

JOURNAL OF THE HOUSE

Sixty-second Legislative Assembly

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Bismarck, April 28, 2011

The House convened at 8:00 a.m., with Speaker Drovdal presiding.

The prayer was offered by Pastor Joel Samuelson, House of Prayer Lutheran Church, Bismarck.

The roll was called and all members were present except Representatives Hogan and S. Kelsh.

A quorum was declared by the Speaker.

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House will stand in recess until 10:00 a.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Drovdal presiding.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has not adopted the conference committee report on: SB 2020.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2057.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1004.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2276.

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House will stand in recess until 1:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Drovdal presiding.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Seventh, Twenty-seventh, Twenty-ninth, Fifty-fifth, Fifty-eighth, and Sixty-fourth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 133, line 36, replace "Vigesaa, Devlin" with "Devlin, Vigesaa"

Page 481, line 16, replace "4" with "3"

Page 533, line 17, replace "523" with "522"

Page 1146, line 25, remove ", as amended,"

Page 1225, line 20, replace "Engrossed SB 2005" with "SB 2005"

Page 1505, line 13, replace "Sixty-fourth Day" with "Fifty-sixth, Sixtieth, Sixty-first, and Sixty-second Days"

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Sixty-second, Sixty-fourth, Sixty-ninth, Seventieth, and Seventy-third Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1402, line 44, replace "Engrossed" with "Reengrossed"

Page 1505, after line 16, insert:

"Page 1318, line 7, replace "page" with "pages""

Page 1505, line 19, after "Seventh" insert ","

Page 1505, after line 21, insert:

"Page 1349, line 41, replace "page" with "pages""

Page 1505, after line 24, insert:

"Page 1358, line 36, replace "page" with "pages""

Page 1505, after line 26, insert:

"Page 1401, line 26, replace "page" with "pages""

Page 1733, line 29, delete "amended "

Page 1753, line 18, after "line" insert "s 19 and"

Page 1754, line 18, replace "page" with "pages"

Page 1856, line 25, delete ", as amended,"

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: SB 2276.

REPORT OF CONFERENCE COMMITTEE

SB 2057, as engrossed: Your conference committee (Sens. Grindberg, Holmberg, O'Connell and Reps. Skarphol, Martinson, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1501-1515, adopt amendments as follows, and place SB 2057 on the Seventh order:

That the House recede from its amendments as printed on pages 1501-1515 of the Senate Journal and pages 1696-1710 of the House Journal and that Engrossed Senate Bill No. 2057 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact section 10-30.5-13, a new chapter to title 17, two new sections to chapter 54-60, a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a small business technology investment program, a biofuel blender pump incentive program, the internship fund, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-03, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide for a legislative management study; to provide a vaccinology initiative grant; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide legislative intent; to provide an effective date; 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 department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2011, and ending June 30, 2013 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,020,840	\$837,411	\$10,858,251
Operating expenses	14,478,272	(451,622)	14,026,650
Capital assets	25,000	45,018	70,018
Grants	65,411,058	(5,383,064)	60,027,994
Discretionary funds	928,083	(1)	928,082
Workforce enhancement	0	375,000	375,000
Economic development initiatives	186,846	0	186,846
Agricultural products utilization	2,536,630	203,137	2,739,767
Centers of research excellence	0	12,000,000	12,000,000
North Dakota trade office	2,064,000	549,400	2,613,400
Partner programs	2,022,044	50,000	2,072,044
Federal fiscal stimulus funds	<u>0</u>	<u>24,496,750</u>	<u>24,496,750</u>
Total all funds	\$97,672,773	\$32,722,029	\$130,394,802
Less estimated income	<u>69,666,470</u>	<u>18,968,467</u>	<u>88,634,937</u>
Total general fund	\$28,006,303	\$13,753,562	\$41,759,865
Full-time equivalent positions	68.00	0.25	68.25

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
Workforce enhancement fund	\$1,000,000	\$375,000
American Indian business office	0	50,000
Biofuel blender pumps	1,000,000	0
Promotion and marketing of USS North Dakota	100,000	0
Lewis and Clark foundation grants	1,500,000	0
Theodore Roosevelt Medora foundation grant	500,000	0
Child care grants and loans	1,820,000	0
Centers of research excellence	19,500,000	12,000,000

Electronic portfolio pilot project	0	150,000
2020 and beyond	0	50,000
Great plains applied energy research center	5,000,000	0
Equine processing study	50,000	0
Federal fiscal stimulus	<u>68,594,635</u>	<u>24,496,750</u>
Total all funds	\$99,064,635	\$37,121,750
Less estimated income	<u>68,594,635</u>	<u>24,496,750</u>
Total general fund	\$30,470,000	\$12,625,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of commerce shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. AMENDMENT. Section 10-30.5-02 of the North Dakota Century Code is amended and reenacted as follows:

10-30.5-02. (Effective through July 31, ~~2014~~2013) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.
5. Moneys in the development fund may be used to provide financing to early childhood facilities licensed under chapter 50-11.1. Moneys also may be used to make grants or loans to match grants or loans made by county-authorized or city-authorized development corporations, job development authorities created under chapter 11-11.1 or 40-57.4, and regional planning councils for acquiring, leasing, or remodeling of real estate facilities or for acquiring equipment for establishing or expanding a

licensed early childhood facility. In providing financing under this subsection, the corporation shall ensure funds are distributed fairly among for-profit early childhood facilities, nonprofit early childhood facilities, and public early childhood facilities. An award under this subsection may not exceed one hundred thousand dollars per award.

(Effective after July 31, 2014~~2013~~) Purpose and fund uses.

1. It is the purpose of this chapter to create a statewide nonprofit development corporation that will have the authority to take equity positions in, to provide loans to, or to use other innovative financing mechanisms to provide capital for new or expanding businesses in this state, or relocating businesses to this state. The corporation's principal mission is the development and expansion of primary sector business in this state. The corporation may form additional corporations, limited liability companies, partnerships, or other forms of business associations in order to further its mission of primary sector economic development.
2. The exclusive focus of this corporation is business development in this state; however, it is not excluded from participation with other states or organizations in projects that have a clear economic benefit to state residents in the creation of jobs or secondary business. Emphasis should be to develop jobs that provide an income adequate to support a family above the poverty level.
3. Moneys in the development fund may be used to provide working capital or for financing the purchase of fixed assets but not to refinance existing debt. Moneys may also be used to make matching grants to county-authorized or city-authorized development corporations for the acquisition, leasing, or remodeling of real estate facilities for locating a prospective new primary sector business. A grant must be made as part of a package of financing in which the state is a participant.
4. The commissioner of commerce shall adopt rules, subject to the approval of the board of directors, necessary to implement the administration of the fund. The rules to implement the grant program must be developed to encourage local fundraising initiatives for developing locations for businesses financed by the corporation.

SECTION 4. Section 10-30.5-13 of the North Dakota Century Code is created and enacted as follows:

10-30.5-13. Small business technology investment program.

1. The corporation shall administer a small business technology investment program that provides matching investments to startup technology-based businesses.
2. The following provisions apply to small business technology investments:
 - a. A qualified applicant:
 - (1) Must be a North Dakota business that is at the startup stage;
 - (2) Must be a primary sector business in the technology field; and
 - (3) Shall meet underwriting guidelines established by the corporation.
 - b. Before the corporation distributes funds under this section, the recipient shall provide the corporation with detailed documentation of the availability of two dollars of angel fund investment matching funds for each dollar of state funds distributed under this section. The matching funds must be cash, must come from a North Dakota

angel fund certified under section 57-38-01.26, and may not be an in-kind asset.

3. An investment under this section may not exceed fifty thousand dollars. Eligible use of the investment funds include developing a proof of concept. A recipient may not receive more than one award under this section.
4. An investment under this section is not a business incentive under chapter 54-60.1.

SECTION 5. AMENDMENT. Section 15-69-01 of the North Dakota Century Code is amended and reenacted as follows:

15-69-01. ~~(Effective through July 31, 2011)~~ Definitions.

In this chapter, unless the context otherwise requires:

1. "Board" means the state board of higher education.
2. "Center" means a center of excellence relating to economic development which has been designated or named under this chapter.
3. "Commission" means the centers of excellence commission.
4. "Department" means the department of commerce.
5. "Foundation" means the North Dakota economic development foundation.
5. ~~"Industry cluster" means one of the following industries:~~
 - a. ~~Advanced manufacturing;~~
 - b. ~~Energy;~~
 - c. ~~Information and technology;~~
 - d. ~~Tourism;~~
 - e. ~~Value-added agriculture; or~~
 - f. ~~An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
6. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.

SECTION 6. AMENDMENT. Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

15-69-03. ~~(Effective through July 31, 2011)~~ Centers of excellence commission.

The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new

member for the remainder of the term. Terms of commission members must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.

SECTION 7. AMENDMENT. Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

15-69-04. (Effective through July 31, 2011) Application -- Eligibility requirementsCenters of excellence program.

1. The department of commerce shall ~~provide center application forms,~~ accept applications, review applications for completeness and compliance with board and commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission. ~~No more than two applications per campus of an institution of higher education under the control of the board may be submitted to the department of commerce for each round of center funding.~~
2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department of commerce to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. ~~Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;~~
 - b. ~~Create high-value private sector employment opportunities in this state;~~
 - c. ~~Provide for public-private sector involvement and partnerships;~~
 - d. ~~Leverage other funding, including cash from the private sector;~~
 - e. ~~Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;~~
 - f. ~~Foster and practice entrepreneurship;~~
 - g. ~~Promote the commercialization of new products and services in industry clusters;~~
 - h. ~~Become financially self-sustaining; and~~

- i. ~~Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.~~
- 4. ~~In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.~~
- 5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

SECTION 8. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

15-69-05. ~~(Effective through July 31, 2011)~~ Use of funds - Terms of funds - Distribution of funds.

1. A center shall use funds awarded under this chapter to enhance capacity and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the ~~board~~department, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
 - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
 - b. Verification of compliance with the centers of excellence program matching fund requirements;
 - c. Verification awarded center funds were used for authorized uses;
 - d. Verification the center complied with the center's application timeline and any authorized revisions;
 - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;

- f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
 - g. Verification of a sample of labor charged to the center; and
 - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
3. Before the commission directs the department of commerce to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. ~~In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.~~
4. The commission shall direct the department of commerce to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.
5. If, before funds are distributed by the department of commerce, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department of commerce withhold all or a portion of any undistributed funds pending commission review of the changes.
6. ~~The commission department may use funds appropriated for available within the centers of excellence program fund to pay for the commission's department's administrative expenses, which may include contracting for independent, expert reviews of complete applications and centers of excellence forums related to this program. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium.~~

SECTION 9. A new chapter to title 17 of the North Dakota Century Code is created and enacted as follows:

Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Biodiesel" means any non-petroleum-based diesel fuel made from a renewable resource such as vegetable oil or animal fat.
2. "E85 fuel" means a petroleum product that:
 - a. Is a blend of agriculturally derived denatured ethanol and gasoline or natural gasoline;
 - b. Typically contains eighty-five percent ethanol by volume but must at a minimum contain sixty percent ethanol by volume; and

- c. Complies with the American society for testing materials specification D 5798-96.
- 3. "Motor fuel retailer" means a person that acquires motor vehicle fuel from a supplier or distributor for resale to a consumer at a retail location.
- 4. "Retail location" means a site at which motor vehicle fuel is dispensed through a pump from an underground or aboveground storage tank into the supply tank of a motor vehicle.

Biofuel blender pump incentive program - Administration.

- 1. The department of commerce shall administer the biofuel blender pump incentive program to provide cost-share grants of up to a maximum of twenty thousand dollars per retail location to motor fuel retailers for the installation of biofuel blender pumps and up to fourteen thousand dollars per retail location for the installation of associated equipment, including the piping systems and storage components, when blender pumps are installed for a maximum grant of thirty-four thousand dollars per location.
- 2. In determining eligibility for grant funds, the department shall establish by rule criteria governing:
 - a. The verification of costs for biofuel blender pumps and associated equipment, including the piping system and storage components;
 - b. The eligibility of grant recipients;
 - c. The application and grant award procedure; and
 - d. Reporting and accountability procedures for grant recipients.

Blender pumps - Requirements.

- 1. To qualify for a grant under this chapter, a retailer must install an ethanol blender pump and an associated storage and piping system. The pump must be the type that:
 - a. Dispenses at retail a blend of gasoline and ethanol in the ratio selected by the purchaser;
 - b. Is manufactured to an industry standard and carries a warranty for compatibility with dispenser components and storage and piping systems;
 - c. Has at least four hoses and dispenses the following:
 - (1) Either a blend of ten percent ethanol or the minimum blend percentage approved for all vehicles by the United States environmental protection agency;
 - (2) A blend of at least twenty percent ethanol; and
 - (3) E85 fuel; and
 - d. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.
- 2. In order to qualify for a grant under this chapter, a retailer must install a biodiesel blender pump that:
 - a. Dispenses at retail varying blends of biodiesel and mineral diesel in the ratio selected by the purchaser; and

- b. Complies with all alternative fuel, biofuel, and flexible fuel requirements established by law.

Biofuel blender pump incentive program - Administrative costs.

The department may use up to five percent of any amount appropriated to the biofuel blender pump incentive program for administration, the dissemination of information regarding the biofuel blender pump incentive program, and the dissemination of information regarding the benefits of biofuels.

SECTION 10. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Internship fund - Continuing appropriation.

The internship fund is a special fund in the state treasury. All funds in the internship fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering section 54-60-17. Interest earned by the fund must be credited to the fund.

SECTION 11. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Division of workforce development - Pilot program - Higher education electronic portfolio system.

1. The division of workforce development, the North Dakota university system, job service North Dakota, and representatives of the institutions of higher education under the control of the state board of higher education shall work together to establish a pilot program through which an electronic portfolio system will be implemented by selected institutions of higher education under the control of the state board of higher education in order to address the needs of students, faculty, and employers. The pilot program may include Valley City state university and the North Dakota state college of science. If Valley City state university or the North Dakota state college of science chooses not to participate, any other institution of higher education under the control of the state board of higher education may participate in this pilot program.
2. The pilot program must provide for an electronic portfolio system that:
 - a. Is online;
 - b. Is a multimedia system that enables the user to create and manage the user's education and career information;
 - c. Enables students, job seekers, and professionals to showcase education and skills to potential employers;
 - d. Provides for creation of and access to lifelong personal electronic portfolio accounts and services to students, job seekers, and professionals seeking to advance their careers in the state;
 - e. Provides access to job seekers residing outside the state who may be interested in relocating or returning to the state; and
 - f. Allows employers and economic developers to conduct online searches to determine workforce potential by geographic region, skill, education, experience, and other factors.
3. Under this pilot program, the North Dakota university system, job service North Dakota, and the division of workforce development shall work together to:

- a. Facilitate the effective integration of future workers into the workforce system and to enhance the ability of state and local economic development officials to effectively access North Dakota's skilled workforce through the system; and
 - b. Ensure the system is complementary to the state's workforce system and higher education system.
4. The division of workforce development shall administer the pilot program.
5. The division of workforce development shall report to the budget section on the use of the funding provided for this program, including an overview of the program, program expenditures, and statistics on the effectiveness of the program.

SECTION 12. A new chapter to title 54 of the North Dakota Century Code is created and enacted as follows:

Definitions.

In this chapter, unless the context otherwise requires:

1. "Center" means a center of research excellence that has been designated under this chapter.
2. "Commission" means the centers of excellence commission as defined under chapter 15-69.
3. "Department" means the department of commerce.
4. "Industry cluster" means one of the following industries:
 - a. Advanced manufacturing;
 - b. Energy;
 - c. Information and technology;
 - d. Value-added agriculture; or
 - e. An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.
5. "Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.
6. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

Centers of research excellence - Application - Eligibility.

1. The department shall establish a centers of research excellence program. The commission shall make funding award determinations under this program. A center must be a research university or a nonprofit university-related or college-related foundation of a research university which is working in partnership with the private sector.
2. The department shall provide center application forms, accept applications, review applications for completeness and compliance with commission policy, forward complete applications to the commission in accordance with guidelines established by the commission, and assist

- with preaward reviews and postaward monitoring as may be requested by the commission.
3. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the department to distribute funds to the centers; monitor centers for compliance with award requirements; review changes in assertions made in center applications; and conduct postaward monitoring of centers.
 4. In considering whether to approve or disapprove a center application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. Use university research to promote private sector job growth and expansion of knowledge-based industries or use university research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding, including cash from the private sector;
 - e. Promote the commercialization of new products and services in industry clusters; and
 - f. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.
 5. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
 6. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

Use of funds - Terms of funds - Distribution of funds - Postaward monitoring.

1. A center shall use center grant funds to enhance capacity and leverage state, federal, and private sources of funding. A center awarded center funds under this chapter may not use the funds for infrastructure, to supplant funding for current operations or academic instructions, or to pay indirect costs.
2. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

3. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative management with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center. Instead of requiring annual audits under this subsection, the commission may require that the center be audited on all funds distributed to the center under this chapter after the second full fiscal year of the postaward monitoring and after all funds distributed to the center under this chapter have been expended and that for all other years during the postaward monitoring the center contract with an independent accountant for an agreed-upon procedures engagement. A center may use funds distributed to the center under this chapter to pay for audits required under this subsection or for an agreed-upon procedures engagement. At a minimum, an agreed-upon procedures engagement under this subsection must include:
 - a. Verification of the accuracy of jobs data regarding jobs claimed created by the center, distinguishing between the creation of private sector jobs and jobs within the institution of higher education;
 - b. Verification of compliance with the centers of excellence program matching fund requirements;
 - c. Verification awarded center funds were used for authorized uses;
 - d. Verification the center complied with the center's application timeline and any authorized revisions;
 - e. Verification the center complied with the center's scope of activities as provided under the center's application and any authorized revisions;
 - f. Review of a sample of center expenditures to verify the expenses were approved, supported with documentation, and made in accordance with the scope identified in the center's application;
 - g. Verification of a sample of labor charged to the center; and
 - h. Comparison of the center's application budget to the center's actual expenditures, including documentation explaining any material differences.
4. Before the commission directs the department to distribute center funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed. Of the two dollars of matching funds, at least one dollar must be cash, of which at least fifty cents must be from the private sector. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The noncash matching funds may include in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission shall give major consideration to the portion of the matching funds provided in cash by the private sector.
5. The commission shall direct the department to distribute the center funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of center funds under this chapter if there are

no private sector partners participating or if the statutorily required matching funds are not available.

6. If, before center funds are distributed by the department, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the department withhold all or a portion of any undistributed funds pending commission review of the changes.
7. The commission may use funds appropriated for the centers of research excellence program to pay for the commission's administrative expenses.

Base realignment grants.

As part of the centers of research excellence program, the department of commerce shall establish and administer a base realignment grant program to provide grants to a research university or a nonprofit university-related foundation to enhance economic development and employment opportunities associated with the Grand Forks air force base resulting from action by the federal defense base closure and realignment commission and infrastructure and economic development projects or programs to accommodate growth in proximity to or at the Grand Forks air force base. Under this program, the commission shall make grant award determinations. The department shall work with the commission in establishing guidelines to qualify for a grant under this section.

Centers of research excellence fund - Continuing appropriation.

The centers of research excellence fund is a special fund in the state treasury. All moneys in the centers of research excellence fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering this chapter. Interest earned on moneys in the fund must be credited to the fund.

SECTION 13. A new subdivision to subsection 7 of section 57-38-30.3 of the North Dakota Century Code is created and enacted as follows:

Automating manufacturing processes tax credit under section 14 of this Act.

SECTION 14. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes.

1. A taxpayer that is a primary sector business is allowed a nonrefundable credit against the tax imposed under section 57-38-30 or 57-38-30.3 for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes in this state. The amount of the credit under this section is twenty percent of the costs incurred in the taxable year to purchase manufacturing machinery and equipment for the purpose of automating manufacturing processes. Qualified expenditures under this section may not be used in the calculation of any other income tax deduction or credit allowed by law.
2. For purposes of this section:
 - a. "Manufacturing machinery and equipment for the purpose of automating manufacturing processes" means new or used automation and robotic equipment.
 - b. "Primary sector business" means a business certified by the department of commerce which, through the employment of knowledge or labor, adds value to a product, process, or service that results in the creation of new wealth.

3. The taxpayer shall claim the total credit amount for the taxable year in which the manufacturing machinery and equipment are purchased. The credit under this section may not exceed the taxpayer's liability as determined under this chapter for any taxable year.
4. If the amount of the credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the next five succeeding taxable years.
5. The aggregate amount of credits allowed under this section may not exceed two million dollars in any calendar year. Credits subject to this limitation must be determined based upon the date of the qualified purchase.
6. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included in the North Dakota consolidated return.
7. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity. An individual taxpayer may take the credit passed through under this subsection against the individual's state income tax liability under section 57-38-30.3.
8. The department of commerce shall provide the tax commissioner the name, address, and federal identification number or social security number of the taxpayer approved as qualifying for the credit under this section, and a list of those items that were approved as a qualified expenditure by the department. The taxpayer claiming the credit shall file with the taxpayer's return, on forms prescribed by the tax commissioner, the following information:
 - a. The name, address, and federal identification number or social security number of the taxpayer who made the purchase; and
 - b. An itemization of:
 - (1) Each item of machinery or equipment purchased for automation;
 - (2) The amount paid for each item of machinery or equipment if the amount paid for the machinery or equipment is being used as a basis for calculating the credit; and
 - (3) The date on which payment for the purchase was made.
9. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38.

SECTION 15. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 16. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 17. EXEMPTION - TRANSFER. The amount appropriated for internships contained in the operating expenses line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11. The office of management and budget shall transfer any unexpended funds from this appropriation to the internship fund at the end of the 2011-13 biennium.

SECTION 18. EXEMPTION - TRANSFER. Of the \$5,000,000 appropriated for the great plains applied energy research center in section 1 of chapter 26 of the 2009 Session Laws, \$4,100,000 is not subject to section 54-44.1-11. The department of commerce shall spend these funds for the purposes provided for in this section, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall transfer \$1,000,000 of these funds to the North Dakota development fund, incorporated, for the purpose of providing investments to startup stage technology-based businesses under section 4 of this Act. The office of management and budget shall transfer \$1,125,000 of these funds to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22. The department of commerce shall use \$750,000 of these funds for tourism infrastructure grants. The department of commerce shall use \$600,000 of these funds for a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma. The department of commerce shall use \$325,000 for providing a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission. The department of commerce shall use \$300,000 for a grant to a not-for-profit organization assisting individuals with business ideas.

SECTION 19. EXEMPTION. The amount appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 20. EXEMPTION. The amount appropriated for early childhood facility grants in section 6 of chapter 108 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. EXEMPTION. The amount appropriated for the biofuel blender pump incentive program in sections 1 and 2 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 22. EXEMPTION. The amount appropriated for the promotion and marketing of the USS North Dakota contained in the grants line item in section 1 of chapter 46 of the 2009 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 23. TRANSFER - WORKFORCE ENHANCEMENT FUND. The office of management and budget shall transfer the amount appropriated in the workforce enhancement line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22 for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 24. TRANSFER - CENTERS OF RESEARCH EXCELLENCE FUND - USES. The office of management and budget shall transfer the amount appropriated in the centers of research excellence line item in section 1 of this Act to the centers of research excellence fund for the purpose of implementing and administering the centers of research excellence grants, for the biennium beginning

July 1, 2011, and ending June 30, 2013. Of the funds transferred, the centers of excellence commission may use up to \$4,000,000 for a limited deployment-cooperative airspace project grant as provided in section 28 of this Act. Of the \$8,000,000 remaining, the centers of excellence commission may not award more than \$4,000,000 to one research university or nonprofit foundation related to that research university. Of the \$4,000,000 available to the university of North Dakota, \$3,000,000 shall be used for base realignment grants. The commission may use any funds that are not committed within the first eighteen months of the biennium for the centers of research excellence program.

SECTION 25. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$900,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund.

SECTION 26. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total North Dakota trade office special line and the general fund appropriation in section 1 of this Act include \$2,613,400 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides \$1 of matching funds from private or other public sources for each \$1 provided by the department for the biennium beginning July 1, 2011, and ending June 30, 2013. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 27. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,100,000, or so much of the sum as may be necessary, to the department of human services, for the purpose of providing grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided for in section 50-11.1-14.1, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 28. CENTERS OF RESEARCH EXCELLENCE LIMITED DEPLOYMENT-COOPERATIVE AIRSPACE PROJECT GRANT. The department of commerce may use \$4,000,000 of the funds transferred to the centers of research excellence fund in section 24 of this Act for grants to the North Dakota university system's research institutions for the purpose of leveraging private and federal funding to advance state opportunities associated with a limited deployment-cooperative airspace project in the state during the biennium beginning July 1, 2011, and ending June 30, 2013. Up to \$2,700,000 of this amount may be awarded to the university of North Dakota and up to \$1,300,000 to North Dakota state university. The commissioner of commerce shall develop application criteria, review submitted applications, and recommend applications for approval to the centers of excellence commission. The commission may use any funds available under this section which are not committed by July 1, 2012, for the centers of research excellence program. Of the remaining available funds, the commission may not award more than one-half to one research university or nonprofit foundation related to that research university.

SECTION 29. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND BEYOND INITIATIVE.

1. During the 2011-12 interim, the North Dakota economic development foundation shall contract with an organization with North Dakota business membership which is statewide in scope and represents business interests across the state in order to conduct a 2020 and beyond initiative. The 2020 and beyond initiative must include periodic meetings of six legislators appointed by the chairman of the legislative management, with two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party and 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; individuals representing North Dakota business interests, individuals

representing North Dakota education interests, and individuals representing state and local government interests.

2. The 2020 and beyond initiative must:
 - a. Assess current assets and resources of the state and whether these assets and resources match the emerging opportunities and trends in the state;
 - b. Study and assess successful models of other states and countries in creating economic growth and whether those models could be replicated and improved upon in this state;
 - c. Evaluate the effectiveness of programs and investments in the state designed to develop the state's workforce and to attract and retain businesses in the state;
 - d. Identify impediments to and opportunities for economic growth and job creation in the state;
 - e. Consider what new investments in infrastructure and changes to the state's tax and regulatory environment could be made to maintain and increase the state's standing as a business-friendly state;
 - f. Evaluate the state's higher education model to determine whether maximum opportunities for synergy between public and private sectors are being realized;
 - g. Consider how higher education institutions in the state could spur economic development in the state through innovation, knowledge transfer, and community engagement;
 - h. Find ways to unite public, nonprofit, and business interests behind common goals and solutions for faster, better results; and
 - i. Make recommendations to the North Dakota economic development foundation based on the outcome of the initiative.
3. The legislative members of the 2020 and beyond initiative are entitled to receive compensation and expenses from the legislative council in the same manner as provided for members of the legislative management committees under section 54-35-10.
4. The grants line item in section 1 of this Act includes the sum of \$50,000 from the general fund for providing a grant to implement the 2020 and beyond initiative.

SECTION 30. DEPARTMENT OF COMMERCE GRANT - INSTITUTION OF HIGHER EDUCATION VACCINOLOGY INITIATIVE. Of the funds appropriated in the discretionary funds line item in section 1 of this Act, \$50,000 from the general fund may be used by the department of commerce to provide a matching grant to an institution of higher education for a vaccinology initiative. The department shall require one dollar of matching funds from the institution for each one dollar of state funds awarded as a grant.

SECTION 31. LEGISLATIVE MANAGEMENT STUDY - EXAMINATION OF POPULATION GROWTH IMPACT ON REVENUES. During the 2011-12 interim, the legislative management shall consider studying the development of a reliable means of estimating the effect of future population growth on state and local government revenues. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 32. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD SERVICES PROVIDER TRAINING AND ASSISTANCE. During the 2011-12 interim,

the legislative management shall consider studying the means by which training and assistance are provided to early childhood services providers and the efficiency of administering training and assistance to early childhood services providers, including whether there is duplication of efforts. The study should review the effectiveness of funding provided to the department of human services for early childhood care, including workforce development, child care capacity, and quality improvement for early childhood facilities, for the 2009-11 biennium and to the department of commerce for financing to early childhood facilities and early childhood facility grants for technical assistance, a business plan, or infrastructure for the 2009-11 biennium. The study should also consider the effectiveness of funding provided to the department of human services for child care service provider grants for the 2011-13 biennium. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-third legislative assembly.

SECTION 33. LEGISLATIVE INTENT - CENTER OF RESEARCH EXCELLENCE PROGRAM CONTINUITY. It is the intent of the sixty-second legislative assembly that the center of research excellence program be considered an ongoing program of the department of commerce.

SECTION 34. REPEAL. Chapter 15-69 of the North Dakota Century Code is repealed.

SECTION 35. EFFECTIVE DATE. Section 34 of this Act becomes effective on August 1, 2023.

SECTION 36. EXPIRATION DATE. Section 9 of this Act is effective through July 31, 2013, and after that date is ineffective. Section 11 of this Act is effective through June 30, 2013, and after that date is ineffective.

SECTION 37. EFFECTIVE DATE - EXPIRATION DATE. Sections 13 and 14 of this Act are effective for the first three taxable years beginning after December 31, 2012, and are thereafter ineffective.

SECTION 38. EMERGENCY. Funding of \$900,000 in the operating expenses line item in section 1 of this Act, relating to the operation intern program, and sections 9, 10, and 18 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2057 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Williston State College						
Total all funds	\$0	\$0	\$0	\$0	\$2,000,000	(\$2,000,000)
Less estimated income	0	0	0	0	1,500,000	(1,500,000)
General fund	\$0	\$0	\$0	\$0	\$500,000	(\$500,000)
Department of Human Services						
Total all funds	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Department of Commerce						
Total all funds	\$0	\$20,000,000	\$110,394,802	\$130,394,802	\$131,514,740	(\$1,119,938)
Less estimated income	0	0	88,634,937	88,634,937	88,634,937	0
General fund	\$0	\$20,000,000	\$21,759,865	\$41,759,865	\$42,879,803	(\$1,119,938)
Bill total						
Total all funds	\$0	\$20,000,000	\$113,494,802	\$133,494,802	\$133,514,740	(\$19,938)
Less estimated income	0	0	88,634,937	88,634,937	90,134,937	(1,500,000)
General fund	\$0	\$20,000,000	\$24,859,865	\$44,859,865	\$43,379,803	\$1,480,062

Senate Bill No. 2057 - Williston State College - Conference Committee Action

The hoghouse amendment removes a general fund appropriation of \$500,000 and authority to borrow up to \$1.5 million from the Bank of North Dakota provided to Williston State College by the House for a workforce training building project.

Senate Bill No. 2057 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Child care service provider grants			\$3,100,000	\$3,100,000		\$3,100,000
Total all funds	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$3,100,000	\$3,100,000	\$0	\$3,100,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

	Adds Funding for Child Care Service Provider Grants ¹	Total Conference Committee Changes
Child care service provider grants	\$3,100,000	\$3,100,000
Total all funds	\$3,100,000	\$3,100,000
Less estimated income	0	0
General fund	\$3,100,000	\$3,100,000
FTE	0.00	0.00

¹ Funding is added by the conference committee to provide an appropriation to the Department of Human Services for grants to child care service providers for workforce development, quality improvement, technical assistance, and capacity building as provided in section 50-11.1-14.1. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund, to the Department of Commerce to work in collaboration with the Department of Human Services to administer these grants.

Senate Bill No. 2057 - Department of Commerce - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages			\$10,858,251	\$10,858,251	\$10,871,979	(\$13,728)
Operating expenses			14,026,650	14,026,650	13,883,260	143,390
Capital assets			70,018	70,018	70,018	
Grants			60,027,994	60,027,994	71,512,994	(11,485,000)
Centers of entrepreneurship grants		5,000,000	(5,000,000)			
Limited deployment-cooperative airspace		3,500,000	(3,500,000)			
Workforce enhancement fund transfer		2,000,000	(2,000,000)			
Centers of research excellence		8,000,000	(8,000,000)			

grants						
Eminent research challenge grants	1,500,000	(1,500,000)				
North Dakota development fund				250,000	(250,000)	
Discretionary funds		928,082	928,082	928,082		
Agricultural products utilization		2,739,767	2,739,767	2,739,767		
North Dakota trade office		2,613,400	2,613,400	2,553,000	60,400	
Partner programs		2,072,044	2,072,044	2,022,044	50,000	
Federal fiscal stimulus funds		24,496,750	24,496,750	24,496,750		
Economic development initiatives		186,846	186,846	186,846		
Workforce enhancement		375,000	375,000	2,000,000	(1,625,000)	
Centers of Research Excellence		12,000,000	12,000,000		12,000,000	
Total all funds	\$0	\$20,000,000	\$110,394,802	\$130,394,802	\$131,514,740	(\$1,119,938)
Less estimated income	0	0	88,634,937	88,634,937	88,634,937	0
General fund	\$0	\$20,000,000	\$21,759,865	\$41,759,865	\$42,879,803	(\$1,119,938)
FTE	0.00	0.00	70.25	70.25	68.25	2.00

Department No. 601 - Department of Commerce - Detail of Conference Committee Changes

	Removes Funding for Grants ¹	Adds Funding for Department of Commerce ²	Removes Centers of Excellence - Eminent Researcher Recruitment Grant ³	Reduces Funding for Workforce Enhancement Grants ⁴	Removes Funding for Child Care Service Provider Grants ⁵	Removes Funding for Child Care Grants and Loans ⁶
Salaries and wages		\$11,115,528				(\$13,728)
Operating expenses		14,233,260				(6,610)
Capital assets		70,018				
Grants		60,377,994			(250,000)	(100,000)
Centers of entrepreneurship grants	(5,000,000)					
Limited deployment-cooperative airspace	(3,500,000)					
Workforce enhancement fund transfer	(2,000,000)					
Centers of research excellence grants	(8,000,000)					
Eminent research challenge grants	(1,500,000)					
North Dakota development fund		250,000				(250,000)
Discretionary funds		928,082				
Agricultural products utilization		2,739,767				
North Dakota trade office		2,613,400				
Partner programs		2,122,044				
Federal fiscal stimulus funds		24,496,750				
Economic development initiatives		186,846				
Workforce enhancement		2,000,000		(1,625,000)		
Centers of Research Excellence		13,000,000	(1,000,000)			
Total all funds	(\$20,000,000)	\$134,133,689	(\$1,000,000)	(\$1,625,000)	(\$250,000)	(\$370,338)
Less estimated income	0	88,634,937	0	0	0	0
General fund	(\$20,000,000)	\$45,498,752	(\$1,000,000)	(\$1,625,000)	(\$250,000)	(\$370,338)
FTE	0.00	69.25	0.00	0.00	0.00	0.00

	Removes Funding for A Director of Energy FTE and Associated Operating ⁷	Reduces Funding for the American Indian Business Development Office ⁸	Removes Funding for the Jobs for America's Graduates Programs ⁹	Total Conference Committee Changes
Salaries and wages	(\$243,549)			\$10,858,251
Operating expenses	(100,000)		(100,000)	14,026,650
Capital assets				70,018
Grants				60,027,994
Centers of entrepreneurship grants				(5,000,000)
Limited deployment-cooperative airspace				(3,500,000)
Workforce enhancement fund transfer				(2,000,000)
Centers of research excellence grants				(8,000,000)
Eminent research challenge grants				(1,500,000)

North Dakota development fund				
Discretionary funds				928,082
Agricultural products utilization				2,739,767
North Dakota trade office				2,613,400
Partner programs		(50,000)		2,072,044
Federal fiscal stimulus funds				24,496,750
Economic development initiatives				186,846
Workforce enhancement				375,000
Centers of Research Excellence				12,000,000
Total all funds	(\$343,549)	(\$50,000)	(\$100,000)	\$110,394,802
Less estimated income	0	0	0	88,634,937
General fund	(\$343,549)	(\$50,000)	(\$100,000)	\$21,759,865
FTE	1.00	0.00	0.00	70.25

¹ The amendment removes funding included in the Senate version for the following grants:

- Centers of entrepreneurship grants.
- Limited deployment-cooperative airspace.
- Workforce enhancement fund transfer.
- Centers of research excellence grants.
- Eminent researcher recruitment challenge grants.

² The amendment provides the same funding level and FTE positions for the Department of Commerce as approved by the Senate in Engrossed House Bill No. 1018.

³ Funding provided in the Senate version of House Bill No. 1018 for an eminent researcher recruitment grant is removed. This change is the same as the House version.

⁴ Funding provided in the Senate version of House Bill No. 1018 for workforce enhancement grants is reduced by \$1,625,000 to provide a total of \$375,000 from the general fund. The House version of House Bill No. 1018 and Senate Bill No. 2057 provided \$2 million from the general fund for these grants. However, the conference committee is authorizing the department to use up to \$1,125,000 from unspent 2009-11 biennium appropriation authority for the Great Plains Applied Energy Research Center for workforce enhancement grants during the 2011-13 biennium, therefore, making available a total of \$1.5 million.

⁵ Funding of \$250,000 provided in the Senate version of House Bill No. 1018 for grants to child care service providers is removed. The conference committee amendment provides a separate appropriation of \$3.1 million to the Department of Human Services for grants to child care service providers. The House provided \$5 million for these grants, of which \$4,935,000 is from the general fund.

⁶ Funding provided in the Senate version of House Bill No. 1018 for the child care grants and loans is removed. The House version provided \$100,000 from the general fund for grants, \$250,000 for child care loans, and \$20,338 for the administration of the child care loan and grant program.

⁷ Funding provided in the Senate version of House Bill No. 1018 for a director of energy position (\$243,549) and associated operating expenses (\$100,000) is removed. The House version of House Bill No. 1018 and Senate Bill No. 2057 did not provide funding for this FTE position or related operating expenses.

⁸ Funding provided in the Senate version of House Bill No. 1018 for the American Indian Business Development Office is reduced by \$50,000 to provide a total of \$150,000 from the general fund. The House version provided \$100,000 from the general fund for the American Indian Business Development Office.

⁹ Funding provided in the Senate version of House Bill No. 1018 to continue four Jobs for America's Graduates programs previously paid with federal funds in the 2009-11 biennium is removed. The House version did not provide funding for this program.

The conference committee amendment is a hoghouse amendment that incorporates the Senate version of House Bill No. 1018 into Senate Bill No. 2057; however, this amendment makes the following changes to the Senate version of House Bill No. 1018:

- The Senate version of House Bill No. 1018 used \$4 million of unspent 2009-11 biennium appropriations from the Great Plains Applied Energy Research Center for entrepreneurial centers development grants and \$1 million to the Development Fund for investments in startup stage technology-based businesses. In the conference committee amendment, this is changed to provide \$1 million to the Development Fund for investments in startup stage technology-based businesses, \$1.125 million for workforce enhancement grants, \$750,000 of one-time funding for tourism infrastructure grants, \$600,000 for a grant to assist in the acquisition of the antiballistic missile site (ABM) at the Stanley R. Mickelson safeguard complex in Nekoma, \$325,000 of one-time funding for a Minot Air Force Base realignment grant to the Minot TF-21 Committee, and \$300,000 of one-time funding for a grant to the IDEA Center.
- The funding source for a grant to assist in the acquisition of the ABM site at the Stanley R. Mickelson Safeguard Complex in Nekoma provided in the Senate version of House Bill No. 1018 is changed from the strategic investment and improvements fund to the Great Plains Applied Energy Research Center carryover.
- Regarding the centers of research excellence program, tourism is being removed from the definition of what is included in an "industry cluster." Under centers of research excellence application and eligibility requirements, limiting research university applications to no more than two for each round of center funding is removed as well as the consideration of a center's ability to become financially self-sustaining from the award determination process. Under centers of research excellence use of funds - terms of funds - distribution of funds - postaward monitoring, the public sector required match is changed to permit a match to be provided by a not-for-profit organization.
- Under centers of excellence and centers of research excellence postaward monitoring section, an audit is required on all funds distributed to the center after the second full fiscal year and after all funds distributed to the center have been expended and that for all other years during the postaward monitoring a center may contract with an independent accountant for an agreed-upon procedures engagement.
- The eminent researcher recruitment grant is removed.
- The entrepreneurial centers development grants are removed.
- The automating manufacturing processes tax credit effective date is changed from December 31, 2011, to December 31, 2012.
- A section added in the Senate version of House Bill No. 1018 to provide for a Legislative Management study of gas flaring issues is removed.
- The higher education electronic portfolio system pilot program is changed to expire as of June 30, 2013, and the department is to provide a report on the program to the Budget Section.
- A section is added to provide for a Legislative Management study of early childhood services provider training and assistance.
- A section of legislative intent is added that the centers of research excellence program continue as an ongoing program of the Department of Commerce.
- Authority provided in the Senate version of House Bill No. 1018 to use \$50,000 from the grants line item as a matching grant for an institution of higher education vaccinology initiative is changed to discretionary funds line item.

Other provisions included in the Senate version of House Bill No. 1018 added in this amendment relate to:

- A small business technology investment program that provides matching investments to startup technology-based businesses.
- Centers of excellence statutory provisions are changed to:
 - Remove the expiration date of the Centers of Excellence Commission of July 31, 2011, and make other changes and additions relating to postaward monitoring;
 - Centers of research excellence and a centers of research excellence fund; and
 - Eminent researcher recruitment grants, base realignment grants, and entrepreneurial centers development grants.
- A pilot program within higher education for an electronic portfolio system administered by the Division of Workforce Development.
- Creating an internship fund.
- Biofuel blender pump incentive program.
- A centers of research excellence fund, and the bill provides for a transfer of the \$12 million provided for centers of excellence to this fund. Of the funding provided, \$4 million is for grants related to limited deployment-cooperative airspace projects (\$2.7 million to the University of North Dakota and \$1.3 million to North Dakota State University).
- An income tax credit for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes. This credit is anticipated to reduce 2011-13 biennium general fund revenues by \$2 million.
- Authorizing unexpended amounts from the 2009-11 biennium appropriation of \$100,000 for the USS *North Dakota* to continue into the 2011-13 biennium.
- A Legislative Management study of the impact of future population growth on state and local government revenues.

Engrossed SB 2057 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SKARPHOL MOVED that the conference committee report on Engrossed SB 2057 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2057, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2057: A BILL for an Act to provide an appropriation for defraying the expenses of the department of commerce; to create and enact section 10-30.5-13, a new chapter to title 17, two new sections to chapter 54-60, a new chapter to title 54, a new subdivision to subsection 7 of section 57-38-30.3, and a new section to chapter 57-38 of the North Dakota Century Code, relating to a small business technology investment program, a biofuel blender pump incentive program, the internship fund, an electronic portfolio program, centers of research excellence, and income tax credits for purchases of manufacturing machinery and equipment for the purpose of automating manufacturing processes; to amend and reenact sections 10-30.5-02, 15-69-01, 15-69-03, 15-69-04, and 15-69-05 of the North Dakota Century Code, relating to the North Dakota development fund, incorporated, and centers of excellence program; to repeal chapter 15-69 of the North Dakota Century Code, relating to the centers of excellence program; to provide for a legislative management study; to provide a vaccinology initiative grant; to provide a continuing appropriation; to provide exemptions; to provide for transfers; to provide legislative intent; to provide an effective date; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 69 YEAS, 18 NAYS, 0 EXCUSED, 7 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Boe; Boehning; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hatlestad; Hawken; Heilman; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kempenich;

Kilichowski; Kingsbury; Klein; Klemin; Kretschmar; Kreun; Kroeber; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nelson, J.; Nelson, M.; Onstad; Paur; Pietsch; Rust; Sanford; Schmidt; Skarphol; Sukut; Thoreson; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

NAYS: Bellew; Belter; Brabandt; Delzer; Headland; Heller; Kaldor; Kreidt; Louser; Nathe; Pollert; Porter; Rohr; Ruby; Schatz; Steiner; Streyle; Wrangham

ABSENT AND NOT VOTING: Devlin; Hanson; Hogan; Kelsh, S.; Koppelman; Owens; Weiler

Engrossed SB 2057, as amended, passed and the emergency clause was declared carried.

MOTION

REP. VIGESAA MOVED that that the rules be suspended, and Reengrossed SB 2017 not be referred to committee, but be placed immediately on the Fourteenth order of today's calendar, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2017: A BILL for an Act to provide an appropriation for defraying the expenses of the game and fish department; to provide for a transfer; to provide legislative intent; and to declare an emergency.

ROLL CALL

The question being on the final passage of the bill, which has been read, the roll was called and there were 82 YEAS, 5 NAYS, 0 EXCUSED, 7 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hatlestad; Hawken; Heilman; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Paur; Pietsch; Pollert; Porter; Rohr; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Sukut; Thoreson; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Wrangham; Zaiser

NAYS: Headland; Ruby; Streyle; Trottier; Speaker Drovdal

ABSENT AND NOT VOTING: Devlin; Hanson; Hogan; Kelsh, S.; Koppelman; Owens; Weiler

Reengrossed SB 2017 passed and the emergency clause was declared carried.

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House will stand in recess until 3:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Drovdal presiding.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has not adopted the conference committee report, has amended, subsequently passed, and the emergency clause carried: SB 2017.

In lieu of the amendments adopted by the House as printed on pages 1219-1221 of the Senate Journal, Engrossed Senate Bill No. 2017 is amended as follows:

Page 1, line 2, after "department" insert "; to provide for a transfer"

Page 1, replace lines 14 and 15 with:

"Grants	6,544,000	1,174,500	7,718,500
Land habitat and deer	11,080,162	1,824,524	12,904,686"

Page 1, replace line 22 with:

"Total special funds	\$59,463,938	\$6,223,804	\$65,687,742"
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Page 2, after line 10, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND - GAME AND FISH FUND. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$300,000 which the office of management and budget shall transfer to the game and fish fund to be provided to the agriculture commissioner, for the biennium beginning July 1, 2011, and ending June 30, 2013. Of the funding provided in this section, \$199,461 relates to expenses of the state board of animal health and \$100,539 relates to the wildlife services program."

Page 2, after line 14, insert:

"SECTION 5. MISSOURI RIVER ENFORCEMENT. The Missouri River enforcement line item in section 1 of this Act includes the sum of \$200,000 for salaries and operating expenses of department employees coordinating or performing Missouri River law enforcement activities and for grants to local law enforcement agencies performing Missouri River law enforcement activities. The department may not use any of the funds for the purchase of equipment with a cost of \$3,000 or more."

Page 2, line 15, replace "\$100,000" with "\$400,000"

Page 2, line 17, after "road" insert ", funding of \$850,000 included in the land habitat and deer line item in section 1 of this Act relating to hunting access and deer depredation,"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2017 - Revised Senate Version

	Executive Budget	Senate Version	Revised Senate Version Changes	Revised Senate Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000
Game and Fish Department						
Total all funds	\$64,737,742	\$64,537,742	\$1,150,000	\$65,687,742	\$65,918,942	(\$231,200)
Less estimated income	64,737,742	64,537,742	1,150,000	65,687,742	65,918,942	(231,200)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$64,737,742	\$64,537,742	\$1,450,000	\$65,987,742	\$65,918,942	\$68,800
Less estimated income	64,737,742	64,537,742	1,150,000	65,687,742	65,918,942	(231,200)
General fund	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000

Senate Bill No. 2017 - Office of Management and Budget - Revised Senate Version

	Executive Budget	Senate Version	Revised Senate Version Changes	Revised Senate Version	House Version	Comparison to House
Transfer to game and fish fund			\$300,000	\$300,000		\$300,000
Total all funds	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$300,000	\$300,000	\$0	\$300,000

FTE	0.00	0.00	0.00	0.00	0.00
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Department No. 110 - Office of Management and Budget - Revised Senate Version Changes

	Transfer to Game and Fish Fund ¹	Revised Senate Version Changes
Transfer to game and fish fund	\$300,000	\$300,000
Total all funds	\$300,000	\$300,000
Less estimated income	0	0
General fund	\$300,000	\$300,000
FTE	0.00	0.00

¹ This amendment provides for the Office of Management and Budget to transfer \$300,000 from the general fund to the game and fish fund. The funding is to be used as a portion of the funds provided to the Agriculture Commissioner for expenses of the State Board of Animal Health and the Wildlife Services program.

Senate Bill No. 2017 - Game and Fish Department - Revised Senate Version

	Executive Budget	Senate Version	Revised Senate Version Changes	Revised Senate Version	House Version	Comparison to House
Salaries and wages	\$24,019,028	\$24,019,028		\$24,019,028	\$24,019,028	
Operating expenses	12,524,493	12,524,493		12,524,493	12,524,493	
Capital assets	4,183,170	4,183,170		4,183,170	4,883,170	(700,000)
Grants	7,718,500	7,418,500	300,000	7,718,500	7,718,500	
Land habitat and deer	12,054,686	12,054,686	850,000	12,904,686	12,904,686	
Noxious weed control	600,000	600,000		600,000	600,000	
Missouri River enforcement	200,000	200,000		200,000	200,000	
Grants, gifts, and donations	800,000	800,000		800,000	800,000	
Nongame wildlife conservation	120,000	120,000		120,000	120,000	
Lonetree Reservoir	1,749,065	1,749,065		1,749,065	1,749,065	
Wildlife Services	768,800	868,800		868,800	400,000	468,800
Total all funds	\$64,737,742	\$64,537,742	\$1,150,000	\$65,687,742	\$65,918,942	(\$231,200)
Less estimated income	64,737,742	64,537,742	1,150,000	65,687,742	65,918,942	(231,200)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	157.00	157.00	0.00	157.00	157.00	0.00

Department No. 720 - Game and Fish Department - Detail of Revised Senate Version Changes

	Restores Funding for Grahams Island State Park Road Project ¹	Increases Spending Authority for Hunting Access and Deer Depredation ²	Total Revised Senate Version Changes
Salaries and wages			
Operating expenses			
Capital assets			
Grants	300,000		300,000
Land habitat and deer		850,000	850,000
Noxious weed control			
Missouri River enforcement			
Grants, gifts, and donations			
Nongame wildlife conservation			
Lonetree Reservoir			
Wildlife Services			
Total all funds	\$300,000	\$850,000	\$1,150,000
Less estimated income	300,000	850,000	1,150,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding of \$300,000 removed by the Senate for the Grahams Island State Park road project is restored to provide total grant funding of \$400,000 for the project.

² The land habitat and deer depredation line item is increased due to anticipated additional federal funding for hunting access programs and greater than anticipated requests for deer depredation assistance. The funding is declared to be an emergency measure.

This amendment also adds a section to provide that funding for Missouri River law enforcement activities may be used for salaries and operating expenses for department employees coordinating or performing Missouri River law enforcement activities and for grants to local law enforcement agencies performing Missouri River law enforcement activities. The funding may not be used to purchase equipment with a cost of \$3,000 or more.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has passed, the emergency clause carried, unchanged: SB 2017.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2057.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1004, HB 1015, HB 1021.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: HB 1004, HB 1015, HB 1021.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 28, 2011: HB 1004, HB 1015, HB 1021.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Seventy-third and Seventy-seventh Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1860, line 4, replace "\$1,950.57" with "\$1,905.57"

Page 1860, line 23, replace "\$135.350" with "\$139.350"

Page 1860, line 35, "\$424.10" with "\$435.64"

Page 2021, line 6, replace "\$183,052,504" with "\$184,052,504"

REP. KRETSCHMAR MOVED that the report be adopted, which motion prevailed.

HOUSE INTERIM COMMITTEES

SPEAKER DROVDAL ANNOUNCED the following House Interim Committees:

Legislative Management

Rep. Carlson
Rep. Damschen
Rep. Drovdal
Rep. Ruby

Rep. Vigesaa
Rep. Weisz
Rep. S. Meyer
Rep. Onstad

Capitol Grounds Planning Commission
Rep. Klein
Rep. Kilichowski

Comprehensive Health Association of North Dakota Board
Rep. Nancy Johnson

Council of Interstate Adult Offenders Program
Rep. DeKrey

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House will stand at ease.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2020.

REPORT OF CONFERENCE COMMITTEE

SB 2020, as engrossed: Your conference committee (Sens. Fischer, Holmberg, Robinson and Reps. Skarphol, Monson, Williams) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1364-1365, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1364 and 1365 of the Senate Journal and pages 1523 and 1524 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 2, after the semicolon insert "to create and enact a new subsection to section 11-37-02 and a new section to chapter 61-04 of the North Dakota Century Code, relating to joint powers entities and commerce authorities and metering certain water sources;"

Page 1, line 2, after "reenact" insert "subsection 2 of section 11-37-03, section 11-37-04, subsection 8 of section 11-37-06, and subsection 1 of section 11-37-08 of the North Dakota Century Code and"

Page 1, line 3, after the first "to" insert "conversion of joint powers entities to commerce authorities and additional powers of commerce authorities and"

Page 1, line 3, after the second semicolon insert "to provide a transfer;"

Page 1, line 5, after the third semicolon insert "to provide for application; to provide an expiration date;"

Page 1, replace line 19 with:

"Water and atmospheric resources	307,768,034	140,645,740	448,413,774"
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Page 1, replace lines 21 and 22 with:

"Total all funds	\$311,087,708	\$148,327,712	\$459,415,420
Less estimated income	<u>297,263,809</u>	<u>147,156,412</u>	<u>444,420,221"</u>

Page 2, line 19, after "**APPROPRIATION**" insert "**- BUDGET SECTION APPROVAL**"

Page 2, line 23, after the period insert "The state water commission shall request and receive budget section approval prior to the expenditure of any funds in excess of the \$448,413,774 of funding appropriated in the water and atmospheric resources line item in section 1 of this Act."

Page 3, line 9, remove the overstrike over "~~land-purchases~~"

Page 3, line 10, remove the overstrike over "and"

Page 3, line 10, after "costs" insert "and may not be used for the purchase of dwellings"

Page 3, line 15, after the underscored period insert "Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 3, line 22, after "for" insert "land purchases and"

Page 3, line 22, after "costs" insert "and may not be used for the purchase of dwellings"

Page 3, line 25, after the period insert "Costs incurred by nonstate entities for dwellings or other real property that are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 4, replace lines 3 through 6 with:

"SECTION 9. LEGISLATIVE INTENT - REMOTE METERING OF WATER PERMITS - FUNDING. It is the intent of the sixty-second legislative assembly that of the funds appropriated from the resources trust fund in the water and atmospheric resources line item in section 1 of this Act, the state water commission provide up to \$500,000 for a reimbursement program for the purchase and installation of remote water metering devices, for the biennium beginning with the effective date of this Act and ending June 30, 2013.

SECTION 10. A new subsection to section 11-37-02 of the North Dakota Century Code is created and enacted as follows:

Provide a method to convert an existing joint powers entity to a commerce authority for the purpose of achieving status as a political subdivision.

SECTION 11. AMENDMENT. Subsection 2 of section 11-37-03 of the North Dakota Century Code is amended and reenacted as follows:

2. Two or more political subdivisions, whether in this state or in an adjoining state provided that at least one political subdivision is in this state, may create by execution of a joint agreement authorized by resolution of the governing body of each participating subdivision, a commerce authority that may exercise its functions upon the issuance by the secretary of state of a certificate of incorporation. Two or more political subdivisions, which are parties to a joint powers agreement under chapter 54-40 or 54-40.3, may convert an existing joint powers entity to a commerce authority by execution of a joint agreement authorized by resolution of the governing body of each participating political subdivision. The governing bodies of the participating political subdivisions shall appoint, pursuant to the joint agreement, no fewer than five persons as commissioners of the commerce authority.

SECTION 12. AMENDMENT. Section 11-37-04 of the North Dakota Century Code is amended and reenacted as follows:

11-37-04. Filing of agreement and resolutions - Certificate of incorporation - Beginning of corporate existence.

The joint agreement, if applicable, and a certified copy of the resolution of each political subdivision creating or agreeing to participate in a commerce authority, or converting an existing joint powers entity to a commerce authority, must be filed with the secretary of state. If the agreement and resolutions conform to the requirements of section 11-37-03, the secretary of state shall issue a certificate of incorporation that states the name of the commerce authority and the date of incorporation. The existence of the commerce authority as a political subdivision of

this state begins upon the issuance of the certificate of incorporation. The certificate of incorporation is conclusive evidence of the existence of the commerce authority.

SECTION 13. AMENDMENT. Subsection 8 of section 11-37-06 of the North Dakota Century Code is amended and reenacted as follows:

8. Establish the geographical boundaries of the commerce authority within or coextensive with the geographical boundaries of one or more of the participating political subdivisions, or coextensive with the geographical boundaries of the area to be served by the commerce authority.

SECTION 14. AMENDMENT. Subsection 1 of section 11-37-08 of the North Dakota Century Code is amended and reenacted as follows:

1. A commerce authority may borrow money and issue bonds, including refunding bonds, in the form and upon the terms as it may determine, payable out of any revenues of the commerce authority. If a commerce authority is formed by conversion of a joint powers entity to a commerce authority under subsection 2 of section 11-37-03, the commerce authority may borrow money and issue bonds to refinance existing obligations of the participating political subdivisions without the provisions of subsection 8 as long as the existing obligations were incurred by the participating political subdivision for the benefit of the converted joint powers entity.

SECTION 15. A new section to chapter 61-04 of the North Dakota Century Code is created and enacted as follows:

Metering of certain water sources required - Rules.

The state engineer shall require permitholders to purchase and maintain remote metering devices for the metering of water used pursuant to a temporary, conditional, or perfected water permit and sold for oil and gas purposes. The metering requirement must not apply to water permits used exclusively for irrigation purposes or to temporary permits that have been returned to irrigation use. Except for nonpotable ground water used for enhanced oil recovery purposes and water uses of less than fifteen acre-feet per year, all other permitted and temporarily permitted industrial water supplies sold for oil and gas purposes are subject to the metering requirements of this section. The state engineer shall develop rules to provide:

1. The specifications for remote terminal water metering devices;
2. That metering be operational by July 1, 2012;
3. That meters be available for inspection by state water commission staff on a daily basis;
4. That meters be sealed and tamperproof;
5. That meters may be replaced only under supervision of the state engineer;
6. That the penalty for circumventing the provisions of this section must be a thirty-day suspension of the noncompliant permit; and
7. That subsequent violations within a year result in a doubling of the penalty for the prior violation.

The state engineer shall establish a reimbursement policy for the purchase and installation of the remote terminal water metering devices. Permitholders may apply to the state engineer for reimbursement of one-half of the cost of a qualifying metering device, including installation, up to a total reimbursement of five thousand dollars per metering device installed.

SECTION 16. TRANSFER - PERMANENT OIL TAX TRUST FUND - 2009-11 BIENNIUM. The office of management and budget shall transfer any unexpended funds appropriated from the permanent oil tax trust fund in chapter 25 of the 2009 Session Laws to the water commission fund at the end of the biennium beginning July 1, 2009, and ending June 30, 2011. For the purposes of this section, "end of the biennium" means thirty days after the close of the biennial period but prior to the cancellation of unexpended appropriations under section 54-44.1-11.

SECTION 17. APPLICATION. A commerce authority formed by the conversion of a joint powers agreement under this Act remains a valid commerce authority after the expiration date of this Act. Sections 10 through 14 of this Act do not grant any additional authority to exercise the power of eminent domain or issue general obligation bonds to a commerce authority formed by a conversion of a joint powers agreement under this Act.

SECTION 18. EXPIRATION DATE. Sections 10 through 14 of this Act are effective through July 31, 2013, and after that date are ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - State Water Commission - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Grants local cost-share	\$500,000	\$500,000		\$500,000	\$500,000	
Administrative and support services	3,229,873	3,229,873		3,229,873	3,229,873	
Water and atmospheric resources	447,913,774	447,913,774	500,000	448,413,774	447,913,774	500,000
Federal stimulus funds	7,271,773	7,271,773		7,271,773	7,271,773	
Total all funds	\$458,915,420	\$458,915,420	\$500,000	\$459,415,420	\$458,915,420	\$500,000
Less estimated income	443,688,322	443,920,221	500,000	444,420,221	443,920,221	500,000
General fund	\$15,227,098	\$14,995,199	\$0	\$14,995,199	\$14,995,199	\$0
FTE	87.00	87.00	0.00	87.00	87.00	0.00

Department No. 770 - State Water Commission - Detail of Conference Committee Changes

	Adds Funding for Remote Metering Devices ¹	Total Conference Committee Changes
Grants local cost-share		
Administrative and support services		
Water and atmospheric resources	500,000	500,000
Federal stimulus funds		
Total all funds	\$500,000	\$500,000
Less estimated income	500,000	500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Adds funding from the resources trust fund for a remote metering device reimbursement program.

The conference committee restored a grant to Wildlife Services in a legislative intent section to \$250,000, the same as the Senate. The House reduced the grant to \$100,000.

The conference committee added a section relating to the metering of certain water sources,

the same as the House, but did not include legislative intent relating to the use of funds for water project priorities included in the House version.

The conference committee restored a section repealing Section 5 of Chapter 535 of the 1999 Session Laws relating to a pledge of revenues from the Grand Forks Corporate Center removed by the House.

A legislative intent section relating to the Garrison Diversion Conservancy District removed by the House was not restored by the conference committee.

In addition, the conference committee adopted the following amendments not included in the Senate or House versions:

- Added a provision to Section 4 requiring the State Water Commission receive Budget Section approval prior to the expenditure of any funds in excess of the funding provided in the water and atmospheric resources line item.
- Amended sections of the bill relating to Fargo flood control.
- Added sections relating to joint powers entities and commerce authorities. Sections were also added to provide for the application and expiration of these sections.
- Added a section to provide for a transfer from the permanent oil tax trust fund of any unexpended funds appropriated by the 2009 Legislative Assembly prior to the end of the 2009-11 biennium.
- Added a legislative intent section relating to the funding of a reimbursement program for the remote metering of water permits.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SKARPHOL MOVED that the conference committee report on Engrossed SB 2020 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2020, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to create and enact a new subsection to section 11-37-02 and a new section to chapter 61-04 of the North Dakota Century Code, relating to joint powers entities and commerce authorities and metering certain water sources; to amend and reenact subsection 2 of section 11-37-03, section 11-37-04, subsection 8 of section 11-37-06, and subsection 1 of section 11-37-08 of the North Dakota Century Code and section 7 of chapter 20 of the 2009 Session Laws, relating to conversion of joint powers entities to commerce authorities and additional powers of commerce authorities and Fargo flood control project funding; to provide exemptions; to provide a transfer; to repeal section 5 of chapter 535 of the 1999 Session Laws, relating to pledge of revenues from the Grand Forks corporate center; to provide legislative intent; to provide for retroactive application; to provide for application; to provide an expiration date; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 2 NAYS, 0 EXCUSED, 9 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Belter; Boehning; Brabandt; Brandenburg; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Holman; Hunsakor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Onstad; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Trotter; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

NAYS: Boe; Nelson, M.

ABSENT AND NOT VOTING: Devlin; Hanson; Hogan; Kelsh, S.; Koppelman; Owens; Thoreson; Weiler; Wrangham

Engrossed SB 2020, as amended, passed and the emergency clause was declared carried.

ANNOUNCEMENT

SPEAKER DROVDAL ANNOUNCED that the House will stand at ease.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2020.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: Your signature is respectfully requested on: HB 1003.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2017, SB 2057.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The Speaker has signed: SB 2017, SB 2057.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1003.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 28, 2011, I have signed the following: HB 1041, HB 1044, HB 1046, HB 1074, HB 1085, and HB 1134.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

REPORT OF CONFERENCE COMMITTEE

SB 2015, as engrossed: Your conference committee (Sens. Holmberg, Stenehjem, Taylor and Reps. Carlson, Delzer, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1496-1501, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1496-1501 of the Senate Journal and pages 1781-1785 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert ", the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new subdivision to subsection 1 of section 54-10-14, and a new section to chapter 54-27 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, entities required to be audited by the state auditor, a report on federal grants, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, and sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers"

Page 1, line 3, remove "and"

Page 1, line 3, after "intent" insert "; to provide for legislative management reports; and to declare an emergency"

Page 1, replace line 17 with:

"Capital assets	2,420,298	6,369,845	8,790,143"
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Page 1, replace line 19 with:

"Prairie public broadcasting	1,337,138	(337,138)	1,000,000"
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Page 1, replace lines 22 through 24 with:

"Total all funds	\$50,937,875	(\$7,909,715)	\$43,028,160
Less estimated income	14,688,779	(4,174,318)	10,514,461
Total general fund	\$36,249,096	(\$3,735,397)	\$32,513,699"

Page 2, replace line 7 with:

"Prairie public broadcasting	\$2,016,200	\$0"
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Page 2, replace line 13 with:

"Capitol complex parking lot repairs	0	800,000"
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Page 2, replace line 15 with:

"Total all funds	\$6,681,735	\$3,650,000"
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Page 2, replace line 17 with:

"Total general fund	\$4,858,100	\$3,650,000"
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Page 2, after line 21, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, which the office of management and budget shall transfer to the public transportation fund during the biennium beginning July 1, 2011, and ending June 30, 2013."

Page 2, line 22, replace "**LANDS AND MINERALS TRUST**" with "**STRATEGIC INVESTMENT AND IMPROVEMENTS**"

Page 2, line 24, replace "\$239,000,000" with "\$305,000,000"

Page 2, line 24, remove "lands and minerals"

Page 2, line 25, replace "trust" with "strategic investment and improvements"

Page 2, remove lines 26 through 31

Page 3, remove lines 1 and 2

Page 3, replace lines 18 through 30 with:

"SECTION 8. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixty-second legislative assembly that 2011-13 biennium compensation adjustments for regular nonclassified state employees are to be based on documented performance and equity and are not to be the same percentage increase for each employee. Compensation adjustments for the 2011-13 biennium for regular classified state employees are to be based on guidelines

developed by the office of management and budget in accordance with section 10 of this Act.

General increases based on legislative appropriations are to be given beginning with the month of July 2011, to be paid in August 2011, and beginning with the month of July 2012, to be paid in August 2012. Each agency appropriation is increased by three percent for the first year of the 2011-13 biennium and three percent for the second year of the 2011-13 biennium. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

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

SECTION 9. EXTERNAL COMPETITIVENESS TARGET - CLASSIFIED STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - 2011-13 BIENNIUM. The office of management and budget shall set the external competitiveness target for the classified state employee compensation system based on the funding provided by the sixty-second legislative assembly for classified state employee compensation, for the biennium beginning July 1, 2011, and ending June 30, 2013. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified state employees, for the biennium beginning July 1, 2011, and ending June 30, 2013. The guidelines must be developed in accordance with the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly, and the external competitiveness target as determined by the office of management and budget.

SECTION 10. OFFICE OF MANAGEMENT AND BUDGET - REPORTS TO LEGISLATIVE MANAGEMENT - STATE EMPLOYEE COMPENSATION SYSTEM CHANGES. The office of management and budget shall provide periodic reports to the legislative management during the 2011-12 interim on the status of implementation and administration of the compensation philosophy statement and compensation system initiatives included in House Bill No. 1031, as approved by the sixty-second legislative assembly.

SECTION 11. INFORMATION TECHNOLOGY PROJECT PLANNING. Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of \$100,000 or more shall involve the information technology department in the planning and study of the project, for the biennium beginning July 1, 2011, and ending June 30, 2013. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 12. DRAFT APPROPRIATIONS ACTS - ALTERNATIVE FORMAT PILOT PROJECT - SIXTY-THIRD LEGISLATIVE ASSEMBLY - EXCEPTION. Notwithstanding subsection 7 of section 54-44.1-06, the draft of proposed appropriations acts submitted by the governor for introduction to the sixty-third legislative assembly for the highway patrol, protection and advocacy project, secretary of state, and public service commission must be at the same level of ongoing funding as provided by the sixty-second legislative assembly. The governor shall attach a proposed draft amendment to the draft appropriations acts for these agencies making the funding changes necessary to provide for the appropriations as recommended by the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. DEPARTMENT OF TRANSPORTATION MOTOR VEHICLE BRANCH OFFICE AUTHORIZATION. Notwithstanding any other provision of law, the department of transportation is authorized to design and procure or construct additional office space, including modular buildings or onsite construction, for use as a motor vehicle branch office, for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 14. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,474,362, or so much of the sum as may be necessary, to the department of human services for the purpose of completing the medicaid management information system replacement project, for the biennium beginning July 1, 2011, and ending June 30, 2013. This funding is considered to be one-time funding for the 2011-13 biennium and is not to be part of the department's base budget for the 2013-15 biennium. The department shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding.

SECTION 15. AMENDMENT. Section 1 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

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 state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,321,995	\$2,889,625	\$12,211,620
Operating expenses	2,646,426	847,318	3,493,744
Capital assets	49,000	(49,000)	0
Grants - Lignite research and development	19,971,300	0	19,971,300
Grants - Bond payments	27,441,865	(2,052,132)	25,389,733
Mineral resources contingency	0	743,972	743,972
Carbon dioxide storage facility administrative fund	0	532,000	532,000
Renewable energy development	0	1,500,000	1,500,000
Total all funds	\$59,430,586	\$4,411,783	\$63,842,369
Less estimated income	<u>49,308,484</u>	<u>(1,797,756)</u>	<u>47,510,728</u>
Total general fund	\$10,122,102	\$6,209,539	\$16,331,641
Less estimated income	<u>49,308,484</u>	<u>(2,541,728)</u>	<u>46,766,756</u>
Total general fund	\$10,122,102	\$6,953,511	\$17,075,613
Full-time equivalent positions	61.06	13.00	74.06

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$41,762,274	\$3,824,881	\$45,587,155
Capital assets	1,455,000	(189,000)	1,266,000
Total special funds	\$43,217,274	\$3,635,881	\$46,853,155
Full-time equivalent positions	176.50	0.00	176.50

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$8,000,000	(\$2,000,000)	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,400,000	(400,000)	1,000,000
Beginning farmer revolving loan fund	950,000	450,000	1,400,000
Biofuels partnership in assisting community expansion fund	0	1,000,000	1,000,000
Total all funds	\$10,350,000	(\$950,000)	\$9,400,000
Less beginning farmer revolving	<u>950,000</u>	<u>(950,000)</u>	<u>0</u>

loan fund			
Total general fund	\$9,400,000	\$0	\$9,400,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,599,324	\$3,418,684	\$26,018,008
Operating expenses	16,982,918	3,460,951	20,443,869
Contingencies	325,000	75,000	400,000
Agriculture promotion	150,000	60,000	210,000
Total from mill and elevator fund	\$40,057,242	\$7,014,635	\$47,071,877
Full-time equivalent positions	131.00	0.00	131.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,981,828	\$534,449	\$6,516,277
Operating expenses	8,677,581	(3,562,732)	5,114,849
Grants	26,224,360	634,560	26,858,920
Housing finance agency contingencies	100,000	0	100,000
Total special funds	\$40,983,769	(\$2,393,723)	\$38,590,046
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$19,522,102	\$6,209,539	\$25,731,641
Grand total special funds	174,516,769	5,509,037	180,025,806
Grand total general fund	\$19,522,102	\$6,953,511	\$26,475,613
Grand total special funds	174,516,769	4,765,065	179,281,834
Grand total all funds	\$194,038,871	\$11,718,576	\$205,757,447

SECTION 16. AMENDMENT. Section 8 of House Bill No. 1014, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. CONTINGENT DEPARTMENT OF MINERAL RESOURCES FUNDING—PERMANENT OIL TAX TRUST FUND - EMERGENCY COMMISSION

APPROVAL. Of the funds appropriated in the mineral resources contingency line item in subdivision 1 of section 1 of this Act, \$743,972 is from the ~~permanent oil tax trust~~ general fund. If funds are required due to the drilling rig count exceeding one hundred eighty for at least thirty consecutive days, the oil and gas division may spend up to \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval, and further if funds are required due to the drilling rig count exceeding one hundred ninety for at least thirty consecutive days, the oil and gas division may spend up to an additional \$192,393 of these funds and hire one full-time equivalent position, upon emergency commission approval. If funds are required due to the total number of oil wells in the state exceeding nine thousand three hundred, the oil and gas division may spend up to \$359,186 and hire two full-time equivalent positions, upon emergency commission approval.

SECTION 17. AMENDMENT. Section 1 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

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 North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation

institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,091,489	(\$64,835)	\$47,026,654
Soil conservation committee	837,800	150,000	987,800
Total all funds	\$47,929,289	\$85,165	\$48,014,454
Less estimated income	25,928,877	(2,800,067)	23,128,810
Total general fund	\$22,000,412	\$2,885,232	\$24,885,644
Full-time equivalent positions	255.75	1.00	256.75

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$3,037,486	\$309,821	\$3,347,307
Less estimated income	1,598,265	56,460	1,654,725
Total general fund	\$1,439,221	\$253,361	\$1,692,582
Full-time equivalent positions	11.00	0.00	11.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Total all funds	\$23,326,992	\$742,969	\$24,069,961
Less estimated income	21,737,199	413,134	22,150,333
Total general fund	\$1,589,793	\$329,835	\$1,919,628
Full-time equivalent positions	52.30	0.00	52.30

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$87,530,418	\$11,059,555	\$98,589,973
Deferred maintenance	0	0	0
Grape and wine program committee	0	0	0
Federal fiscal stimulus 2009	0	0	0
Total all funds	\$87,530,418	\$11,059,555	\$98,589,973
Less estimated income	45,013,267	(879,692)	44,133,575
Total general fund	\$42,517,151	\$11,939,247	\$54,456,398
Full-time equivalent positions	329.26	4.00	333.26

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,012,580	\$1,375,982	\$6,388,562
Central grasslands research center	2,560,602	305,245	2,865,847
Hettinger research center	2,995,155	378,020	3,373,175
Langdon research center	2,091,572	287,235	2,378,807
North central research center	3,973,952	425,869	4,399,821
Williston research center	2,922,183	487,906	3,410,089
Carrington research center	6,727,962	398,526	7,126,488
Total all funds	\$26,284,006	\$3,658,783	\$29,942,789
Less estimated income	13,916,816	1,880,765	15,797,581
Total general fund	12,367,190	1,778,018	14,145,208
Less estimated income	13,916,816	1,080,765	14,997,581
Total general fund	\$12,367,190	\$2,578,018	\$14,945,208
Full-time equivalent positions	95.49	2.00	97.49

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,275,238	\$159,930	\$1,435,168
Total special funds	\$1,275,238	\$159,930	\$1,435,168
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$79,913,767	\$17,185,693	\$97,099,460
Grand total special funds	109,469,662	(1,169,470)	108,300,192
Grand total general fund	\$79,913,767	\$17,985,693	\$97,899,460
Grand total special funds	109,469,662	(1,969,470)	107,500,192
Grand total all funds	\$189,383,429	\$16,016,223	\$205,399,652

SECTION 18. AMENDMENT. Section 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, is amended and reenacted as follows:

SECTION 8. PERMANENT OIL TAX TRUST FUND--DICKINSON RESEARCH CENTER - OPERATING POOL FUNDING. The ~~estimated income general fund~~ line item in subdivision 5 of section 1 of this Act includes \$800,000 from the permanent oil tax trust fund. ~~This of operating pool funding is~~ available only for defraying the costs of operations of the Dickinson research center, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$211,264, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of allocation of mill levy reduction grants to school districts under chapter 57-64, for the period beginning with the effective date of this Act and ending June 30, 2011.

SECTION 20. APPROPRIATION - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to the state board of higher education for the purpose of supporting educational leadership programs at the university of North Dakota and North Dakota state university, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 21. A new section to House Bill No. 1185, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 22. A new subdivision to subsection 6 of section 1 of House Bill No. 1438, as enacted by the sixty-second legislative assembly, is created and enacted as follows:

The state hospital.

SECTION 23. A new section to Senate Bill No. 2083, as approved by the sixty-second legislative assembly, is created and enacted as follows:

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

SECTION 24. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. In addition, the director shall provide for a uniform maximum fee schedule for the various services provided by the branch offices. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other overhead costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 25. A new section to chapter 48-01.2 of the North Dakota Century Code is created and enacted as follows:

Bids less than authorized project amount - Additional expense approval - Budget section report.

Upon accepting a bid under this chapter, if the accepted bid is less than all funds dedicated to the public improvement, the governing body of an entity that has received an appropriation of moneys from the general fund of the state treasury for the public improvement shall immediately notify the office of management and budget. Any change order or expenses exceeding the bid amount must be submitted to the office of management and budget for approval. The office of management and budget shall report all approved change orders or additional expenses to the budget section of the legislative management.

SECTION 26. AMENDMENT. Subdivision a of subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~fifty-fivesixty-five~~ percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

SECTION 27. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code as amended by section 1 of House Bill No. 1145, as approved by the sixty-second legislative assembly, is created and enacted as follows:

Housing authorities not required to be audited by the federal department of housing and urban development.

SECTION 28. AMENDMENT. Section 54-16-03.1 of the North Dakota Century Code is amended and reenacted as follows:

54-16-03.1. Submission of petition to emergency commission.

When an emergency exists, a state officer may present to the emergency commission an itemized petition requesting approval to transfer money and spending authority between funds or line items pursuant to section 54-16-04; accept and

expend federal funds pursuant to section 54-16-04.1; accept and expend state contingency funds pursuant to section 54-16-09; accept and expend other funds pursuant to section 54-16-04.2; or recommend full-time equivalent positions pursuant to section 54-16-04.3. Any petition to the emergency commission by a state officer must be approved or recommended by the emergency commission prior to submission for consideration by the budget section.

SECTION 29. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Report on federal grants by state agency.

Each state agency, excluding entities under the control of the state board of higher education, shall report to the office of management and budget before applying for a federal grant for which the agency may receive estimated funding of twenty-five thousand dollars or more. The report must include the purpose of the grant; the potential amount of the grant; any additional employees that may be required because of the grant; the time period covered by the grant; and grant requirements, including state matching requirements or maintenance of effort. The state agency shall provide updates on the status of the grant application as required by the office of management and budget. At each meeting of the budget section of the legislative management, the office of management and budget shall report to the budget section on the reports received from state agencies under this section.

SECTION 30. AMENDMENT. Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

54-35-02.3. Employee benefits programs committee - Appointment - Selection of chairman.

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint ~~five~~^{seven} members of the house of representatives and ~~four~~^{six} members of the senate to the committee. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 31. DEPARTMENT OF COMMERCE - TOURISM INFRASTRUCTURE GRANTS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL.

Funding provided to the department of commerce for tourism infrastructure grants in Senate Bill No. 2057, as approved by the sixty-second legislative assembly, may be awarded and spent only upon emergency commission and budget section approval, for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 32. EMERGENCY. Sections 13, 19, 21, 23, and 24 of this Act are declared to be an emergency measure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Summary of Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Office of Management and Budget						
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
University System Office						
Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0

General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Department of Human Services						
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Bill total						
Total all funds	\$42,965,298	\$44,465,298	\$287,224	\$44,752,522	\$42,828,160	\$1,924,362
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	\$687,224	\$34,238,061	\$32,313,699	\$1,924,362

Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$18,517,763	\$18,517,763		\$18,517,763	\$18,517,763	
Operating expenses	13,765,254	13,765,254		13,765,254	13,765,254	
Capital assets	8,390,143	9,390,143	(600,000)	8,790,143	8,490,143	300,000
Grants	55,000	55,000		55,000	55,000	
Emergency Commission contingency fund	700,000	700,000		700,000	700,000	
Prairie Public Broadcasting	1,337,138	1,837,138	(837,138)	1,000,000	1,000,000	
State student internship program	200,000	200,000		200,000	200,000	
Transfer to public transportation fund			100,000	100,000	100,000	
Total all funds	\$42,965,298	\$44,465,298	(\$1,337,138)	\$43,128,160	\$42,828,160	\$300,000
Less estimated income	10,914,461	10,914,461	(400,000)	10,514,461	10,514,461	0
General fund	\$32,050,837	\$33,550,837	(\$937,138)	\$32,613,699	\$32,313,699	\$300,000
FTE	131.50	131.50	0.00	131.50	131.50	0.00

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Reduces Funding for Prairie Public Broadcasting ¹	Removes Funding for Capitol Grounds Signage Projects ²	Reduces Funding for Parking Lot Repairs ³	Adds Transfer to Public Transportation Fund ⁴	Total Conference Committee Changes
Salaries and wages					
Operating expenses					
Capital assets		(400,000)	(200,000)		(600,000)
Grants					
Emergency Commission contingency fund					
Prairie Public Broadcasting	(837,138)				(837,138)
State student internship program					
Transfer to public transportation fund				100,000	100,000
Total all funds	(\$837,138)	(\$400,000)	(\$200,000)	\$100,000	(\$1,337,138)
Less estimated income	0	(400,000)	0	0	(400,000)
General fund	(\$837,138)	\$0	(\$200,000)	\$100,000	(\$937,138)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding from the general fund for Prairie Public Broadcasting is reduced by \$837,138 to provide total funding of \$1,000,000. This is the same level of funding as provided in the House version. The executive recommendation provided \$1,337,138 of funding for Prairie Public Broadcasting, and the Senate added an additional \$500,000 of one-time funding.

² Funding from the Capitol building fund for exterior signage at the Capitol complex is removed. The House also removed this funding.

³ Funding for Capitol complex parking lot repairs is reduced by \$200,000 to provide total

funding of \$800,000. The Senate added a total of \$1,000,000 from the general fund for Capitol complex parking lot repairs and the House reduced funding for parking lot repairs to \$500,000.

⁴ A section is added to provide a transfer of \$100,000 from the general fund to the public transportation fund during the 2011-13 biennium. The House also added this transfer.

Senate Bill No. 2015 - University System Office - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Educational leadership programs			\$150,000	\$150,000		\$150,000
Total all funds	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$150,000	\$150,000	\$0	\$150,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 215 - University System Office - Detail of Conference Committee Changes

	Adds Funding for Educational Leadership Programs ¹	Total Conference Committee Changes
Educational leadership programs	\$150,000	\$150,000
Total all funds	\$150,000	\$150,000
Less estimated income	0	0
General fund	\$150,000	\$150,000
FTE	0.00	0.00

¹ This amendment provides \$150,000 from the general fund to the State Board of Higher Education for educational leadership programs at the University of North Dakota and North Dakota State University.

Senate Bill No. 2015 - Department of Human Services - Conference Committee Action

	Executive Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Medicaid management information system			\$1,474,362	\$1,474,362		\$1,474,362
Total all funds	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$1,474,362	\$1,474,362	\$0	\$1,474,362
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Conference Committee Changes

	Provides MMIS Project ¹	Total Conference Committee Changes
Medicaid management information system	\$1,474,362	\$1,474,362
Total all funds	\$1,474,362	\$1,474,362

Less estimated income	0	0
General fund	\$1,474,362	\$1,474,362
FTE	0.00	0.00

¹ Funding is provided for the completion of the Department of Human Services' Medicaid management information system (MMIS) project. The funding was originally appropriated from the permanent oil tax trust fund. Due to the elimination of the permanent oil tax trust fund in House Bill No. 1451, funding is changed to the general fund.

Senate Bill No. 2015 - Other Changes - Conference Committee Action

This amendment also:

- Adjusts Section 2 to reflect the removal of one-time funding for Prairie Public Broadcasting and the reduction of funding for Capitol complex parking lot repairs.
- Removes Section 5 which transfers \$388,580,000 from the permanent oil tax trust fund to the property tax relief sustainability fund. The House also removed this section.
- Adds three sections to provide that classified state employee compensation adjustments are based on a competitiveness target set by the Office of Management and Budget in accordance with the compensation philosophy statement and compensation initiatives included in House Bill No. 1031. The House provided intent that each state agency receive funding equal to a 3 percent state employee salary increase each year of the 2011-13 biennium, the same as the executive recommendation. The Senate included intent that funding is provided equal to a salary increase of 4 percent the first year of the biennium and 1 percent the second year of the biennium.
- Adds a section regarding Information Technology Department review of proposed state agency information technology projects with an estimated cost of \$100,000 or more. The House also added this section.
- Adds a section to require certain draft appropriations acts to be submitted to the 63rd Legislative Assembly in an alternative format. The House also added this section.
- Enacts two new sections to the North Dakota Century Code relating to public improvement project bids and reports on federal grants. The House also added this section.
- Amends Section 54-16-03.1 relating to the action of the Emergency Commission. The House also amended this section.
- Amends Section 54-35-02.3 relating to the membership of the Employee Benefits Programs Committee. The House also amended this section.
- Amends Section 54-03-20 relating to lodging reimbursement for members of the Legislative Assembly.
- Adds a section to create a new subdivision to subsection 6 of a new unnumbered section added to Chapter 52.1-02 in 2011 House Bill No. 1438 relating to an employer's prohibition of firearms.
- Adds a section to add a new subdivision to subsection 1 of section 54-10-14 as amended in House Bill No. 1145 regarding auditing provisions of political subdivisions and other entities.
- Adds sections to declare House Bill No. 1185 and Senate Bill No. 2083 emergency measures.
- Adds a section regarding Department of Transportation motor vehicle branch office buildings, including the lease of department office space to independent motor vehicle branch managers.
- Amends House Bill Nos. 1014 and 1020 to change the funding source of certain items from the permanent oil tax trust fund to the general fund.
- Provides a 2009-11 biennium appropriation to the Superintendent of Public

Instruction for mill levy reduction grants for school districts.

- Adds a section requiring Emergency Commission and Budget Section approval of Department of Commerce tourism infrastructure grants.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. DELZER MOVED that the conference committee report on Engrossed SB 2015 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2015, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2015: A BILL for 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, the superintendent of public instruction, the state board of higher education, and the department of human services; to create and enact a new section to chapter 48-01.2, a new subdivision to subsection 1 of section 54-10-14, and a new section to chapter 54-27 of the North Dakota Century Code and a new section to House Bill No. 1185, a new section to Senate Bill No. 2083, and a new subdivision to subsection 6 of section 1 of House Bill No. 1438, as approved by the sixty-second legislative assembly, relating to public improvement bids and contracts, entities required to be audited by the state auditor, a report on federal grants, an emergency declaration, and an employer's prohibition on firearm possession; to amend and reenact section 39-02-03, subdivision a of subsection 2 of section 54-03-20, and sections 54-16-03.1 and 54-35-02.3 of the North Dakota Century Code and sections 1 and 8 of House Bill No. 1014 and sections 1 and 8 of House Bill No. 1020, as approved by the sixty-second legislative assembly, relating to the powers and duties of the director of the department of transportation, housing reimbursement for members of the legislative assembly, petitions to the emergency commission, legislative management employee benefits programs committee, appropriations for the industrial commission, and appropriations to the branch research centers; to provide an exemption; to provide for various transfers; to provide legislative intent; to provide for legislative management reports; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 84 YEAS, 0 NAYS, 0 EXCUSED, 10 ABSENT AND NOT VOTING.

YEAS: Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Brabandt; Carlson; Clark; Conklin; Dahl; Damschen; DeKrey; Delmore; Delzer; Dosch; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Kaldor; Karls; Kasper; Keiser; Kelsch, R.; Kelsh, J.; Kempenich; Kilichowski; Kingsbury; Klein; Klemin; Kreidt; Kretschmar; Kreun; Kroeber; Louser; Maragos; Martinson; Meier, L.; Metcalf; Meyer, S.; Mock; Monson; Mueller; Nathe; Nelson, J.; Nelson, M.; Onstad; Paur; Pietsch; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Winrich; Zaiser; Speaker Drovdal

ABSENT AND NOT VOTING: Brandenburg; Devlin; Hanson; Hogan; Kelsh, S.; Koppelman; Owens; Thoreson; Weiler; Wrangham

Engrossed SB 2015, as amended, passed and the emergency clause was declared carried.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2015, SB 2020.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1003.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2015, SB 2020.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 28, 2011: HB 1003.

MOTION

REP. VIGESAA MOVED that a committee of three be appointed to notify the Senate that the House has completed its business and is about to adjourn, which motion prevailed.

THE SPEAKER APPOINTED Reps. Froseth, Hawken and Metcalf.

MOTION

REP. VIGESAA MOVED that a committee of three be appointed to notify the Governor that the House has completed its business and is about to adjourn, which motion prevailed.

THE SPEAKER APPOINTED Reps. Klein, Pietsch and Guggisberg.

REQUEST

REP. FROSETH REQUESTED that the committee appointed to notify the Senate that the House has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

REQUEST

REP. RUBY REQUESTED that the committee to notify the Governor that the House has completed its business and is about to adjourn be discharged, as the committee had completed its task, which request was granted.

MOTION

REP. VIGESAA MOVED that the absent members be excused, which motion prevailed.

MOTION

REP. CARLSON MOVED that the House be on the Fourth, Fifth, Seventh, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned sine die.

Pursuant to Representative Carlson's motion, the House stood adjourned sine die.

Buell J. Reich, Chief Clerk