

## JOURNAL OF THE SENATE

## Sixty-fourth Legislative Assembly

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Bismarck, April 6, 2015

The Senate convened at 1:00 p.m., with President Wrigley presiding.

The prayer was offered by Pastor Merle Hoots, Baptist Health Care Center, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

## CORRECTION AND REVISION OF THE JOURNAL

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Poolman, Chairman)** has carefully examined the Journal of the Sixtieth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1083, line 27, remove "new"

Page 1083, line 31, remove "new"

**SEN. POOLMAN MOVED** that the report be adopted, which motion prevailed.

## CONSIDERATION OF AMENDMENTS

**HB 1244, as engrossed: SEN. WARNER (Human Services Committee) MOVED** that the amendments on SJ page 1098 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

## SECOND READING OF HOUSE BILL

**HB 1244:** A BILL for an Act to create and enact section 54-06-14.5 of the North Dakota Century Code, relating to use of state employee sick leave for birth or adoption of a child.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1244, as amended, passed.

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## CONSIDERATION OF AMENDMENTS

**HB 1072, as engrossed: SEN. ANDERSON (Human Services Committee) MOVED** that the amendments on SJ page 1097 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

## SECOND READING OF HOUSE BILL

**HB 1072:** A BILL for an Act to create and enact a new section to chapter 26.1-36 and a new section to chapter 54-52.1 of the North Dakota Century Code, relating to insurance coverage of cancer treatment medications; and to provide for application.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 33 YEAS, 14 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Axness; Bekkedahl; Bowman; Burckhard; Carlisle; Cook; Davison; Dever; Flakoll; Grabinger; Heckaman; Holmberg; Kilzer; Klein; Krebsbach; Larsen; Lee, G.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Poolman; Robinson; Rust; Sorvaag; Wanzek; Wardner; Warner

**NAYS:** Armstrong; Campbell; Casper; Dotzenrod; Erbele; Hogue; Laffen; Lee, J.; Oehlke; Schaible; Schneider; Sinner; Triplett; Unruh

Engrossed HB 1072, as amended, passed.

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**CONSIDERATION OF AMENDMENTS**

**HB 1176, as engrossed: SEN. SORVAAG (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1176:** A BILL for an Act to amend and reenact sections 15-08.1-08, 57-51-01, and 57-51-15 of the North Dakota Century Code, relating to the unobligated balance of the strategic investment and improvements fund and oil and gas gross production tax definitions and allocations; to provide appropriations; to provide exemptions; to provide for reports to the budget section; and to provide an effective date.

**MOTION**

**SEN. SCHNEIDER MOVED** that Engrossed HB 1176, as amended, be amended as follows.

Page 5, line 6, after the period insert "However, if the average statewide production of oil meets or exceeds one million two hundred thousand barrels of oil per day in the month of February 2016, allocations to the county occurring after June 30, 2016, must be increased to forty percent of all annual revenue exceeding five million dollars. An additional five percent of all annual revenue exceeding five million dollars also must be allocated to the department of transportation for allocation among non-oil-producing counties at the times revenues are distributed to oil-producing counties under this section. The allocation to each non-oil-producing county must be proportional to each non-oil-producing county's estimated unmet road and bridge investment needs relative to the combined total of estimated unmet road and bridge investment needs of all the eligible non-oil-producing counties. For purposes of this subdivision:

- (1) "Average statewide production" means the number of barrels of oil produced from wells within this state during the calendar month divided by the number of calendar days in that month, as determined by the industrial commission.
- (2) "Estimated unmet road and bridge investment needs" means a county's total estimated road and bridge investment needs for the years 2015 to 2034 identified in the most recently completed report by the upper great plains transportation institute less the amount distributed to the county under subsection 2 of section 2 of Senate Bill No. 2103, as approved by the sixty-fourth legislative assembly.
- (3) "Non-oil-producing counties" means the forty-three counties that received no allocation of funding or a total allocation under this subsection of less than five million dollars for the period beginning September 1, 2013, and ending August 31, 2014."

Renumber accordingly

**REQUEST**

**SEN. HECKAMAN REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1176, as amended, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the proposed amendments to Engrossed HB 1176, as amended, the roll was called and there were 15 YEAS, 32 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Axness; Dotzenrod; Grabinger; Heckaman; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Robinson; Schneider; Sinner; Triplett; Warner

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; Oehlke; Poolman; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

The proposed amendments to Engrossed HB 1176, as amended, failed on a recorded roll call vote.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1176, as amended, passed.

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**CONSIDERATION OF AMENDMENTS**

**HB 1367, as engrossed: SEN. ARMSTRONG (Judiciary Committee) MOVED** that the amendments on SJ pages 1101-1103 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1367:** A BILL for an Act to amend and reenact section 12.1-32-06.1, subsections 1 and 3 of section 12.1-32-07, and section 29-01-20 of the North Dakota Century Code, relating to court authority to impose additional periods of probation, supervision of probation, and conditions of probation and to address peace officer custody of stolen goods; and to provide a penalty.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1367, as amended, passed.

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**CONSIDERATION OF AMENDMENTS**

**HB 1255: SEN. J. LEE (Human Services Committee) MOVED** that the amendments on SJ pages 1098-1100 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1255:** A BILL for an Act to create and enact a new section to chapter 23-27, a new section to chapter 26.1-36, and section 65-02-21.2 of the North Dakota Century Code, relating to air ambulance services and classifications of ambulance services for health insurance and workers' compensation benefits; and to amend and reenact section 50-24.1-16 of the North Dakota Century Code, relating to classification of ambulance services for medical assistance.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Hogue; Holmberg; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

**NAYS:** Heckaman; Kilzer; Schneider

HB 1255, as amended, passed.

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**CONSIDERATION OF AMENDMENTS**

**HB 1340, as engrossed: SEN. LAFFEN (Finance and Taxation Committee) MOVED** that the amendments on SJ page 1100 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1340:** A BILL for an Act to amend and reenact section 40-22-18 of the North Dakota Century Code, relating to methods of protest of special assessment projects; to provide for a legislative management study; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1340, as amended, passed.

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**CONSIDERATION OF AMENDMENTS**

**HB 1366, as engrossed: SEN. LARSEN (Human Services Committee) MOVED** that the amendments on SJ pages 1100-1101 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1366:** A BILL for an Act to provide for collaboration between the school for the deaf and

school districts on the provision of appropriate services and resources to children who are deaf or hearing impaired and the families of children who are deaf or hearing impaired.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1366, as amended, passed.

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#### CONSIDERATION OF AMENDMENTS

**HB 1112, as engrossed: SEN. DAVISON (Government and Veterans Affairs Committee) MOVED** that the amendments on SJ page 1097 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1112:** A BILL for an Act to amend and reenact section 37-17.1-22, subsection 1 of section 37-17.1-23, and section 37-17.1-27 of the North Dakota Century Code, relating to the funding of state disaster or emergency response and recovery; and to provide for an expiration date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 42 YEAS, 5 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Klein; Krebsbach; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Wanzek; Wardner; Warner

**NAYS:** Cook; Kilzer; Laffen; Oehlke; Unruh

Engrossed HB 1112, as amended, passed.

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#### MOTION

**SEN. KLEIN MOVED** that HB 1333, HB 1450, and HB 1457, which are on the Sixth order, be laid over one legislative day, which motion prevailed.

#### CONSIDERATION OF AMENDMENTS

**HB 1016, as engrossed: SEN. SORVAAG (Appropriations Committee) MOVED** that the amendments on SJ pages 1095-1097 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1016:** A BILL for an Act to provide an appropriation for defraying the expenses of job service North Dakota.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1016, as amended, passed.

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#### CONSIDERATION OF AMENDMENTS

**HB 1068, as engrossed: SEN. LAFFEN (Energy and Natural Resources Committee) MOVED** that the amendments on SJ page 1097 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1068:** A BILL for an Act to create and enact a new subsection to section 38-08-26 of the North Dakota Century Code, relating to access to pipeline information by the Three Affiliated Tribes; and to amend and reenact subsection 5 of section 38-08-04 of the North Dakota Century Code, relating to decisions of the industrial commission.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

Engrossed HB 1068, as amended, passed.

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#### SECOND READING OF HOUSE BILL

**HB 1221:** A BILL for an Act to amend and reenact section 59-04.2-19 of the North Dakota Century Code, relating to a trustee's allocation of receipts from interests in minerals and other natural resources.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Axness; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oban; Oehlke; Poolman; Robinson; Rust; Schaible; Schneider; Sinner; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

HB 1221 passed.

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#### SECOND READING OF HOUSE BILL

**HB 1181:** A BILL for an Act to amend and reenact section 16.1-13-08 of the North Dakota Century Code, relating to filling vacancies in the office of United States senator.

#### MOTION

**SEN. SINNER MOVED** that Engrossed HB 1181 be amended as follows, which motion failed

on a voice vote.

Page 1, line 8, after "of" insert "appoint an individual to fill the office until a special election is held and the individual elected at the special election is sworn into office. The governor shall"

Renumber accordingly

#### MOTION

**SEN. MATHERN MOVED** that Engrossed HB 1181 be amended as follows.

Page 1, line 2, replace "office" with "offices"

Page 1, line 2, after "senator" insert "and representative and in statewide elective offices; and to repeal section 16.1-13-08.1 of the North Dakota Century Code, relating to filling vacancies in the office of United States representative"

Page 1, line 6, after "**senator**" insert "or United States representative or statewide elective office"

Page 1, line 7, after "senator" insert "or representative in Congress"

Page 1, line 7, after "state" insert "or a statewide elective office"

Page 1, after line 15, insert:

**"SECTION 2. REPEAL.** Section 16.1-13-08.1 of the North Dakota Century Code is repealed."

Renumber accordingly

#### REQUEST

**SEN. SINNER REQUESTED** a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1181, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1181, the roll was called and there were 18 YEAS, 29 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Axness; Dotzenrod; Grabinger; Heckaman; Hogue; Luick; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Poolman; Robinson; Schneider; Sinner; Triplett; Warner

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Miller; Oehlke; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

The proposed amendments to Engrossed HB 1181 failed on a recorded roll call vote.

#### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 27 YEAS, 20 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Carlisle; Casper; Cook; Davison; Dever; Erbele; Flakoll; Holmberg; Kilzer; Krebsbach; Laffen; Larsen; Lee, G.; Lee, J.; Luick; Miller; Poolman; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Anderson; Axness; Dotzenrod; Grabinger; Heckaman; Hogue; Klein; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oban; Oehlke; Robinson; Rust; Schneider; Sinner; Triplett; Warner

Engrossed HB 1181 passed.

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#### CONSIDERATION OF MESSAGES FROM THE HOUSE

**SEN. KLEIN MOVED** that the Senate do not concur in the House amendments to SB 2070 as printed on SJ page 1088, in the House amendments to Engrossed SB 2139 as printed on SJ pages 1088-1089, in the House amendments to Engrossed SB 2226 as printed on SJ pages 1066-1067, in the House amendments to Reengrossed SB 2292 as printed on SJ pages 1019-1033, in the House amendments to Engrossed SB 2312 as printed on SJ pages 1093-1094, and in the House amendments to SB 2327 as printed on SJ page 1067 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

#### APPOINTMENT OF CONFERENCE COMMITTEES

**THE PRESIDENT APPOINTED** as a Conference Committee on:

**SB 2070:** Sens. Armstrong, Luick, Nelson.

**Engrossed SB 2139:** Sens. Campbell, Rust, Sinner.

**Engrossed SB 2226:** Sens. Cook, Unruh, Triplett.

**Reengrossed SB 2292:** Sens. Cook, Laffen, Triplett.

**Engrossed SB 2312:** Sens. Rust, Campbell, Sinner.

**SB 2327:** Sens. Hogue, Luick, Nelson.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1181, HB 1221.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1016, HB 1068, HB 1072, HB 1112, HB 1176, HB 1244, HB 1255, HB 1340, HB 1366, HB 1367.

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

**MR. PRESIDENT:** The House has passed, unchanged: SB 2093.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, unchanged: SB 2079.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, unchanged: SB 2176.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2001, SB 2004, SB 2011, SB 2017, SB 2043, SB 2274, SB 2348, SB 2377.

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

Page 1, replace line 12 with:

"Salaries and wages	\$3,540,985	\$320,564	\$3,861,549"
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Page 1, replace line 19 with:

"Total general fund	\$4,033,873	\$317,842	\$4,351,715"
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Page 2, remove lines 10 through 13

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

**Senate Bill No. 2001 - Governor's Office - House Action**

Base  
Budget

Senate  
Version

House  
Changes

House  
Version

Salaries and wages	\$3,540,985	\$3,875,101	(\$13,552)	\$3,861,549
Operating expenses	404,366	404,366		404,366
Contingencies	10,000	10,000		10,000
Rough rider awards	10,800	10,800		10,800
Accrued leave payments	67,722			
Transition in		15,000		15,000
Transition out		50,000		50,000
Total all funds	\$4,033,873	\$4,365,267	(\$13,552)	\$4,351,715
Less estimated income	0	0	0	0
General fund	\$4,033,873	\$4,365,267	(\$13,552)	\$4,351,715
FTE	18.00	18.00	0.00	18.00

### Department No. 101 - Governor's Office - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total House Changes
Salaries and wages	-\$13,552.00	(\$13,552)
Operating expenses		
Contingencies		
Rough rider awards		
Accrued leave payments		
Transition in		
Transition out		
Total all funds	(\$13,552)	(\$13,552)
Less estimated income	0	0
General fund	(\$13,552)	(\$13,552)
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

This amendment also removes Section 3 of the bill which appropriates any additional federal or other funds received by the Governor's office.

### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2004

Page 1, line 1, after the semicolon insert "to create and enact a new section to chapter 54-10 of the North Dakota Century Code, relating to a higher education audit division of the state auditor's office;"

Page 1, line 2, replace "section" with "sections 54-10-01 and"

Page 1, line 2, after the second "to" insert "the powers and duties of the state auditor and"

Page 1, replace lines 12 through 19 with:

"Salaries and wages	\$10,113,137	\$2,209,055	\$12,322,192
Accrued leave payments	201,157	(201,157)	0
Operating expenses	901,113	294,397	1,195,510
Information technology consultants	250,000	0	250,000
Total all funds	\$11,465,407	\$2,302,295	\$13,767,702
Less estimated income	3,036,918	268,952	3,305,870
Total general fund	\$8,428,489	\$2,033,343	\$10,461,832
Full-time equivalent positions	53.80	6.00	59.80"

Page 2, after line 3, insert:

**"SECTION 3. AMENDMENT.** Section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-10-01. Powers and duties of state auditor.**

The state auditor shall:

1. Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of the state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.
2. Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state and perform or provide for the audits and reviews of state agencies. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit or review each state agency once every two years. The state auditor shall determine the contents of the audits and reviews of state agencies. The state auditor may conduct any work required by the federal government. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for any agency that receives and expends both general fund and non-general fund moneys. Audits and reviews may be conducted at more frequent intervals if requested by the governor or legislative audit and fiscal review committee.
3. Be vested with the authority to determine whether to audit the international peace garden at the request of the board of directors of the international peace garden.
4. Perform or provide for performance audits of state agencies, or the agencies' blended component units or discreetly presented component units, as determined necessary by the state auditor or the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved.
5. For the audits and reviews the state auditor is authorized to perform or provide for under this section, the audit or review may be provided for by contract with a private certified or licensed public accountant or other qualified professional. If the state auditor determines that the audit or review will be done pursuant to contract, the state auditor, except for occupational or professional boards, shall execute the contract, and any executive branch agency, including higher education institutions, shall pay the fees of the contractor.
6. Be responsible for the above functions and report thereon to the governor and the secretary of state in accordance with section 54-06-04 or more often as circumstances may require.
7. Perform all other duties as prescribed by law."

Page 2, after line 10, insert:

**"SECTION 5.** A new section to chapter 54-10 of the North Dakota Century Code is created and enacted as follows:

**State board of higher education audits - Higher education audit division.**

1. The state auditor shall establish a higher education audit division and employ a division audit manager to perform all audit related functions of the state board of higher education, including the examination and evaluation of the adequacy and effectiveness of the board's governance, risk management, internal controls, performance of constitutionally and statutorily required duties, and other areas as determined by the state auditor. The audit manager shall conduct audits, as determined appropriate by the state auditor, of each institution under the supervision and control of the state board of higher education. The audit manager may consult with the state board of higher education, or a committee designated by the board, regarding audit plans, results of audit activities, and any other appropriate issue. The state auditor shall determine the audit scope and related audit areas of any audit conducted by the audit manager. This section does not require the state auditor to perform any duties that would compromise the auditor's independence under government auditing standards.
2. The audit manager may access and examine any record under the control of the state board of higher education. For purposes of reviewing records under the Family Educational Rights and Privacy Act [20 U.S.C. 1232g; 34 CFR 99] or any other federal privacy law, the audit manager must be considered a state educational official authorized to access student records for audit purposes.
3. The state auditor may hire employees necessary to carry out the duties and responsibilities of this section. The state auditor may hire consultants to assist with any duties required under this section subject to approval by the legislative audit and fiscal review committee. The state board of higher education shall pay for the cost of any consultant approved under this section."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Auditor - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$10,113,137	\$11,244,931	\$1,077,261	\$12,322,192
Operating expenses	901,113	1,091,510	104,000	1,195,510
Information technology consultants	250,000	450,000	(200,000)	250,000
Accrued leave payments	201,157			
Total all funds	\$11,465,407	\$12,786,441	\$981,261	\$13,767,702
Less estimated income	3,036,918	3,515,167	(209,297)	3,305,870
General fund	\$8,428,489	\$9,271,274	\$1,190,558	\$10,461,832
FTE	53.80	53.80	6.00	59.80

**Department No. 117 - State Auditor - Detail of House Changes**

	Adds Funding for Higher Education Auditors <sup>1</sup>	Adjusts Funding for Health Insurance Premium Increases <sup>2</sup>	Removes Funding for University System Security Audits <sup>3</sup>	Total House Changes
Salaries and wages	\$1,117,914	(\$40,653)		\$1,077,261
Operating expenses	104,000			104,000
Information technology consultants			(200,000)	(200,000)
Accrued leave payments				
Total all funds	\$1,221,914	(\$40,653)	(\$200,000)	\$981,261

Less estimated income	<u>0</u>	<u>(9,297)</u>	<u>(200,000)</u>	<u>(209,297)</u>
General fund	\$1,221,914	(\$31,356)	\$0	\$1,190,558
FTE	6.00	0.00	0.00	6.00

<sup>1</sup> Funding is added for 6 auditor FTE positions and related operating expenses to provide audit services to the State Board of Higher Education and its institutions.

<sup>2</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>3</sup> Funding to complete security audits of the 11 institutions in the North Dakota University System is removed.

This amendment also:

- Amends Section 54-10-01 relating to performance audits conducted by the State Auditor; and
- Creates a new section to Chapter 54-10 to establish a higher education audit division in the State Auditor's office.

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2011

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$1,673,763	\$127,516	\$1,801,279
Operating expenses	<u>559,242</u>	<u>46,805</u>	<u>606,047</u>
Total all funds	\$2,233,005	\$174,321	\$2,407,326
Less estimated income	<u>170,000</u>	<u>0</u>	<u>170,000</u>
Total general fund	\$2,063,005	\$174,321	\$2,237,326
Full-time equivalent positions	9.00	0.00	9.00"

Page 1, line 19, remove "and the"

Page 1, line 20, remove "2015-17 one-time funding items included in the appropriation in section 1 of this Act"

Page 1, replace lines 23 and 24 with:

"Retirement leave payouts	<u>38,927</u>	<u>0</u>
Total general fund	\$64,777	\$0"

Page 2, remove lines 1 through 4

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2011 - Securities Department - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$1,673,763	\$1,861,306	(\$60,027)	\$1,801,279
Operating expenses	<u>559,242</u>	<u>606,047</u>		<u>606,047</u>
Total all funds	\$2,233,005	\$2,467,353	(\$60,027)	\$2,407,326
Less estimated income	<u>170,000</u>	<u>170,000</u>	<u>0</u>	<u>170,000</u>
General fund	\$2,063,005	\$2,297,353	(\$60,027)	\$2,237,326
FTE	9.00	9.00	<u>0.00</u>	9.00

#### Department No. 414 - Securities Department - Detail of House Changes

Adjusts Funding for Health	Removes One-Time Funding for Accrued	Total House Changes
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	Insurance Premium Increases <sup>1</sup>	Leave Payout <sup>2</sup>	
Salaries and wages	(\$6,775)	(\$53,252)	(\$60,027)
Operating expenses			
Total all funds	(\$6,775)	(\$53,252)	(\$60,027)
Less estimated income	0	0	0
General fund	(\$6,775)	(\$53,252)	(\$60,027)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding is removed for accrued leave payouts.

### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2017

Page 1, line 3, replace "governor's" with "a gubernatorial"

Page 1, line 3, after the semicolon insert "to provide for a legislative management study;"

Page 1, remove lines 14 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$25,899,606	\$3,571,290	\$29,470,896
Operating expenses	12,956,728	638,535	13,595,263
Capital assets	3,885,061	1,212,935	5,097,996
Grants	7,122,500	211,912	7,334,412
Land habitat and deer depredation	12,707,403	4,215,278	16,922,681
Noxious weed control	650,000	50,000	700,000
Missouri River enforcement	275,939	6,601	282,540
Grants, gifts, and donations	800,000	27,519	827,519
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,935,636	(112,631)	1,823,005
Wildlife services	384,400	0	384,400
Accrued leave payments	<u>816,366</u>	<u>(816,366)</u>	<u>0</u>
Total special funds	\$67,553,639	\$9,005,073	\$76,558,712
Full-time equivalent positions	158.00	3.00	161.00"

Page 2, after line 23, insert:

**"SECTION 4. LEGISLATIVE MANAGEMENT STUDY - GAME AND FISH LICENSES.** During the 2015-16 interim, the legislative management shall consider studying game and fish department licenses provided to entities for the purpose of fundraising. The study must include a review of the present law in this and other states and the feasibility and desirability of allowing the game and fish department to issue these licenses using procedures and within limits established by the legislative assembly. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2017 - Game and Fish Department - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$25,899,606	\$29,580,362	(\$109,466)	\$29,470,896
Operating expenses	12,956,728	13,595,263		13,595,263
Capital assets	3,885,061	5,497,996	(400,000)	5,097,996
Grants	7,122,500	7,334,412		7,334,412
Land habitat and deer depredation	12,707,403	16,927,951	(5,270)	16,922,681

Noxious weed control	650,000	700,000		700,000
Missouri River enforcement	275,939	282,994	(454)	282,540
Grants, gifts, and donations	800,000	828,272	(753)	827,519
Nongame wildlife conservation	120,000	120,000		120,000
Lonetree reservoir	1,935,636	1,826,017	(3,012)	1,823,005
Wildlife services	384,400	384,400		384,400
Accrued leave payments	816,366			
Total all funds	\$67,553,639	\$77,077,667	(\$518,955)	\$76,558,712
Less estimated income	67,553,639	77,077,667	(518,955)	76,558,712
General fund	\$0	\$0	\$0	\$0
FTE	158.00	161.00	0.00	161.00

### Department No. 720 - Game and Fish Department - Detail of House Changes

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Removes One- Time Funding for Devils Lake Storage Building <sup>2</sup>	Removes One- Time Funding for State Fair Shooting Skills Building <sup>3</sup>	Total House Changes
Salaries and wages	(\$109,466)			(\$109,466)
Operating expenses				
Capital assets		(200,000)	(200,000)	(400,000)
Grants				
Land habitat and deer depredation	(5,270)			(5,270)
Noxious weed control	(454)			(454)
Missouri River enforcement	(753)			(753)
Grants, gifts, and donations				
Nongame wildlife conservation				
Lonetree reservoir	(3,012)			(3,012)
Wildlife services				
Accrued leave payments				
Total all funds	(\$118,955)	(\$200,000)	(\$200,000)	(\$518,955)
Less estimated income	(118,955)	(200,000)	(200,000)	(518,955)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is removed from special funds for a Devils Lake storage building.

<sup>3</sup> Funding is removed from special funds for a shooting skills building on the state fairgrounds.

A section is added to provide for a Legislative Management study regarding Game and Fish Department licenses provided to entities for the purpose of fundraising.

### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2043

Page 1, line 1, after "50-24.1" insert "and a new subsection to section 50-24.6-04"

Page 1, line 3, remove "and"

Page 1, line 3, after "technicians" insert ",drug manufacturer rebates"

Page 1, after line 13, insert:

**"SECTION 2.** A new subsection to section 50-24.6-04 of the North Dakota Century Code is created and enacted as follows:

The department may negotiate additional rebates from drug manufacturers to supplement the rebates required by federal law governing the medical assistance program. Additionally, the department may join a multistate supplemental drug rebate pool, and if the department negotiates additional rebates outside this pool, any other manufacturer must be allowed to match those rebates."

Renumber accordingly

#### HOUSE AMENDMENTS TO SENATE BILL NO. 2274

Page 1, line 10, replace "identifies" with "identified"

Page 1, line 10, remove "or otherwise"

Page 2, line 18, remove "or maintains the applicant's address of record. The court shall review the chief"

Page 2, line 19, replace "law enforcement officer's decision to deny the certification de novo" with "in accordance with the procedures provided in section 28-34-01"

Page 2, line 21, remove the second "not"

Page 2, line 22, replace "any substantial" with "insufficient"

Page 2, line 22, replace "that supports" with "to support"

Renumber accordingly

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2348

In lieu of the amendments adopted by the House as printed on page 1152 of the House Journal, Engrossed Senate Bill No. 2348 is amended as follows:

Page 1, line 10, after "training" insert "in the most recent nationally recognized course"

Page 1, line 12, remove "by means of:"

Page 1, remove lines 13 and 14

Page 1, line 15, remove "(2)            A"

Page 1, line 15, overstrike "nationally recognized course"

Page 1, line 16, remove the overstrike over the period

Page 1, line 16, remove "provided by an entity other than one"

Page 1, remove lines 17 through 19

Renumber accordingly

#### HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2377

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-61-01.9 of the North Dakota Century Code, relating to severance tax for commercial leonardite; to amend and reenact subsection 5 of section 38-11.2-01, sections 38-12.1-01, 38-12.1-02, 38-12.1-03, 38-12.1-04, 38-12.1-05, and 38-14.1-02, subsection 3 of section 38-14.1-05, subsection 3 of section 38-14.1-13, subdivisions r and s of subsection 1 of section 38-14.1-14, subdivision c of subsection 2 of section 38-14.1-14, paragraph 2 of subdivision e of subsection 3 of section 38-14.1-21, subdivision b of subsection 4 of section 38-14.1-21, subsections 1 and 1.1 of section 38-14.1-24, subdivision b of subsection 3 of section 38-14.1-24, subsections 5, 10, and 18 of section 38-14.1-24, section 38-14.1-25, subdivision b of subsection 1 of section 38-14.1-27, subsections 1, 3, and 4 of section 38-14.1-37,

and section 38-15-01, 38-15-02, 38-18-07, and section 47-10-24 of the North Dakota Century Code, relating to the definition of coal and commercial leonardite; and to provide for application.

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

**SECTION 1. AMENDMENT.** Subsection 5 of section 38-11.2-01 of the North Dakota Century Code is amended and reenacted as follows:

5. "Subsurface mineral" means any naturally occurring element or compound recovered under the provisions of chapter 38-12, but for the purpose of this chapter excludes coal, commercial leonardite, oil and gas, sand and gravel, and rocks crushed for sand and gravel.

**SECTION 2. AMENDMENT.** Section 38-12.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-01. Legislative findings.**

The legislative assembly of the state of North Dakota finds that:

1. The discovery and evaluation of coal or commercial leonardite deposits is advantageous in an industrial society.
2. Coal or commercial leonardite occurs hidden under the ground and must be searched for by diverse techniques, and that the search, exploration, or prospecting for coal or commercial leonardite is a necessary and expensive prerequisite to coal or commercial leonardite extraction and for land use planning in coal-bearing or commercial leonardite-bearing areas.
3. It is to the benefit of society to allow coal or commercial leonardite exploration and to require the information generated from exploration to be available to the office of the state geologist.

**SECTION 3. AMENDMENT.** Section 38-12.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-02. Declaration of policy.**

It is hereby declared to be in the public interest to have persons engaged in coal or commercial leonardite exploration or evaluation report their findings to the office of the state geologist so that data on the location, quantity, and quality of coal or commercial leonardite, and the characteristics of associated material, will be available to assist the state in determining what the attitude of the state should be regarding future development of coal or commercial leonardite resources.

**SECTION 4. AMENDMENT.** Section 38-12.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-03. Definitions.**

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

1. "Coal" means a dark-colored, compact, and earthy organic rock with less than forty percent inorganic components, based on dry material, formed by the accumulation and decomposition of plant material. The term includes lignite in both oxidized and nonoxidized forms, whether or not the material is enriched in radioactive materials. The term does not include commercial leonardite.
2. "Coal exploration" means:
  - a. The use of any technique which when applied to the surface of the land will aid in the discovery or evaluation of coal or commercial

leonardite or aid in determining the quantity and quality of coal or commercial leonardite present. It includes drilling or digging, excavating, core sample drilling and collection, diamond drilling, trenching, or any other type of penetration of the surface of the earth; or

- b. Environmental data gathering activities conducted for the purpose of establishing the conditions of an area prior to applying for a permit under chapter 38-14.1. The provisions of sections 38-12.1-04 and 38-12.1-05 are not applicable to such environmental data gathering activities unless the natural land surface will be substantially disturbed or such activities are located on lands designated unsuitable for mining under section 38-14.1-05.
3. "Commercial leonardite" means a dark-colored, soft, earthy rock formed from the oxidation of lignite coal, and is produced from a mine that has as its only function for supply for purposes other than gasification or combustion to generate electricity.
4. "Commission" means the industrial commission of the state of North Dakota.
- 4.5. "Permit area" means a county.
- 5.6. "Person" means and includes any natural person, corporation, limited liability company, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof; the masculine gender, in referring to a person, includes the feminine and the neuter genders.
- 6.7. "Road" means a surface or right of way for purposes of travel by land vehicles used in coal or commercial leonardite exploration. A road consists of the entire area of the right of way, including the roadbed, shoulders, parking and side areas, approaches, structures, ditches, and surface.

**SECTION 5. AMENDMENT.** Section 38-12.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-04. Jurisdiction of commission.**

The commission has jurisdiction and authority over all persons and property, both public and private, necessary to effectively enforce the provisions of this chapter. The director of mineral resources shall act as a supervisor charged with the duty of enforcing the regulations and orders of the commission applicable to the provisions of this chapter. The commission has authority to make such investigations as it deems proper to determine whether facts exist which justify action by the commission. The commission acting through the director of mineral resources has the authority:

1. To require:
  - a. The furnishing of a reasonable bond with good and sufficient surety, conditioned upon the full compliance with the provisions of this chapter, and the rules and orders of the commission prescribed to govern the exploration for coal or commercial leonardite on state and private lands and roads used in coal or commercial leonardite exploration within the state of North Dakota. The person required to furnish the bond may elect to deposit a collateral bond, self-bond, cash, or any alternative form of security approved by the commission, or combination thereof, by which a permittee assures faithful performance of all requirements of this chapter and the rules and orders of the industrial commission.

- b. The delivery, free of charge, to the state geologist of the basic data collected during the course of the exploration within a reasonable time as may be prescribed by the state geologist. The data so submitted is confidential and available only to the office of the state geologist for official purposes for a period of two years, and such period of confidentiality must, upon application, be extended for one-year periods by the state geologist, for a total period not to exceed ten years unless it is demonstrated that such period should be further extended in order to prevent possible resulting harm to the person, or the person's successors and assigns, who delivered such basic data to the state geologist. The basic data must include, if specifically requested by the state geologist and if the information has been developed by or for a person conducting the exploration:
  - (1) Sample cuts.
  - (2) Drillers' logs, sample logs, radioactivity logs, resistivity logs, or other types of electrical or mechanical logs.
  - (3) Elevation and location information on the data collection points.
  - (4) Other pertinent information as may be required by the state geologist.
2. To require the plugging, covering, or reburial in an appropriate manner so as to protect environmental quality, general health and safety, and economic values of all holes, pits, or trenches excavated during the course of coal or commercial leonardite exploration.
3. To promulgate and enforce rules, regulations, and orders to effectuate the provisions, purpose, and intent of this chapter.
4. To inspect all drilling or exploration sites. For the purposes of this subsection, the director of mineral resources or the director's representative shall have access to all drilling or exploration installations regulated by this chapter for the purpose of inspection and sampling and shall have the authority to require the operators' aid if the director finds it necessary and requests it.
5. Notwithstanding any of the other provisions of this section, the commission acting through the director of mineral resources shall require that any lands substantially disturbed in coal or commercial leonardite exploration, including excavations, roads, and drill holes, and the removal of necessary facilities and equipment be reclaimed in accordance with the applicable performance standards of section 38-14.1-24. Reclamation must be accomplished to protect environmental quality, general health and safety, and economic values.

**SECTION 6. AMENDMENT.** Section 38-12.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**38-12.1-05. Notice and drilling permit required - Exceptions - Limits on coal or commercial leonardite removal.**

1. It is unlawful to commence operations for drilling for the exploration for coal or commercial leonardite without first obtaining a permit from the director of mineral resources, under such rules and regulations as may be prescribed by the commission, and paying to the commission a fee of one hundred dollars for each such permit area. The permit application must include a description of the exploration area and the period of proposed exploration. The permit must be granted within thirty days after a proper application has been submitted.
2. This permit may not be required:

- a. In an area where a permit to conduct surface coal mining operations is in effect pursuant to chapter 38-14.1;
  - b. For holes drilled to guide excavating equipment in an operating mine;
  - c. In areas where a drill hole is required by any other state agency; or
  - d. For environmental data gathering activities that do not substantially disturb the land, unless the environmental data gathering activities are located on land designated unsuitable for mining under section 38-14.1-05.
3. No person may remove more than two hundred fifty tons [226.80 metric tons] of coal or commercial leonardite pursuant to an exploration permit without first obtaining a permit from the public service commission.

**SECTION 7. AMENDMENT.** Section 38-14.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-14.1-02. Definitions.**

Wherever used or referred to in this chapter, unless a different meaning clearly appears from the context:

1. "Alluvial valley floors" means the unconsolidated stream-laid deposits holding streams where water availability is sufficient for subirrigation or flood irrigation agricultural activities but does not include upland areas which are generally overlain by a thin veneer of colluvial deposits composed chiefly of sediment from sheet erosion, deposits by unconcentrated runoff or slope wash, together with talus, other mass movement accumulation, and windblown deposits.
2. "Approximate original contour" means that surface configuration achieved by backfilling and grading an area affected by surface coal mining operations so that the reclaimed area closely resembles the general surface configuration of the land prior to being affected by surface coal mining operations and blends into and complements the surrounding undisturbed land.
3. "Coal" means a dark-colored compact and earthy organic rock with less than forty percent inorganic components, based on dry material, formed by the accumulation and decomposition of plant material. The term includes consolidated lignitic coal, in both oxidized and nonoxidized forms, having less than eight thousand three hundred British thermal units per pound [453.59 grams], moist and mineral matter free, whether or not the material is enriched in radioactive materials. The term does not include commercial leonardite.
4. "Commercial leonardite" means a dark-colored, soft, earthy organic rock formed from the oxidation of lignite coal, and is produced from a mine that has as its only function for supply for purposes other than gasification or combustion to generate electricity.
5. "Commission" means the public service commission, or such other department, bureau, or commission as may lawfully succeed to the powers and duties of that commission. The commission is the state regulatory authority for all purposes relating to the Surface Mining Control and Reclamation Act of 1977 [Pub. L. 95-87; 91 Stat. 445; 30 U.S.C. 1201 et seq.].
- 5-6. "Extended mining plan" means a written statement setting forth the matters specified in section 38-14.1-15 and covering the estimated life of the surface coal mining operation.

- ~~6-7.~~ "Final cut" means the last pit created in a surface mining pit sequence.
- ~~7-8.~~ "Highwall" and "endwall" mean those sides of the pit adjacent to unmined land.
- ~~8-9.~~ "Imminent danger to the health and safety of the public" means the existence of any condition or practice, or any violation of a permit or other requirement of this chapter in a surface coal mining and reclamation operation, which condition, practice, or violation could reasonably be expected to cause substantial physical harm to persons outside the permit area before such condition, practice, or violation can be abated. A reasonable expectation of death or serious injury before abatement exists if a rational person, subjected to the same conditions or practices giving rise to the peril, would not expose the person's self to the danger during the time necessary for abatement.
- ~~9-10.~~ "Operator" means any individual, person, partnership, firm, association, society, joint stock company, company, cooperative, corporation, limited liability company, or other business organization, or any department, agency, or instrumentality of the state, local, or federal government, or any governmental subdivision thereof including any publicly owned utility or publicly owned corporation of the state, local, or federal government, engaged in or controlling a surface coal mining operation. Operator does not include those who remove or intend to remove two hundred fifty tons [226.80 metric tons] or less of coal or commercial leonardite from the earth by coal or commercial leonardite mining within twelve consecutive calendar months in any one location or who remove any coal or commercial leonardite pursuant to reclamation operations under chapter 38-14.2.
- ~~10-11.~~ "Other minerals" means clay, stone, sand, gravel, metalliferous and nonmetalliferous ores, and any other solid material or substances of commercial value occurring within five hundred feet [152.4 meters] or less of the land surface and which are excavated in solid form from natural deposits on or in the earth, exclusive of coal or commercial leonardite and those minerals which occur naturally in liquid or gaseous form.
- ~~11-12.~~ "Other suitable strata" means those portions of the overburden determined by the commission to be suitable for meeting the requirements of subsections 2 and 17 of section 38-14.1-24 and based on data submitted by the permit applicant.
- ~~12-13.~~ "Overburden" means all of the earth and other materials, with the exception of suitable plant growth material, which lie above natural deposits of coal or commercial leonardite and also means such earth and other materials, with the exception of suitable plant growth material, disturbed from their natural state by surface coal or commercial leonardite mining operations.
- ~~12-1-14.~~ "Performance bond" means a surety bond, collateral bond, self-bond, deposit, a bond issued under the state surface mining and reclamation bond fund, any alternative form of security approved by the commission, or combination thereof, by which a permittee assures faithful performance of all requirements of this chapter.
- ~~13-15.~~ "Permit" means a permit to conduct surface coal mining and reclamation operations issued by the commission.
- ~~14-16.~~ "Permit applicant" means a person or operator applying for a permit.
- ~~15-17.~~ "Permit area" means the area of land approved by the commission for surface coal mining operations which shall be readily identifiable by appropriate markers on the site.

- ~~16-18.~~ "Permit renewal" means the extension of the permit term for areas within the boundaries of the initial or existing permit, upon the expiration of the initial or existing permit term.
- ~~17-19.~~ "Permit revision" means the modification of permit provisions during the term of the permit and includes changes in the mining and reclamation plans, incidental boundary extensions, and the transfer, assignment, or sale of rights granted under the permit.
- ~~18-20.~~ "Permit term" means a period of time beginning with the date upon which a permit is given for surface coal mining and reclamation operations under the provisions of this chapter, and ending with the expiration of the next succeeding five years plus any renewal of the permit granted under this chapter.
- ~~19-21.~~ "Permittee" means a person or operator holding a permit.
- ~~20-22.~~ "Person" means an individual, partnership, firm, association, society, joint stock company, company, cooperative, corporation, limited liability company, or other business organization.
- ~~21-23.~~ "Pit" means a tract of land, from which overburden, ~~or coal, or commercial leonardite,~~ or both, any combination of overburden, coal, or commercial leonardite has been or is being removed for the purpose of surface coal mining operations.
- ~~22-24.~~ "Prime farmland" means lands as prescribed by commission regulation that have the soil characteristics and moisture supply needed to produce sustained high yields of adapted crops economically when treated and managed, including management of water, according to modern farming methods. Furthermore, such lands historically have been used for intensive agricultural purposes and are large enough in size to constitute a viable economic unit.
- ~~23-25.~~ "Prime soils" means those soils that have the required soil characteristics (including slope and moisture supply) needed to produce sustained high yields of adapted crops, as determined by the state conservationist of the United States department of agriculture soil conservation service.
- ~~24-26.~~ "Reclaimed" or "reclaim" means conditioning areas affected by surface coal mining operations to make them capable of supporting the uses which they were capable of supporting prior to any mining, or higher or better uses, pursuant to subsection 2 of section 38-14.1-24.
- ~~25-27.~~ "Reclamation plan" means a plan submitted by an applicant for a permit which sets forth a plan for reclamation of the proposed surface coal mining operations pursuant to subsection 2 of section 38-14.1-14.
- ~~26-28.~~ "Refuse" means all waste material directly connected with the production of coal or commercial leonardite mined by surface coal mining operations.
- ~~27-29.~~ "Soil amendments" means those materials added by the operator to the replaced overburden or suitable plant growth material, or both, to improve the physical or chemical condition of the soil in its relation to plant growth capability.
- ~~28-30.~~ "Soil classifier" means a professional soil classifier as defined in subsection 4 of section 43-36-01.
- ~~29-31.~~ "Soil survey" means the identification and location of all suitable plant growth material within the proposed permit area and an accompanying report that describes, classifies, and interprets for use such materials.

- ~~30-32.~~ "State program" means the program established by the state of North Dakota in accordance with the requirements of section 503 of the federal Surface Mining Control and Reclamation Act of 1977 [Pub. L. 95-87; 91 Stat. 470; 30 U.S.C. 1253] to regulate surface coal mining and reclamation operations on lands within the state of North Dakota.
- ~~31-33.~~ "Suitable plant growth material" means that soil material (normally the A, B, and portions of the C horizons) located within the proposed permit area which, based upon a soil survey, is found by the commission to be the most acceptable as a medium for plant growth when respread on the surface of regraded areas.
- ~~32-34.~~ "Surface coal mining and reclamation operations" means surface coal mining operations and all activities necessary and incidental to the reclamation of such operations after July 1, 1979.
- ~~33-35.~~ "Surface coal mining operations" means:
- a. Activities affecting the surface of lands in connection with a surface coal or commercial leonardite mine. Such activities include extraction of coal or commercial leonardite from coal or commercial leonardite refuse piles, excavation for the purpose of obtaining coal or commercial leonardite, including such common methods as contour, strip, auger, box cut, open pit, and area mining, the uses of explosives and blasting, and in situ distillation or retorting, leaching or other chemical or physical processing, and the cleaning, concentrating, or other processing or preparation, and loading of coal or commercial leonardite at or near the minesite, except that such activities do not include coal or commercial leonardite exploration subject to chapter 38-12.1, or the extraction of coal or commercial leonardite incidental to reclamation operations under chapter 38-14.2; and
  - b. The areas upon which such activities occur or where such activities disturb the natural land surface. Such areas shall also include any adjacent land the use of which is incidental to any such activities, all adjacent lands affected by the construction of new roads or the improvement or use of existing roads to gain access to the site of such activities and for haulage, and excavations, workings, impoundments, dams, refuse banks, dumps, stockpiles, overburden piles, spoil banks, culm banks, tailings, holes or depressions, repair areas, storage areas, processing areas, shipping areas, and other areas upon which are sited structures, facilities, or other property or materials on the surface, resulting from or incident to such activities.
- ~~34-36.~~ "Unwarranted failure to comply" means the failure of a permittee to prevent the occurrence of any violation of the permittee's permit or any requirement of this chapter due to indifference, lack of diligence, or lack of reasonable care, or the failure to abate any violation of such permit or this chapter due to indifference, lack of diligence, or lack of reasonable care.

**SECTION 8. AMENDMENT.** Subsection 3 of section 38-14.1-05 of the North Dakota Century Code is amended and reenacted as follows:

3. Prior to designating any land area as unsuitable for surface coal mining operations, the commission shall prepare a detailed statement on:
  - a. The potential coal or commercial leonardite resources of the area;
  - b. The demand for coal or commercial leonardite resources; and
  - c. The impact of such designation on the environment, the economy, and the supply of coal or commercial leonardite.

**SECTION 9. AMENDMENT.** Subsection 3 of section 38-14.1-13 of the North Dakota Century Code is amended and reenacted as follows:

3. Upon request by the permit applicant, the commission, in its discretion, may designate specific information included in the plans required by subdivisions c and d of subsection 1 as exempt from disclosure under section 44-04-18, provided such specific information pertains only to the analysis of the chemical and physical properties of the coal or commercial leonardite (excepting information regarding such mineral or elemental contents which is potentially toxic in the environment). Each request must be accompanied by a statement specifying the need for nondisclosure, which statement must be considered part of the permit application to be filed for public inspection as specified in subsection 2. The confidential information is exempt for a period not to exceed ten years subsequent to the date on which the request for nondisclosure was filed, unless it is demonstrated by the permit applicant that such period should be further extended in order to prevent possible resulting harm to the permit applicant, or the applicant's successors and assigns.

**SECTION 10. AMENDMENT.** Subdivisions r and s of subsection 1 of section 38-14.1-14 of the North Dakota Century Code are amended and reenacted as follows:

- r. Cross sections, maps or plans of the land to be affected, including the actual area to be mined, prepared by or under the direction of and certified by a registered professional engineer, a registered land surveyor, or a qualified professional geologist with assistance from experts in related fields, showing pertinent elevation and location of test borings or core samplings and depicting all of the following information:
  - (1) The nature and depth of the various strata of overburden.
  - (2) The location of subsurface water, if encountered, and its quality.
  - (3) The nature and thickness of any coal, commercial leonardite, or rider seam above the coal or commercial leonardite seam to be mined.
  - (4) The nature of the stratum immediately beneath the coal or commercial leonardite seam to be mined.
  - (5) All mineral crop lines and the strike and dip of the coal or commercial leonardite to be mined, within the area of land to be affected.
  - (6) Existing or previous surface mining limits.
  - (7) The location and extent of known workings of any underground mines, including mine openings to the surface.
  - (8) The location of aquifers.
  - (9) The estimated elevation of the water table.
  - (10) The location of spoil, waste, or refuse areas, suitable plant growth material stockpiling areas and, if necessary, stockpiling areas for other suitable strata.
  - (11) The location of all impoundments for waste or erosion control.
  - (12) Any settling or water treatment facility.

- (13) Constructed or natural drainways and the location of any discharges to any surface body of water on the area of land to be affected or adjacent thereto.
- (14) Profiles at appropriate cross sections of the anticipated final surface configuration that will be achieved pursuant to the applicant's proposed reclamation plan.
- s. A statement by the applicant of the result of test borings or core samplings from the permit area, including logs of the drill holes, the thickness of the coal or commercial leonardite seam found, an analysis of the chemical properties of such coal or commercial leonardite, the sulfur content of any coal or commercial leonardite seam, chemical analysis of potentially toxic forming sections of the overburden, and chemical analysis of the stratum lying immediately underneath the coal or commercial leonardite to be mined. The provisions of this subdivision may be waived by the commission with respect to the specific application by a written determination that such requirements are unnecessary.

**SECTION 11. AMENDMENT.** Subdivision c of subsection 2 of section 38-14.1-14 of the North Dakota Century Code is amended and reenacted as follows:

- c. The consideration which has been given to maximize the utilization and conservation of the coal or commercial leonardite being recovered so that reaffected the land in the future can be minimized.

**SECTION 12. AMENDMENT.** Paragraph 2 of subdivision e of subsection 3 of section 38-14.1-21 of the North Dakota Century Code is amended and reenacted as follows:

- (2) Not materially damage the quantity or quality of water in surface or underground water systems that supply these alluvial valley floors. This subdivision does not affect those surface coal mining operations which on July 1, 1979, produce coal or commercial leonardite in commercial quantities and are located within or adjacent to alluvial valley floors or have obtained specific permit approval by the commission to conduct surface coal mining operations within said alluvial valley floors.

**SECTION 13. AMENDMENT.** Subdivision b of subsection 4 of section 38-14.1-21 of the North Dakota Century Code is amended and reenacted as follows:

- b. The commission finds that the proposed surface coal mining operation will constitute a hazard to a dwelling house, public building, school, church, cemetery, commercial or institutional building, public road, stream, lake, or other public or private property other than property subject to a coal or commercial leonardite lease.

**SECTION 14. AMENDMENT.** Subsections 1 and 1.1 of section 38-14.1-24 of the North Dakota Century Code are amended and reenacted as follows:

- 1. Conduct surface coal mining operations so as to maximize the utilization and conservation of the coal or commercial leonardite being recovered so that reaffected the land in the future through surface coal mining can be minimized.
- 1.1. Conduct any auger mining associated with surface coal mining operations in a manner that will maximize recoverability of coal or leonardite and other mineral reserves remaining after mining activities and reclamation operations are completed, and seal or fill all auger holes as necessary to ensure long-term stability of the area and minimize any adverse impact to the environment or hazard to public health or safety. The commission may prohibit auger mining if necessary to maximize the

utilization, recoverability, or conservation of coal or commercial leonardite resources, to ensure long-term stability, or to protect against any adverse impact to the environment or hazard to public health or safety.

**SECTION 15. AMENDMENT.** Subdivision b of subsection 3 of section 38-14.1-24 of the North Dakota Century Code is amended and reenacted as follows:

- b. The permittee, at a minimum, shall backfill, grade, and compact (where advisable) using all available overburden and other spoil and waste materials to attain the lowest practicable grade (not to exceed the angle of repose), to provide adequate drainage, and to contain all toxic materials in order to achieve an ecologically sound land use compatible with the surrounding region, in those instances where:
  - (1) Surface coal mining operations are carried out over a substantial period of time at the same location where the operation transects the coal or commercial leonardite deposit;
  - (2) The thickness of the coal or commercial leonardite deposits relative to the volume of overburden is large; and
  - (3) The permittee demonstrates that the overburden and other spoil and waste materials at a particular point in the permit area or otherwise available from the entire permit area are insufficient, giving due consideration to volumetric expansion, to restore the approximate original contour.

**SECTION 16. AMENDMENT.** Subsections 5, 10, and 18 of section 38-14.1-24 of the North Dakota Century Code are amended and reenacted as follows:

- 5. Remove, segregate, and respread suitable plant growth material as required by the commission within the permit area. The commission may require the permittee to segregate suitable plant growth material in two or more soil layers. The commission shall determine the soil layer or layers to be removed based upon the quality and quantity of suitable plant growth material inventoried by the soil survey required in subdivision t of subsection 1 of section 38-14.1-14. Based on the soil survey, the commission shall also determine whether other suitable strata are necessary to meet revegetation requirements. If other strata can be shown to be suitable and necessary to meet revegetation requirements, the commission may require the permittee to determine the areal extent of other suitable strata within the proposed permit area, and to remove, segregate, protect, and respread such material. If the suitable plant growth material or other suitable strata cannot be replaced on an approved graded area within a time short enough to avoid deterioration of such material, the permittee shall stockpile and stabilize such materials by establishing a successful cover of quick-growing plants or by other means thereafter so that the suitable plant growth material or other suitable strata will be protected from wind and water erosion and will remain free from any contamination by toxic material. In the interest of achieving the maximum reclamation provided for in this chapter, the permittee may, or at the discretion of the commission shall, utilize such soil amendments as described in ~~subsection 27 of~~ section 38-14.1-02.
- 10. Remove or bury all debris and other similar material resulting from the operation and bury all mine wastes and, coal, and commercial leonardite processing wastes unless the commission approves the surface disposal of such wastes. If the commission approves the surface disposal of such wastes, the permittee shall stabilize all waste piles in designated areas through construction in compacted layers, including the use of incombustible and impervious materials if necessary, to assure that the final contour of the waste pile will be compatible with natural surroundings and that the site can and will be stabilized and revegetated according to the provisions of this chapter.

18. Assume the responsibility for successful revegetation, as required by subsection 17, for a period of ten full years after the last year of augmented seeding, fertilizing, irrigation, or other work, provided that, when the commission approves a long-term intensive agricultural postmining land use, the ten-year period of responsibility for revegetation commences at the date of initial planting. However, for previously mined areas that are affected by remining, the operator's responsibility for successful revegetation will extend for a period of five full years after the last year of augmented seeding, fertilizing, irrigation, and other work in order to assure compliance with the applicable standards. For the purposes of this subsection, "previously mined areas" are lands that were affected by coal or commercial leonardite mining activities prior to January 1, 1970, and "augmented seeding, fertilizing, irrigation, or other work" does not include normal conservation practices recognized locally as good management for the postmining land use.

**SECTION 17. AMENDMENT.** Section 38-14.1-25 of the North Dakota Century Code is amended and reenacted as follows:

**38-14.1-25. Prohibited mining practices.**

1. ~~No~~A permittee may not use any coal or commercial leonardite mine waste piles consisting of mine wastes, tailings, coal processing wastes, or other liquid or solid wastes either temporarily or permanently as dams or embankments unless approved by the commission, after consultation with the state engineer.
2. ~~No~~A permittee may not locate any part of the surface coal mining and reclamation operations or deposit overburden, debris, or waste materials outside the permit area for which bond has been posted, except as provided in subsection 24 of section 38-14.1-03.
3. ~~No~~A permittee may not deposit overburden, debris, or waste materials in such a way that normal erosion or slides brought about by natural causes will permit the same to go beyond or outside the permit area for which bond has been posted.

**SECTION 18. AMENDMENT.** Subdivision b of subsection 1 of section 38-14.1-27 of the North Dakota Century Code is amended and reenacted as follows:

- b. For those surface coal mining and reclamation operations which remove or disturb strata that serve as aquifers which significantly ensure the hydrologic balance of water use either on or off the mining site, the commission, in consultation with other appropriate state agencies, shall specify those:
  - (1) Monitoring sites to record the quantity and quality of surface drainage above and below the minesite as well as in the potential zone of influence.
  - (2) Monitoring sites to record level, amount, and samples of ground water and aquifers potentially affected by the mining and also directly below the lowermost (deepest) coal or commercial leonardite seam to be mined.
  - (3) Records of well logs and borehole data to be maintained.
  - (4) Monitoring sites to record precipitation.

The monitoring data collection and analysis required by this section must be conducted according to standards and procedures set forth by the commission in consultation with other appropriate state agencies in order to assure their reliability and validity.

**SECTION 19. AMENDMENT.** Subsections 1, 3, and 4 of section 38-14.1-37 of the North Dakota Century Code are amended and reenacted as follows:

1. The provisions of this chapter do not apply to any of the following activities:
  - a. Extraction of coal or commercial leonardite by a landowner for the landowner's own noncommercial use from land owned or leased by the landowner.
  - b. Extraction of coal or commercial leonardite as an incidental part of federal, state, or local government-financed highway or other construction under regulations established by the commission.
3. The commission may provide or assume the cost of training coal or commercial leonardite operators who meet the qualifications in subsection 2 concerning the preparation of permit applications and compliance with the regulatory program.
4. An operator who has received assistance under subsection 2 or 3 shall reimburse the commission for the cost of the services rendered if the commission finds that the operator's actual and attributed annual production of coal or commercial leonardite for all locations exceeds three hundred thousand tons [272155.41 metric tons] during the twelve months immediately following the date the operator is issued a surface coal mining and reclamation permit.

**SECTION 20. AMENDMENT.** Section 38-15-01 of the North Dakota Century Code is amended and reenacted as follows:

**38-15-01. Policy.**

It is hereby declared to be in the public interest to foster, encourage, and promote the development, production, and utilization of all natural resources of coal, commercial leonardite, oil, gas, and subsurface minerals in a manner as will prevent waste and allow a greater ultimate recovery of the natural resources, and to protect the rights of all owners so that the greatest possible economic recovery of natural resources be obtained in the state, to the end that landowners, royalty owners, producers, and the general public realize and enjoy the greatest possible good from these vital natural resources.

**SECTION 21. AMENDMENT.** Section 38-15-02 of the North Dakota Century Code is amended and reenacted as follows:

**38-15-02. Definitions.**

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

1. "Coal" means all kinds of coal, and includes what is known as lignite coal, unless a contrary intention plainly appears.
2. "Commercial leonardite" means a dark-colored, soft, earthy rock formed from the oxidation of lignite coal, and is produced from a mine that has as its only function for supply for purposes other than gasification or combustion to generate electricity.
3. "Commission" means the industrial commission.
- ~~3-4.~~ "Conflicting interests" means those interests of producers which are in conflict, so that full production and utilization by one producer is prohibited or impeded by the interests of another producer of a separate natural resource.
- ~~4-5.~~ "Gas" means all natural gas and other fluid hydrocarbons not hereinbelow defined as oil.

- 5-6. "Natural resources" means coal, oil, gas, and subsurface minerals as defined herein.
- 6-7. "Oil" means crude petroleum oil and other hydrocarbons, regardless of gravity, which are produced at the wellhead in liquid form, and the liquid hydrocarbons known as distillate or condensate recovered or extracted from gas other than gas produced in association with oil and commonly known as casinghead gas.
- 7-8. "Owner" means the person who has the right to produce natural resources either for that person or others.
- 8-9. "Person" means any natural person, corporation, limited liability company, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any department, agency, instrumentality, or political subdivision of the state. The masculine gender, in referring to a person, includes the feminine and the neuter genders.
- 9-10. "Producer" means the owner of a well or wells, or mine or mines, capable of producing coal, commercial leonardite, oil, gas, or subsurface minerals.
- 10-11. "Subsurface minerals" means all naturally occurring elements and their compounds, volcanic ash, precious metals, carbonates, and natural mineral salts of boron, bromine, calcium, fluorine, iodine, lithium, magnesium, phosphorus, potassium, sodium, thorium, uranium, and sulfur, and their compounds but does not include sand and gravel and rocks crushed for sand and gravel.
- 11-12. "Waste" means the inefficient utilization of reserves of oil, gas, subsurface minerals, ~~or coal~~, or commercial leonardite, as the case may be.

**SECTION 22. AMENDMENT.** Section 38-18-05 of the North Dakota Century Code is amended and reenacted as follows:

**38-18-05. Definitions.**

In this chapter, unless the context or subject matter otherwise requires:

1. "Agricultural production" means the production of any growing grass or crop attached to the surface of the land, whether or not the grass or crop is to be sold commercially, and the production of any farm animals, including farmed elk, whether or not the animals are to be sold commercially.
2. "Disturbed" means any alteration of the topsoil of the land whether the alteration is for the purpose of exploring for coal or commercial leonardite, or for the purpose of carrying out an actual mining operation.
3. "Mineral developer" means the person who acquires at least seventy-five percent of the mineral rights or a lease of at least seventy-five percent of the mineral rights for the purpose of extracting or using the mineral for nonagricultural purposes.
4. "Mineral estate" means an estate in or ownership of all or part of the minerals under a specified tract of land.
5. "Mineral lease" means any lease which purports to convey the minerals or rights relating to the minerals under a specified tract of land separate from the surface, and any other type of lease which gives or conveys rights to minerals.

6. "Mineral owner" means any person or persons who presently own the mineral estate, their successors, assigns, or predecessors in title, under a specified tract of land by means of a mineral deed, or by an exception or reservation in the deed, grant, or conveyance of the surface, or by any other means whatsoever.
7. "Minerals" means coal or commercial leonardite.
8. "Mining operation" means any type of activity, the aim of which is to discover the presence of minerals, or to remove the minerals so discovered from their original position on or in the land by any means whatsoever.
9. "Surface estate" means an estate in or ownership of the surface of a particular tract of land.
10. "Surface owner" means the person or persons who presently have valid title to the surface of the land, their successors, assigns, or predecessors in title, regardless of whether or not a portion of the land surface is occupied for a residence.

**SECTION 23. AMENDMENT.** Section 38-18-07 of the North Dakota Century Code is amended and reenacted as follows:

**38-18-07. Surface damage and disruption payments.**

1. Unless the mineral lease, surface lease, or consent statement executed by the surface owner provides for payments to the surface owner, the mineral developer shall annually pay to the surface owner a sum of money equal to the amount of damages sustained by the surface owner for loss of agricultural production caused by mining activity, provided that it can be shown that the land disturbed or to be disturbed has regularly been used for agricultural production. The amount of damages may be determined by any formula mutually agreeable between the surface owner and the mineral developer. The payments contemplated by this section only cover land actually mined, disturbed, or to be mined during the year or years during which agricultural production was actually interrupted and which land has not been restored to the level of agricultural productivity required by the plan submitted pursuant to chapter 38-14.1. The payments to be made hereunder must be made before December thirty-first of that calendar year in which the loss occurred.
2. Unless waived by the owner of a farm building, if the coal or commercial leonardite removal area of a surface mining operation comes within five hundred feet [152.4 meters] of any farm building, the mineral developer shall pay to the owner of the farm building either the fair market value of the farm building or the entire cost of removing the farm building to a location where the coal or commercial leonardite removal area of the mining operation will not come within five hundred feet [152.4 meters] of such building or buildings. The payments contemplated hereunder are in addition to any payments required by the terms of any mineral lease, unless the surface owner is a party to the lease and the lease provides for damages as contemplated in this subsection in an amount not less than the amount which would be recoverable under this section.
3. The rights granted to the surface owner by this section are hereby declared to be absolute and unwaivable, except as provided in subsection 2. Any instrument which purports to waive rights granted by this section is null and void and of no legal effect.

**SECTION 24.** Section 57-61-01.9 of the North Dakota Century Code is created and enacted as follows:

**57-61-01.9. Severance tax on commercial leonardite in lieu of sales and use taxes.**

A tax of thirty-seven and one-half cents per ton of two thousand pounds [907.18 kilograms] is imposed on all commercial leonardite severed for sale or for industrial purposes within this state. A mine operator shall remit the tax for each month within twenty-five days after the end of each month to the state tax commissioner. The mine operator shall submit the tax with any report or any form required by the state tax commissioner.

**SECTION 25. APPLICATION.** Notwithstanding any provision of this Act, the rates or application of severance and conversion taxation of coal or leonardite are not amended except as provided in section 24."

Renumber accordingly

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2030, SB 2332, SB 2333, SCR 4003.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2030**

Page 1, line 19, after "misdemeanor" insert "for a first offense and a class C felony for any subsequent offense"

Renumber accordingly

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2332**

Page 1, line 16, remove "within seventy-five miles of the"

Page 1, line 17, remove "offender's residence or is available online"

Page 1, line 17, replace "a first" with "an"

Renumber accordingly

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2333**

Page 1, line 17, after "a" insert "parent or"

Page 1, line 18, replace "a" with "the"

Page 1, line 21, replace the first "in" with "on"

Page 1, line 21, after "meal" insert "or in an emergency situation"

Page 1, line 24, replace "in" with "on"

Page 2, line 2, replace "in" with "on"

Page 2, line 3, replace "five" with "one"

Page 2, line 3, after "thousand" insert "five hundred"

Renumber accordingly

**HOUSE AMENDMENTS TO REENGROSSED SENATE CONCURRENT RESOLUTION NO. 4003**

Page 2, line 7, after "balance" insert ". Such amount may be used"

Page 2, line 7, replace "the" with "education-related"

Page 2, line 7, remove "of."

Page 2, remove lines 8 through 12

Page 2, line 13, replace "relief to school district patrons" with ". as provided by law"

Renumber accordingly

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2271.

**HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2271**

In addition to the amendments adopted by the House as printed on pages 1095 and 1096 of the House Journal, Engrossed Senate Bill No. 2271 is further amended as follows:

Page 2, line 3, replace "biennium beginning July 1, 2015" with "period beginning with the effective date of this Act"

Renumber accordingly

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

**MR. PRESIDENT:** The House has failed to pass, unchanged: SB 2194, SB 2358.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2070, SB 2139, SB 2226, SB 2292, SB 2312, and SB 2327, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2070:** Sens. Armstrong; Luick; Nelson

**SB 2139:** Sens. Campbell; Rust; Sinner

**SB 2226:** Sens. Cook; Unruh; Triplett

**SB 2292:** Sens. Cook; Laffen; Triplett

**SB 2312:** Sens. Rust; Campbell; Sinner

**SB 2327:** Sens. Hogue; Luick; Nelson

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

**MR. PRESIDENT:** The House has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2050:** Reps. Fehr; Weisz; Muscha

**SB 2066:** Reps. Ruby; Rick C. Becker; Hanson

**SB 2113:** Reps. Froseth; Klein; Mitskog

**SB 2259:** Reps. Klein; Seibel; Oversen

**SB 2334:** Reps. Porter; Rich S. Becker; Mooney

**SB 2367:** Reps. Fehr; Seibel; Mooney

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

**MR. PRESIDENT:** The House has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2052:** Reps. Karls; B. Koppelman; Delmore

**SB 2166:** Reps. Weisz; Rick C. Becker; M. Nelson

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1035, HB 1081, HB 1101, HB 1124, HB 1143, HB 1158, HB 1191, HB 1202, HB 1382, HB 1384, HB 1417, and HB 1434.

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1117, HB 1133, HB 1174, HB 1188, HB 1274, HB 1279, HB 1319, HB 1353, HB 1376, HB 1462, HB 1471, and HCR 3008.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1057, HB 1095, HB 1102, HB 1229, and HB 1359, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1057:** Reps. Steiner; Dockter; Schneider

**HB 1095:** Reps. Lefor; Hofstad; Hunsakor

**HB 1102:** Reps. Ruby; Keiser; Boschee

**HB 1229:** Reps. Laning; Beadle; M. Nelson

**HB 1359:** Reps. Hofstad; Weisz; Oversen

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1249 and HB 1437, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1249:** Reps. Hofstad; D. Anderson; Mock

**HB 1437:** Reps. Olson; Toman; Strinden

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2085, SB 2105, SB 2219, SB 2231, SB 2232, SB 2277, SB 2299, SB 2343, SB 2357, SCR 4006.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2176.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1235, HCR 3004.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2037, SB 2065, SB 2104, SB 2119, SB 2121, SB 2123, SB 2154, SB 2171, SB 2181, SB 2182, SB 2238, SB 2255, SB 2266, SB 2276, SB 2283, SB 2300, SB 2352, SCR 4016.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2085, SB 2105, SB 2176, SB 2219, SB 2231, SB 2232, SB 2277, SB 2299, SB 2343, SB 2357, SCR 4006.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2037, SB 2065, SB 2104, SB 2119, SB 2121, SB 2123, SB 2154, SB 2171, SB 2181, SB 2182, SB 2238, SB 2255, SB 2266, SB 2276, SB 2283, SB 2300, SB 2352.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1041, HB 1186, HB 1194, HB 1238, HB 1352, HB 1370, HB 1394, HB 1395, HCR 3018, HCR 3020, HCR 3026, HCR 3040, HCR 3046.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1235, HCR 3004.

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

**MR. PRESIDENT:** The Speaker has signed: HCR 3003, HCR 3004, HCR 3005, HCR 3006, HCR 3018, HCR 3020, HCR 3026.

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

**MR. PRESIDENT:** The Speaker has signed: HCR 3040, HCR 3046.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 6, 2015: SB 2037, SB 2065, SB 2104, SB 2119, SB 2121, SB 2123, SB 2154, SB 2171, SB 2181, SB 2182, SB 2238, SB 2255, SB 2266, SB 2276, SB 2283, SB 2300, SB 2352.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 6, 2015, I have signed the following: SB 2077 and SB 2086.

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 9:00 a.m., Tuesday, April 7, 2015, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1001, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1001 was placed on the Sixth order on the calendar.

Page 1, line 4, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace lines 17 through 21 with:

"Salaries and wages	\$9,205,759	\$811,614	\$10,017,373
Operating expenses	3,940,926	1,109,005	5,049,931
Capital assets	0	416,800	416,800
National conference of state legislatures	<u>233,286</u>	<u>7,977</u>	<u>241,263</u>
Total general fund	\$13,379,971	\$2,345,396	\$15,725,367"

Page 2, replace lines 3 through 10 with:

"Salaries and wages	\$8,660,860	\$885,837	\$9,546,697
Accrued leave payments	143,087	(143,087)	0
Operating expenses	3,753,527	(271,091)	3,482,436
Capital assets	<u>0</u>	<u>30,000</u>	<u>30,000</u>
Total all funds	\$12,557,474	\$501,659	\$13,059,133
Less estimated income	<u>69,999</u>	<u>1</u>	<u>70,000</u>
Total general fund	\$12,487,475	\$501,658	\$12,989,133
Full-time equivalent positions	37.00	0.00	37.00"

Page 2, replace lines 15 through 17 with:

"Grand total general fund	\$25,867,446	\$2,847,054	\$28,714,500
Grand total special funds	<u>69,999</u>	<u>1</u>	<u>70,000</u>
Grand total all funds	\$25,937,445	\$2,847,055	\$28,784,500"

Page 2, replace lines 24 through 29 with:

"Legislative wing equipment and improvements	\$500,000	\$400,000
Information technology projects	42,000	0
Information technology equipment	0	603,050
LEGEND maintenance	0	191,760
Council of State Governments conference	0	<u>350,000</u>
Total general fund	\$542,000	\$1,544,810"

Page 10, after line 17, insert:

**"SECTION 10. LEGISLATIVE MANAGEMENT STUDY - FINANCING STATE CONSTRUCTION PROJECTS.** During the 2015-16 interim, the legislative management shall study the use of bonding to finance state building, road, and water construction projects. The study must include consideration of the effect that financing state construction projects with existing oil revenue has had on both the construction industry and the oil and gas industry. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1001 - Summary of Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Legislative Assembly				
Total all funds	\$13,379,971	\$15,500,927	\$224,440	\$15,725,367
Less estimated income	0	0	0	0
General fund	\$13,379,971	\$15,500,927	\$224,440	\$15,725,367
Legislative Council				
Total all funds	\$12,557,474	\$13,086,236	(\$27,103)	\$13,059,133
Less estimated income	69,999	70,000	0	70,000
General fund	\$12,487,475	\$13,016,236	(\$27,103)	\$12,989,133
Bill total				
Total all funds	\$25,937,445	\$28,587,163	\$197,337	\$28,784,500
Less estimated income	69,999	70,000	0	70,000
General fund	\$25,867,446	\$28,517,163	\$197,337	\$28,714,500

**House Bill No. 1001 - Legislative Assembly - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$9,205,759	\$10,192,933	(\$175,560)	\$10,017,373
Operating expenses	3,940,926	5,049,931		5,049,931
Capital assets		16,800	400,000	416,800
National conf of state legislatures	233,286	241,263		241,263
Total all funds	\$13,379,971	\$15,500,927	\$224,440	\$15,725,367
Less estimated income	0	0	0	0
General fund	\$13,379,971	\$15,500,927	\$224,440	\$15,725,367
FTE	0.00	0.00	0.00	0.00

**Department No. 150 - Legislative Assembly - Detail of Senate Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds One-Time Funding for Committee Room Renovations <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$175,560)		(\$175,560)
Operating expenses			
Capital assets		400,000	400,000
National conf of state legislatures			
Total all funds	(\$175,560)	\$400,000	\$224,440
Less estimated income	0	0	0
General fund	(\$175,560)	\$400,000	\$224,440
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> One-time funding is added for committee room renovations.

**House Bill No. 1001 - Legislative Council - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$8,660,860	\$9,425,957	\$120,740	\$9,546,697
Operating expenses	3,753,527	3,482,436		3,482,436
Capital assets		30,000		30,000
Accrued leave payments	143,087	147,843	(147,843)	
Total all funds	\$12,557,474	\$13,086,236	(\$27,103)	\$13,059,133
Less estimated income	69,999	70,000	0	70,000
General fund	\$12,487,475	\$13,016,236	(\$27,103)	\$12,989,133
	37.00	37.00	0.00	37.00

FTE

**Department No. 160 - Legislative Council - Detail of Senate Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Moves Funding for Accrued Leave <sup>2</sup>	Total Senate Changes
Salaries and wages	(\$27,103)	\$147,843	\$120,740
Operating expenses			
Capital assets			
Accrued leave payments		(147,843)	(147,843)
Total all funds	(\$27,103)	\$0	(\$27,103)
Less estimated income	0	0	0
General fund	(\$27,103)	\$0	(\$27,103)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding provided in the accrued leave line item is moved to the salaries and wages line item.

This amendment also adds a section to provide for a Legislative Management study of the use of bonding to finance state building, road, and water construction projects.

**REPORT OF STANDING COMMITTEE**

**HB 1008, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1008 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$5,874,989	\$862,201	\$6,737,190
Accrued leave payments	120,783	(120,783)	0
Operating expenses	1,428,445	146,807	1,575,252
Contingency	156,000	(79,000)	77,000
Total special funds	\$7,580,217	\$809,225	\$8,389,442
Full-time equivalent positions	29.00	1.00	30.00"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:****House Bill No. 1008 - Department of Financial Institutions - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$5,874,989	\$6,560,538	\$176,652	\$6,737,190
Operating expenses	1,428,445	1,544,652	30,600	1,575,252
Contingency	156,000	77,000		77,000
Accrued leave payments	120,783			
Total all funds	\$7,580,217	\$8,182,190	\$207,252	\$8,389,442
Less estimated income	7,580,217	8,182,190	207,252	8,389,442
General fund	\$0	\$0	\$0	\$0
FTE	29.00	29.00	1.00	30.00

**Department No. 413 - Department of Financial Institutions - Detail of Senate Changes**

Adjusts Funding for	Adds Funding for New Credit	Total Senate Changes
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	Health Insurance Premium Increases <sup>1</sup>	Union Examiner <sup>2</sup>	
Salaries and wages	(\$18,268)	\$194,920	\$176,652
Operating expenses		30,600	30,600
Contingency			
Accrued leave payments			
Total all funds	(\$18,268)	\$225,520	\$207,252
Less estimated income	(18,268)	225,520	207,252
General fund	\$0	\$0	\$0
FTE	0.00	1.00	1.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is added from other funds for a new credit union examiner (\$187,489) and related salary increase (\$7,431) and operating expenses (\$30,600).

### REPORT OF STANDING COMMITTEE

**HB 1010, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1010 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$790,756	\$95,541	\$886,297
Accrued leave payments	7,933	(7,933)	0
Operating expenses	338,023	39,346	377,369
Grants	<u>2,102,307</u>	<u>200,000</u>	<u>2,302,307</u>
Total all funds	\$3,239,019	\$326,954	\$3,565,973
Less estimated income	<u>1,744,917</u>	<u>550</u>	<u>1,745,467</u>
Total general fund	\$1,494,102	\$326,404	\$1,820,506"

Page 2, replace lines 2 and 3 with:

"Update cultural guide	\$10,000	\$0
Grants	0	200,000
Total general fund	\$10,000	\$200,000"

ReNUMBER accordingly

### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1010 - Council on the Arts - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$790,756	\$889,308	(\$3,011)	\$886,297
Operating expenses	338,023	366,586	10,783	377,369
Grants	2,102,307	2,102,307	200,000	2,302,307
Accrued leave payments	<u>7,933</u>			
Total all funds	\$3,239,019	\$3,358,201	\$207,772	\$3,565,973
Less estimated income	<u>1,744,917</u>	<u>1,745,467</u>	0	<u>1,745,467</u>
General fund	\$1,494,102	\$1,612,734	\$207,772	\$1,820,506
FTE	5.00	5.00	0.00	5.00

#### Department No. 709 - Council on the Arts - Detail of Senate Changes

Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adjusts Inflationary Increases <sup>2</sup>	Increases Grant Funding <sup>3</sup>	Total Senate Changes

Salaries and wages	(\$3,011)			(\$3,011)
Operating expenses		10,783		10,783
Grants			200,000	200,000
Accrued leave payments				
Total all funds	(\$3,011)	\$10,783	\$200,000	\$207,772
Less estimated income	0	0	0	0
General fund	(\$3,011)	\$10,783	\$200,000	\$207,772
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is adjusted for inflationary increases.

<sup>3</sup> Funding is adjusted for one-time grant funding.

#### REPORT OF STANDING COMMITTEE

**HB 1176, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1176 was placed on the Sixth order on the calendar.

Page 1, line 1, after "sections" insert "15-08.1-08,"

Page 1, line 1, after "57-51-01" insert a comma

Page 1, line 2, after the first "to" insert "the unobligated balance of the strategic investment and improvements fund and"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 15-08.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**15-08.1-08. Income - Expenses - Reimbursement - Creation of strategic investment and improvements fund - Legislative intent—Contingent transfer to legacy fund.**

The income derived from the sale, lease, and management of the mineral interests acquired by the board of university and school lands pursuant to this chapter and other funds as provided by law must, after deducting the expenses of sale, lease, and management of the property, be deposited in a fund to be known as the strategic investment and improvements fund. The corpus and interest of such trust may be expended as the legislative assembly may provide for one-time expenditures relating to improving state infrastructure or for initiatives to improve the efficiency and effectiveness of state government. It is the intent of the legislative assembly that moneys in the fund may be included in draft appropriation acts under section 54-44.1-06 and may be appropriated by the legislative assembly, but only to the extent that the moneys are estimated to be available at the beginning of the biennium in which the appropriations are authorized. ~~If the unobligated balance in the fund at the end of any month exceeds three hundred million dollars, twenty-five percent of any revenues received for deposit in the fund in the subsequent month must be deposited instead into the legacy fund. For purposes of this section, "unobligated balance in the fund" means the balance in the fund reduced by appropriations or transfers from the fund authorized by the legislative assembly, guarantee reserve fund requirements under section 6-09.7-05, and any fund balance designated by the board of university and school lands relating to potential title disputes related to certain riverbed leases."~~

Page 1, line 18, remove the overstrike over "one"

Page 1, line 18, remove "seven"

Page 1, line 19, remove "and one-half"

Page 4, line 4, after "city" insert ", which is located in a county that received an allocation under subsection 2."

Page 4, line 9, after "b." insert "Allocate to each hub city, which is located in a county that did not receive an allocation under subsection 2, a monthly amount that will provide a total allocation of two hundred fifty thousand dollars per fiscal year for each full or partial percentage point of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota;

c."

Page 4, line 9, after "district" insert ", which is located in a county that received an allocation under subsection 2."

Page 4, line 13, after "Dakota" insert ", provided that hub city school districts, which are located in a county that did not receive an allocation under subsection 2, must be excluded from the allocations under this subdivision"

Page 4, line 14, replace "c." with "d."

Page 4, line 19, replace "d." with "e."

Page 4, line 21, replace "e." with "f."

Page 4, line 25, replace "f." with "g."

Page 4, line 30, replace "g." with "h."

Page 6, line 16, remove the overstrike over "Sixty"

Page 6, line 16, remove "Sixty-four"

Page 7, line 6, remove the overstrike over "Three"

Page 7, line 6, remove "Two"

Page 7, line 16, remove the overstrike over "Three"

Page 7, line 16, remove "Two"

Page 7, line 26, remove the overstrike over "Nine"

Page 7, line 26, remove "Seven"

Page 14, line 18, replace "county major collector roadway miles as defined by the department of transportation" with "estimated unmet road and bridge investment needs"

Page 14, line 20, replace "county major collector roadway miles" with "estimated unmet road and bridge investment needs"

Page 14, line 21, replace "county major collector roadway miles" with "estimated unmet road and bridge investment needs"

Page 14, line 22, after the period insert "For purposes of this section, "estimated unmet road and bridge investment needs" means a county's total estimated road and bridge investment needs for the years 2015 to 2034, identified in the most recently completed report by the upper great plains transportation institute less the amount distributed to the county under subsection 2 of section 2 of Senate Bill No. 2103, as approved by the sixty-fourth legislative assembly."

Page 15, line 2, after "state" insert "or which improve traffic safety"

Page 15, replace lines 3 through 5 with

- "(1) Roadways and bridges must provide at least one of the following:
  - (a) Continuity and connectivity to efficiently integrate and improve major paved and unpaved corridors within the county and across county borders;
  - (b) Connectivity to significant traffic generators; or
  - (c) Direct improvement in traffic safety."

Page 15, line 31, replace the first comma with "and"

Page 15, line 31, replace the second comma with "costs incurred on related projects as of July 1, 2015,"

Page 15, line 31, after "and" insert "may be applied to"

Page 16, line 14, replace "\$139,626,588" with "\$139,300,000"

Page 16, line 20, remove "to taxing districts"

Page 16, line 25, replace "\$10,000,000" with "\$48,000,000"

Page 16, line 27, after "office" insert ", in consultation with the aeronautics commission,"

Page 17, line 1, remove "\$10,000,000, or so much of the sum as may be necessary, for grants to hub cities. A"

Page 17, remove lines 2 through 6

Page 17, line 7, replace "3. \$20,000,000" with "\$30,000,000"

Page 17, line 9, remove ". A school district is eligible"

Page 17, replace lines 10 through 13 with "and must be distributed based on oil and gas gross production tax distribution payments to school districts. The distribution to each school district must be proportional to each school district's total distribution payments under subdivision b of subsection 1, subdivision b of subsection 4, or subdivision b of subsection 5 of section 57-51-15, for the period beginning September 1, 2013, and ending August 31, 2014, relative to the combined total of all distribution payments to school districts under subdivision b of subsection 1, subdivision b of subsection 4, and subdivision b of subsection 5 of section 57-51-15, for the period beginning September 1, 2013, and ending August 31, 2014.

- 3. \$10,000,000, or so much of the sum as may be necessary, for grants to law enforcement agencies impacted by oil and gas development. The director of the energy infrastructure and impact office, in consultation with the drug and violent crime policy board of the attorney general's office, shall adopt grant procedures and requirements necessary for the distribution of grants under this subsection. The grants must be distributed to law enforcement agencies in oil-impacted counties where crime-related activities have increased or in other counties if the crime-related activities in oil-impacted counties originated in any of those counties.
- 4. Notwithstanding chapter 57-62, \$10,000,000, or so much of the sum as may be necessary, for grants to critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas-related economic development activities. The director of the energy infrastructure and impact office, in consultation with the department of human services, shall adopt grant procedures and requirements necessary for the distribution of grants

under this subsection. One-half of the grant funding must be distributed in January of each year of the biennium.

5. Notwithstanding chapter 57-62, \$8,000,000, or so much of the sum as may be necessary, for grants to certain eligible counties. The grants must be distributed in equal amounts to each eligible county. For purposes of this subsection, "eligible counties" means the two counties that received the fifth and sixth highest amount of total allocations under subsection 2 of section 57-51-15, for the period beginning September 1, 2013, and ending August 31, 2014.
6. Notwithstanding chapter 57-62, \$6,000,000, or so much of the sum as may be necessary, for grants to emergency medical services providers for expenditures that would mitigate negative effects of oil and gas-related development affecting emergency medical services providers providing services in oil-producing counties, including the need for increased emergency medical services providers services, staff, equipment, coverage, and personnel training. The director of the energy infrastructure and impact office may develop grant procedures and requirements necessary for the distribution of grants under this subsection.
7. \$5,000,000, or so much of the sum as may be necessary, for grants to eligible political subdivisions. For purposes of this subsection, "eligible political subdivisions" means counties, cities, organized townships, or other taxing districts in the seven counties that individually received total allocations of less than \$5,000,000 under subsection 2 of section 57-51-15, for the period beginning September 1, 2013, and ending August 31, 2014.
8. Notwithstanding chapter 57-62, \$4,000,000, or so much of the sum as may be necessary, for grants to nursing homes and to providers of home health services and hospice programs in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas and related development activities. The director of the energy infrastructure and impact office, in consultation with the department of human services, shall adopt grant procedures and requirements necessary for the distribution of grants under this subsection. Of the \$4,000,000, up to \$750,000 must be distributed to home health services and hospice programs, and the remaining amount must be distributed to nursing homes.
9. \$3,000,000, or so much of the sum as may be necessary, for grants to fire protection districts for expenditures that would mitigate negative effects of oil and gas-related development affecting fire protection districts providing services in oil-producing counties, including the need for increased fire protection district services, staff, equipment, coverage, and personnel training. The director of the energy infrastructure and impact office may develop grant procedures and requirements necessary for the distribution of grants under this subsection.
10. Notwithstanding chapter 57-62, \$2,000,000, or so much of the sum as may be necessary, for grants to nursing homes, basic care facilities, and providers that serve individuals with developmental disabilities located in oil-producing counties to address the effects of oil and gas-related development activities. The director of the energy infrastructure and impact office, in consultation with the department of human services, shall adopt grant procedures and requirements necessary for the distribution of grants under this subsection. The grants must be distributed in January of each year of the biennium, based on the number of full-time equivalent positions of each nursing home, facility, or provider as determined by the department of human services. When setting rates for the entities receiving grants under this section, the department of human services shall exclude grant income received under this section as an offset to costs.

11. Notwithstanding chapter 57-62, \$2,000,000, or so much of the sum as may be necessary, for grants to domestic violence sexual assault organizations as defined in section 14-07.1-01 that are located in oil-producing counties to address the effects of oil and gas-related development activities. The director of the energy infrastructure and impact office, in consultation with the department of commerce, shall adopt grant procedures and requirements necessary for the distribution of grants under this subsection. The requirements must include required local matching funds of at least two dollars of nonstate funds for each dollar of grant funds.
12. \$2,000,000, or so much of the sum as may be necessary, for grants to local district health units that are located in oil-producing counties to address the effects of oil and gas-related development activities. The director of the energy infrastructure and impact office, in consultation with the state department of health, shall adopt grant procedures and requirements necessary for the distribution of grants under this subsection."

Page 17, line 14, replace "4." with "13."

Page 17, line 18, replace "5." with "14."

Page 17, line 22, replace "6." with "15."

Page 17, line 26, after the second boldfaced period insert "Section 1 of this Act is effective for tax collections received by the tax commissioner and for royalty, bonus, and other revenues received for deposit into the strategic investment and improvements fund after June 30, 2015."

Page 17, line 26, replace "1" with "2"

Page 17, line 26, replace "2" with "3"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1176 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Department of Trust Lands				
Total all funds	\$0	\$139,626,588	(\$326,588)	\$139,300,000
Less estimated income	0	139,626,588	(326,588)	139,300,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$112,000,000	\$0	\$112,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$112,000,000	\$0	\$112,000,000
Bill total				
Total all funds	\$0	\$251,626,588	(\$326,588)	\$251,300,000
Less estimated income	0	139,626,588	(326,588)	139,300,000
General fund	\$0	\$112,000,000	\$0	\$112,000,000

#### House Bill No. 1176 - Department of Trust Lands - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Oil and gas impact grants		\$139,626,588	(\$326,588)	\$139,300,000
Total all funds	\$0	\$139,626,588	(\$326,588)	\$139,300,000
Less estimated income	0	139,626,588	(326,588)	139,300,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

## Department No. 226 - Department of Trust Lands - Detail of Senate Changes

	Adjusts Funding for Administrative Costs <sup>1</sup>	Total Senate Changes
Oil and gas impact grants	(\$326,588)	(\$326,588)
Total all funds	(\$326,588)	(\$326,588)
Less estimated income	(326,588)	(326,588)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> The Senate reduced the funding for grants to provide additional funding for administrative costs.

The Senate version provides additional designations for grants from the oil and gas impact grant fund compared to the House version as shown in the schedule below.

## House Bill No. 1176 - Department of Transportation - Senate Action

The Senate version changes the basis for the distributions from county major collector roadway miles to estimated unmet road and bridge investment needs.

## House Bill No. 1176 - Other Changes - Senate Action

House Bill No. 1176	
House Version [15.0329.05000]	Proposed Senate Version [15.0329.05013]
<b>Contingent transfers to legacy fund</b> <ul style="list-style-type: none"> <li>Same as current law.</li> </ul> <b>Hub cities and hub city school districts</b> <ul style="list-style-type: none"> <li>Changes the definition of a hub city related to employment percentages from employment in the mining industry to oil and gas-related employment, increases the required employment percentage from 1 to 7.5 percent, and clarifies that the hub cities' allocation percentages be updated annually.</li> </ul>	<b>Contingent transfers to legacy fund</b> <ul style="list-style-type: none"> <li>Removes the contingent transfer of 25 percent of revenue from the strategic investment and improvements fund to the legacy fund when the unobligated balance of the strategic investment and improvements fund exceeds \$300 million.</li> </ul> <b>Hub cities and hub city school districts</b> <ul style="list-style-type: none"> <li>Changes the definition of a hub city related to employment percentages from employment in the mining industry to oil and gas-related employment and clarifies that the hub cities' allocation percentages be updated annually.</li> </ul>
<b>Additional school district allocation</b> <ul style="list-style-type: none"> <li>Allocates \$1.5 million each fiscal year to each county that received more than \$5 million, but less than \$30 million of oil and gas tax collections in the prior state fiscal year for distributions to school districts, excluding hub city school districts.</li> </ul> <b>Oil and gas impact grant fund allocations</b> <ul style="list-style-type: none"> <li>Decreases the oil and gas gross production tax revenue collections allocated to the oil and gas impact grant fund from \$240 million per biennium to \$140 million per biennium.</li> </ul> <b>North Dakota outdoor heritage fund allocations</b> <ul style="list-style-type: none"> <li>Increases the amount allocated to the North Dakota outdoor heritage fund from 4 to 8 percent and increases the allocation limit from \$15 million per fiscal year to \$20 million per fiscal year.</li> </ul>	<ul style="list-style-type: none"> <li>Allocates \$375,000 per full or partial employment percentage point to hub cities located in oil-producing counties.</li> <li>Allocates \$250,000 per full or partial employment percentage point to hub cities located in non-oil-producing counties.</li> <li>Allocates \$125,000 per full or partial employment percentage point to hub city school districts located in oil-producing counties and excludes hub city school districts located in non-oil-producing counties from allocations.</li> </ul> <b>Additional school district allocation</b> <ul style="list-style-type: none"> <li>Allocates \$1.5 million each fiscal year to each county that received more than \$5 million, but less than \$30 million of oil and gas tax collections in the prior state fiscal year for distributions to school districts, excluding hub city school districts. (Same as House)</li> </ul> <b>Oil and gas impact grant fund allocations</b> <ul style="list-style-type: none"> <li>Decreases the oil and gas gross production tax revenue collections allocated to the oil and gas impact grant fund from \$240 million per biennium to \$140 million per biennium. (Same as House)</li> </ul> <b>North Dakota outdoor heritage fund allocations</b> <ul style="list-style-type: none"> <li>Increases the amount allocated to the North Dakota outdoor heritage fund from 4 to 8 percent and increases the allocation limit from \$15 million per fiscal year to \$20 million per fiscal year. (Same as House)</li> </ul>
House Version [15.0329.05000]	Proposed Senate Version [15.0329.05013]
<b>Allocations and distributions to political subdivisions</b> <ul style="list-style-type: none"> <li>Removes the June 30, 2015, expiration date of the oil and gas gross production tax formula changes made by the 2013 Legislative Assembly in House Bill No. 1358.</li> <li>Technical corrections to the distributions to political subdivisions in North Dakota Century Code Sections 57-51-15(4) and 57-51-15(5) to provide clarity and consistency.</li> </ul>	<b>Allocations and distributions to political subdivisions</b> <ul style="list-style-type: none"> <li>Removes the June 30, 2015, expiration date of the oil and gas gross production tax formula changes made by the 2013 Legislative Assembly in House Bill No. 1358. (Same as House)</li> <li>Technical corrections to the distributions to political subdivisions in Sections 57-51-15(4) and 57-51-15(5) to provide clarity and consistency. (Same as House)</li> </ul>

<ul style="list-style-type: none"><li>• Provides additional reporting requirements for counties and school districts, including requirements to report revenues and expenditures, ending fund balances, and detailed information on the amounts expended from the allocations.</li><li>• Increases the amount allocated to counties related to the 4 percent of the 5 percent oil and gas gross production tax from 25 to 30 percent of all revenue above \$5 million.</li></ul>	<ul style="list-style-type: none"><li>• Provides additional reporting requirements for counties and school districts, including requirements to report revenues and expenditures, ending fund balances, and detailed information on the amounts expended from the allocations. (Same as House)</li><li>• Increases the amount allocated to counties related to the 4 percent of the 5 percent oil and gas gross production tax from 25 to 30 percent of all revenue above \$5 million. (Same as House)</li></ul>																																										
<ul style="list-style-type: none"><li>• Changes the determination of counties that received \$5 million or more from the total allocations received in the most recently completed state fiscal year to the total allocations received in state fiscal year 2014.</li></ul>	<ul style="list-style-type: none"><li>• Changes the determination of counties that received \$5 million or more from the total allocations received in the most recently completed state fiscal year to the total allocations received in state fiscal year 2014. (Same as House)</li></ul>																																										
<ul style="list-style-type: none"><li>• Changes the amounts allocated to political subdivisions within counties that received \$5 million or more of oil and gas tax as follows:</li></ul>	<ul style="list-style-type: none"><li>• Uses the following current law percentages for the amounts allocated to political subdivisions within counties that received \$5 million or more of oil and gas tax:</li></ul>																																										
<table><tr><td></td><td><b>Current Law</b></td><td><b>Proposed Changes</b></td></tr><tr><td>County general fund</td><td>60%</td><td>64%</td></tr><tr><td>Cities</td><td>20%</td><td>20%</td></tr><tr><td>Schools</td><td>5%</td><td>5%</td></tr><tr><td>Townships (equal)</td><td>3%</td><td>2%</td></tr><tr><td>Townships (road miles)</td><td>3%</td><td>2%</td></tr><tr><td>Hub cities</td><td>9%</td><td>7%</td></tr></table>		<b>Current Law</b>	<b>Proposed Changes</b>	County general fund	60%	64%	Cities	20%	20%	Schools	5%	5%	Townships (equal)	3%	2%	Townships (road miles)	3%	2%	Hub cities	9%	7%	<table><tr><td></td><td><b>Current Law</b></td><td></td></tr><tr><td>County general fund</td><td>60%</td><td></td></tr><tr><td>Cities</td><td>20%</td><td></td></tr><tr><td>Schools</td><td>5%</td><td></td></tr><tr><td>Townships (equal)</td><td>3%</td><td></td></tr><tr><td>Townships (road miles)</td><td>3%</td><td></td></tr><tr><td>Hub cities</td><td>9%</td><td></td></tr></table>		<b>Current Law</b>		County general fund	60%		Cities	20%		Schools	5%		Townships (equal)	3%		Townships (road miles)	3%		Hub cities	9%	
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<p><b>Other sections</b></p> <ul style="list-style-type: none"> <li>Provides funding of \$112 million from the general fund to the Department of Transportation for paved and unpaved road and bridge projects in counties that received no allocation or less than \$5 million in annual oil tax allocations in state fiscal year 2014. The funding distributions are based on county major collector roadway miles.</li> <li>Appropriates \$139.6 million (\$140 million allocated to the fund less approximately \$400,000 for administrative costs) from the oil and gas impact grant fund to the Department of Trust Lands for oil impact grants. Based on the proposed changes, approximately \$98.8 million is undesignated and \$40.8 million is designated as follows: <ul style="list-style-type: none"> <li>\$10 million for airports</li> <li>\$10 million for hub cities</li> <li>\$20 million for school districts</li> <li>\$800,000 to certain eligible cities</li> </ul> </li> </ul>	<p><b>Other sections</b></p> <ul style="list-style-type: none"> <li>Provides funding of \$112 million from the general fund to the Department of Transportation for paved and unpaved road and bridge projects in counties that received no allocation or less than \$5 million in annual oil tax allocations in state fiscal year 2014. The funding distributions are based on estimated unmet road and bridge investment needs.</li> <li>Appropriates \$139.3 million (\$140 million allocated to the fund less approximately \$700,000 for administrative costs) from the oil and gas impact grant fund to the Department of Trust Lands for oil impact grants. Based on the proposed changes, approximately \$8.5 million is undesignated and \$130.8 million is designated as follows: <ul style="list-style-type: none"> <li>\$48 million for airports</li> <li>\$30 million for school districts</li> <li>\$10 million for law enforcement agencies</li> <li>\$10 million for critical access hospitals</li> <li>\$8 million for certain eligible counties</li> <li>\$6 million for emergency medical services providers</li> <li>\$5 million for eligible political subdivisions</li> <li>\$4 million for nursing homes and hospice programs</li> <li>\$3 million for fire protection districts</li> <li>\$2 million for providers serving individuals with developmental disabilities</li> <li>\$2 million for domestic violence sexual assault organizations</li> <li>\$2 million local district health units</li> <li>\$800,000 to certain eligible cities</li> </ul> </li> </ul>
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### REPORT OF STANDING COMMITTEE

**HB 1217, as engrossed: Political Subdivisions Committee (Sen. Burckhard, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1217 was placed on the Sixth order on the calendar.

Page 2, line 12, remove the overstrike over "a"

Page 2, line 13, remove the overstrike over "protection order"

Page 2, line 13, remove the overstrike over "under section 14-07.1-02"

Page 2, line 14, remove the underscored colon

Page 2, line 15, replace "(1) A" with an underscored comma

Page 2, line 15, after the first underscored comma insert "ex parte temporary"

Page 2, line 15, after the second underscored comma insert "order prohibiting contact."

Page 2, remove lines 17 through 26

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1241, as engrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1241 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "and sections" with "section"

Page 1, line 3, after "62.1-04-02" insert ", subsections 2 and 7 of section 62.1-04-03,"

Page 1, line 3, after the second "and" insert "section"

Page 2, line 7, after the underscored period insert "However, the term includes a device that uses a projectile and may be used to apply multiple applications of voltage during a single incident."

Page 2, line 13, remove "and consumption"

Page 2, line 13, after "beverages" insert "and the consumption of purchased alcoholic beverages"

Page 2, line 14, overstrike "in the possession of" and insert immediately thereafter "that individual knowingly possesses"

Page 2, line 16, after "for" insert "the knowing"

Page 3, line 3, after "who" insert "knowingly"

Page 3, line 25, after "k." insert "An individual in a publicly owned or operated rest area or restroom:

L."

Page 3, line 25, overstrike "class 1"

Page 4, line 3, overstrike "l." and insert immediately thereafter "m."

Page 6, overstrike lines 23 and 24

Page 6, line 25, overstrike "agent intended for use in the defense of an individual, nor does the term include any"

Page 6, line 26, overstrike "device that uses"

Page 6, line 26, overstrike "voltage for the defense of an individual"

Page 6, line 26, and remove ", unless the"

Page 6, replace lines 27 and 28 with:

**"SECTION 9. AMENDMENT.** Subsection 2 of section 62.1-04-03 of the North Dakota Century Code is amended and reenacted as follows:

2. The attorney general shall offer class 1 firearm and class 2 firearm and dangerous weapon licenses to carry a firearm or dangerous weapon concealed under the following requirements:

- a. An applicant for a class 1 firearm license shall successfully participate in a classroom instruction that sets forth weapon safety rules and the deadly force law of North Dakota, complete an open book test based upon a manual, demonstrate familiarity with a firearm, and complete an actual shooting or certified proficiency exercise. Evidence of familiarity with a firearm to be concealed may be satisfied by one of the following:
  - (1) Certification of familiarity with a firearm by an individual who has been certified by the attorney general, which may include a law enforcement officer, military or civilian firearms instructor, or hunter safety instructor;
  - (2) Evidence of equivalent experience with a firearm through participation in an organized shooting competition, law enforcement, or military service;
  - (3) Possession of a license from another state to carry a firearm, concealed or otherwise, which is granted by that state upon completion of a course described in paragraphs 1 and 2; or
  - (4) Evidence that the applicant, during military service, was found to be qualified to operate a firearm.
- b. An applicant for a class 2 firearm and dangerous weapon license is required to successfully complete the open book test offered for the class 1 firearm license.
- c. A North Dakota resident who has a valid class 1 firearm license also may carry a class 2 dangerous weapon without any further testing required. Class 1 and class 2 permits are equally valid in this state.
- d. Additional testing is not required to renew a class 2 firearm and dangerous weapon license. A class 1 firearm license may be renewed upon successful completion of the class 1 firearm requirements within thirty days before submission of the application for renewal.

**SECTION 10. AMENDMENT.** Subsection 7 of section 62.1-04-03 of the North Dakota Century Code is amended and reenacted as follows:

7. The director of the bureau of criminal investigation may deny an application or revoke or cancel a license after it has been granted for any material misstatement by an applicant in an application for the license or any violation of this title. The director of the bureau of criminal investigation shall disclose to the applicant the specific reason for denial or revocation of the license.

Page 7, remove lines 20 through 22

Renumber accordingly

#### **REPORT OF STANDING COMMITTEE**

**HB 1313, as engrossed: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1313 was placed on the Sixth order on the calendar.

Page 3, line 22, replace "twenty or more than thirty-five" with "forty-five"

Page 3, line 23, after "proposed" insert "subsidiary"

Page 3, line 24, after "the" insert "stock of the"

Page 3, line 24, remove "through"

Page 3, line 25, remove "the purchase of all the stock of the converted stock company"

Page 4, line 1, replace "a majority" with "two-thirds"

Page 4, line 4, replace "a majority" with "two-thirds"

Page 4, line 23, after the underscored period insert "The application fee is in addition to other direct costs incurred by the commissioner in reviewing the proposed plan of conversion."

Page 5, line 3, remove "Immediately, the commissioner shall give written notice to the converting mutual"

Page 5, remove line 4

Page 5, line 5, remove "reasons for the decision."

Page 5, line 8, after "b." insert "The plan is fair and equitable to the converting mutual company, the members of the converting mutual company, and the eligible members of the converting mutual company;

c."

Page 5, line 8, remove the second "and"

Page 5, line 9, replace "c." with "d."

Page 5, line 9, replace the underscored period with "; and

e. The converted stock company will have the amount of capital and surplus deemed by the commissioner to be reasonable for its future solvency."

Page 5, line 14, replace "may" with "shall"

Page 5, line 18, after "7." insert "The commissioner shall give written notice of any decision to the converting mutual company and, in the event of disapproval, a detailed statement of the reasons for the decision.

8."

Page 5, line 19, after "conversion" insert "no later than forty-five days before the meeting"

Page 5, line 19, remove "briefly but fairly"

Page 5, line 20, after the underscored comma insert "must inform the member how the proposed plan of conversion will affect the member's membership rights."

Page 5, line 22, after the underscored period insert "The notice must provide instructions on how the member can obtain, either by mail or electronically, a full copy of the proposed plan of conversion."

Page 5, line 25, replace "8." with "9."

Page 5, line 26, replace "a majority" with "two-thirds"

Page 6, line 1, replace "9." with "10."

Page 6, line 3, replace "a majority" with "two-thirds"

Page 6, line 5, replace "10." with "11."

Page 6, line 9, after "approved" insert ", which must include the record of total votes cast in favor of the plan"

Page 7, line 8, after "proposed" insert "subsidiary"

Page 7, line 9, remove "all"

Page 7, line 21, replace "total price" with "pro-forma market value"

Page 8, line 2, remove "all"

Page 9, line 2, replace "amount" with "value"

Page 9, line 10, after "5." insert "The dollar value of a subscription right based upon the application of the Black-Scholes option pricing model or another generally accepted option pricing model. In connection with the determination of stock price volatility or other valuation inputs used in option pricing models, the qualified independent expert may assume that the attributes of the converted stock company will be substantially similar to the attributes of the stock of the peer companies used to determine the estimated pro-forma market value of the converted stock company. The term of a subscription right is a minimum of ninety days for the sole purpose of determining the value of a subscription right."

6. The plan must provide that each eligible member has the right to require the mutual company to redeem such subscription rights, in lieu of exercising the subscription rights allocated to each eligible member, at a price equal to the number of subscription rights allocated to each eligible member multiplied by the dollar value of the subscription right as determined by the qualified independent expert pursuant to subsection 4. The obligation of the mutual company to redeem subscription rights arises only upon the effective date of the plan. The redemption price payable to each eligible member must be paid to the member within thirty days of the effective date of the plan. Alternatively, the converted stock company may offer each eligible member the option of receiving the redemption amount in cash or having the redemption amount credited against future premium payments. An eligible member that does not exercise their subscription rights, and which also fails to affirmatively request redemption of the member's subscription rights before the expiration of the subscription offering, nevertheless is deemed to have requested redemption of the member's subscription rights and shall receive the redemption amount in cash in the manner otherwise provided in this subsection.

7."

Page 9, line 17, replace "6." with "8."

Page 9, line 30, replace "7." with "9."

Page 10, line 13, replace "8." with "10."

Page 10, line 23, replace "9." with "11."

Page 10, line 25, replace "10." with "12."

Page 10, line 26, replace "three" with "two"

Page 11, remove lines 9 through 29

Page 11, line 30, replace "3." with "1."

Page 12, line 13, replace "4." with "2."

Page 12, line 13, replace the first "the" with "that"

Page 12, line 14, remove ", without payment."

Page 12, remove lines 22 through 24

Page 12, line 25, replace "c." with "b."

Page 12, line 28, replace "d." with "c."

Page 15, line 24, replace "Except as provided for in a plan of conversion approved by the commissioner, a" with "A"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1456, as engrossed: Energy and Natural Resources Committee (Sen. Schaible, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1456 was placed on the Sixth order on the calendar.

Page 1, line 10, replace "access" with "excess"

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HCR 3051: Education Committee (Sen. Flakoll, Chairman)** recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HCR 3051 was placed on the Fourteenth order on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2347, as engrossed:** Your conference committee (Sens. Burckhard, Miller, Murphy and Reps. Lefor, Kasper, Amerman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 783 and place SB 2347 on the Seventh order.

Engrossed SB 2347 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2188, as engrossed:** Your conference committee (Sens. Klein, Poolman, Sinner and Reps. Laning, Sukut, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 885, adopt amendments as follows, and place SB 2188 on the Seventh order:

That the House recede from its amendments as printed on page 885 of the Senate Journal and pages 1034 and 1035 of the House Journal and that Engrossed Senate Bill No. 2188 be amended as follows:

Page 1, line 11, overstrike "two" and insert immediately thereafter "four"

Page 1, line 23, remove ", but only on the basis that the registrar's administrative determination"

Page 2, remove line 1

Page 2, line 2, remove "erroneous"

Renumber accordingly

Engrossed SB 2188 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Klein's motion.

**Jane Schaible, Secretary**