remaining employee positions. The office of
23 management and budget shall increase agencies' appropriation authority by the amount of
24 funding allocated and the funds are appropriated to the agencies for the purpose of providing
25 state employee compensation adjustments for the period January 1, 2004, through June 30,
26 2005. The funds in the judicial branch state employee compensation pool established in
27 section 37 of this Act are appropriated to the judicial branch for providing state employee
28 compensation adjustments for the period January 1, 2004, through June 30, 2005. It is the
29 intent of the fifty-eighth legislative assembly that the compensation adjustments effective
30 January 1, 2004, to be paid in February 2004, may not exceed increases of one percent. The

1 office of management and budget and the judicial branch shall provide a report on the state
2 employee compensation pool allocations to the budget section of the legislative council.

3 **SECTION 39. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS -**

4 **APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2005, the office of
5 management and budget shall allocate any available funds resulting from savings related to the
6 employee reductions to be accomplished by December 31, 2004, to entities in the executive
7 branch agency state employee compensation pool and the state elected official state employee
8 compensation pool established in section 37 of this Act for providing state employee
9 compensation adjustments effective January 1, 2005, to be paid in February 2005. The funds
10 must be allocated on a pro rata basis for remaining employee positions. The office of
11 management and budget shall increase agencies' appropriation authority by the amount of
12 funding allocated and the funds are appropriated to the agencies for the purpose of providing
13 state employee compensation adjustments for the period January 1, 2005, through June 30,
14 2005. The funds in the judicial branch state employee compensation pool established in
15 section 37 of this Act are appropriated to the judicial branch for providing state employee
16 compensation adjustments for the period January 1, 2005, through June 30, 2005. It is the
17 intent of the fifty-eighth legislative assembly that the compensation adjustments effective
18 January 1, 2005, to be paid February 1, 2005, may not exceed increases of two percent. The
19 office of management and budget and the judicial branch shall provide a report on the state
20 employee compensation pool allocations to the budget section of the legislative council.

21 **SECTION 40. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2003 -**

22 **LEGISLATIVE ASSEMBLY.** Notwithstanding the \$650 per calendar month lodging maximum
23 provided in section 54-03-20 for members of the legislative assembly during a legislative
24 session, a member of the fifty-eighth legislative assembly is entitled to lodging reimbursement
25 as provided in section 44-08-04 for state officers and employees for each calendar day the
26 fifty-eighth legislative assembly is in session during the month of April 2003.

27 **SECTION 41. LEGISLATIVE COUNCIL STUDY - PUBLIC EMPLOYEE HEALTH**

28 **INSURANCE BENEFITS.** The legislative council shall consider studying, during the 2003-05
29 interim, public employee health insurance benefits, including options for providing health
30 insurance for state employees, the availability of other health insurance plans, single versus
31 family coverage, employee contributions, and unitization of premium rates for budgeting

1 purposes. The legislative council shall report its findings and recommendations, together with
2 any legislation required to implement the recommendations, to the fifty-ninth legislative
3 assembly.

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

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

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

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

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

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

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

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

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

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

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

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

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

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