

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2206

That the House recede from its amendments as printed on page 1504 of the Senate Journal and pages 1311-1313 and pages 1658 and 1659 of the House Journal and that Engrossed Senate Bill No. 2206 be amended as follows:

Page 1, line 4, after "50-24.1-14" insert ", subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7"

Page 1, line 6, after "expense" insert "and reduction of county property tax levy authority for social service board budgets to reflect county savings from programs funded at state expense"

Page 1, line 9, replace "establish a social services financing commission" with "provide for a legislative management study"

Page 1, line 9, remove "to provide an"

Page 1, line 10, remove "expiration date;"

Page 1, line 22, remove "beginning"

Page 1, line 23, replace "and continuing for succeeding years must identify" with "may not exceed an amount determined using the departmental budget submitted in 2014 by the county social service board as a starting point, subtracting"

Page 1, line 24, after "responsibility" insert "for 2014"

Page 2, line 2, after "services" insert ", and applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year 2015. For purposes of this subdivision, the reduction in the county's social service funding responsibility derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services includes the following"

Page 2, line 3, replace "incurred" with "that would have been paid"

Page 2, line 7, replace "incurred" with "which would have been paid by the county"

Page 2, line 9, replace "incurred" with "which would have been paid by the county"

Page 2, line 11, replace "incurred" with "which would have been paid by the county"

Page 2, line 13, replace "incurred" with "which would have been paid by the county"

Page 2, line 15, replace "incurred" with "which would have been paid by the county"

Page 2, line 20, after "b." insert "The departmental budget submitted by the county social service board in 2016 for the 2017 budget may not exceed an amount determined using the 2015 departmental budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016."

c."

Page 2, line 21, after "paid" insert "by the county"

Page 2, line 22, after the first "department" insert "of human services"

Page 2, line 22, after the second "department" insert "of human services"

Page 2, line 24, remove "The amount reported must equal the"

Page 2, replace lines 25 through 31 with:

"The county share of the human service budget must be funded entirely from the county's property tax levy for that purpose and the county may not use funds from any other source to supplement the human services budget, with the exception that the county may make use of the identifiable amount of other sources the county has used to supplement its human services budget for 2015 and the county may use grant funds that may be available to the county under section 50-06-20.1.

- d. The department of human services shall develop a process to review a request from a county social service board for any proposed increase in staff needed as a result of significantly increased caseloads for state-funded human services programs, if the increase in staff would result in the county exceeding the budget limitation established under this subsection. As part of its review process, the department shall review countywide caseload information and consider the option of multicounty sharing of staff. If the department approves a request for a proposed increase in staff, the county budget limitation established under subdivision b may be increased by the amount determined necessary by the department to fund the approved additional staff."

Page 7, after line 6, insert:

**"SECTION 9. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.

- c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
- d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
  - (1) The base year mill rate of the school district minus sixty mills; or
  - (2) Fifty mills.
- e. If the base year is a taxable year before 2016, the base year human services county levy in dollars must be reduced to the amount of the county social service board budget levy for the budget year as determined under section 11-23-01.

**SECTION 10. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

- 34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of mills determined by dividing the county budget limitation in dollars as determined under section 11-23-01 by the taxable valuation of the county."

Page 7, remove lines 9 through 31

Page 8, replace lines 1 through 14 with:

**"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SOCIAL SERVICES FINANCE PROGRAM TRANSITION.**

- 1. During the 2015-16 interim, the legislative management shall conduct a study to develop a proposed transition plan for transferring the costs of operating social services programs from county property tax levies to state general fund appropriations.
- 2. If a county social services finance working group is established, upon request of the legislative management the working group shall report its progress and findings. The membership of the working group may include:
  - a. The director of the department of human services or the director's designee;
  - b. The chief financial officer of the department of humans services;
  - c. Two members representing elected county officials identified in section 11-10-02 as selected by the North Dakota association of counties;
  - d. The tax commissioner or the commissioner's designee;

- e. The director of the office of management and budget or the director's designee;
  - f. Two county social services directors selected by the North Dakota county social services directors association; and
  - g. One member representing the North Dakota association of counties.
3. Under this section, a proposed transition plan must include a timeline for the major milestones of the transition plan, considerations for the transition, estimated costs, a plan to require a property tax reduction for the amount of the budgeted savings brought about by the transfer of county social services costs to the state, a plan resulting in the elimination of the county social services levy under section 50-06.2-05, and potential legislation to implement recommended changes. The study must include consideration of the feasibility of implementing the proposed transition plan.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 8, line 15, remove "2, 3, 4, 5, 7, 8, and"

Page 8, line 15, after "9" insert ", and 10 of this Act become effective on August 1, 2015.  
Sections 2, 3, 4, 5, 7, 8, and 11 of this Act"

Page 8, remove lines 17 and 18

Renumber accordingly