

## NORTH DAKOTA LEGISLATIVE MANAGEMENT

## Minutes of the

**LEGISLATIVE MANAGEMENT**

Wednesday and Thursday, November 16-17, 2016  
House Chamber, State Capitol  
Bismarck, North Dakota

Senator Ray Holmberg, Chairman, called the meeting to order at 9:00 a.m.

**Members present:** Senators Ray Holmberg, Tyler Axness, Jerry Klein, Donald Schaible, Mac Schneider, Connie Triplett, Jessica Unruh, Rich Wardner; Representatives Wesley R. Belter, Al Carlson, Bill Devlin, Jason Dockter, Kathy Hogan, Marvin E. Nelson, Kenton Onstad, Dan Ruby, Jim Schmidt

**OPENING REMARKS**

Chairman Holmberg recognized the members of the 64<sup>th</sup> Legislative Assembly who will not return to serve in the 65<sup>th</sup> Legislative Assembly and thanked them for their service. He also thanked those legislators who served as interim committee chairmen and legislators and the Legislative Council staff for their work during the 2015-16 interim.

At the request of Chairman Holmberg, Representative Carlson recognized Representative Belter for his 32 years of service to the state of North Dakota and the Legislative Assembly and his service as Speaker of the House for the 64<sup>th</sup> Legislative Assembly.

At the request of Chairman Holmberg, Mr. Jim W. Smith, Director, Legislative Council, welcomed returning and new legislators. He said there were 133 committee meetings during the 2015-16 interim. He said the committees are recommending 49 bills and 2 resolutions.

**BUDGET SECTION**

Senator Gary Lee, Chairman, Budget Section, presented the [Budget Section report](#). He said the Budget Section addressed 50 items and will address additional matters at its December 2016 meeting, including the 2017-19 biennium executive budget recommendations detail.

Senator G. Lee said the Budget Section received reports from the Office of Management and Budget regarding the general fund, employee bonuses, irregularities in the fiscal practices of the state, the capital improvements preliminary planning revolving fund, tobacco settlement proceeds, federal grant applications, changes to the State Board of Higher Education's reporting requirements, and the State Board of Higher Education's project variance reports.

Senator G. Lee said the Budget Section learned the Governor directed agencies to develop 2017-19 biennium general fund budget requests equal to 90 percent of the 2015-17 ongoing appropriations, with the exception of the Department of Human Services; the Department of Corrections and Rehabilitation; and the Department of Public Instruction's state aid, transportation, and special education funding. He said the Budget Section directed that proposed agency and institution appropriations bills introduced for consideration by the 65<sup>th</sup> Legislative Assembly include, as the agency or institution's base level funding, the agency or institution's original ongoing appropriations for the 2015-17 biennium adjusted by changes to ongoing appropriations made as a result of legislative action during the August 2016 special legislative session.

Senator G. Lee said the Budget Section received reports from the North Dakota University System regarding the sources of local funds used for construction projects by institutions under the State Board of Higher Education. He said the Budget Section authorized the expenditure of additional other funds for a capital project, as well as changes in the scope of a capital project at Williston State College. He said the Budget Section received numerous other reports, including from:

- The Attorney General's office regarding 2015-17 biennium targeted market equity increases and general fund savings through September 29, 2016;
- The Bank of North Dakota regarding it's North Dakota Financial Center project;

- The Legacy and Budget Stabilization Fund Advisory Board regarding the development of investment policies for the legacy fund and budget stabilization fund;
- The Housing Finance Agency regarding reductions in the number of housing units owned, master leased, or subsidized by cities, school districts, and other employers of essential service workers; and
- The cities of Minot, Dickinson, and Williston regarding the use of funding allocations from the oil and gas gross production tax.

Senator G. Lee said the Budget Section approved:

- Land acquisitions by the Game and Fish Department;
- The contingent funding request for the Department of Veterans' Affairs service dog program;
- A request from the Department of Trust Lands to approve the relinquishment of state agency rights to recover unclaimed property; and
- Agency requests for increased spending authority, transfers of spending authority, or increased full-time equivalent positions, which had received prior approval by the Emergency Commission.

**It was moved by Senator Klein, seconded by Senator Unruh, and carried on a roll call vote that the report of the Budget Section be accepted.** Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Carlson, Belter, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### HIGHER EDUCATION COMMITTEE

Representative Mark Sanford, Chairman, Higher Education Committee, presented the [committee report](#) and supplemental information ([Appendix A](#)). He said the committee studied issues affecting higher education, including funding methods, course delivery methods, institution missions, administrative costs, and higher education governance. He said the committee received reports from the University of North Dakota School of Medicine and Health Sciences regarding the strategic plans, programs, and facilities of the School of Medicine and Health Sciences. In addition, he said, the committee received reports from tribally controlled community colleges receiving a grant under North Dakota Century Code Chapter 15-70 regarding the enrollment of students for which grant funding was received and the State Board of Higher Education regarding North Dakota academic and career and technical education scholarships; the development of a unified workforce, vocational, and technical education program; distributions from systemwide deferred maintenance, campus security, and internal audit funding pools; the use of extraordinary repairs funding and related matching funds; the operations and financial condition of Dickinson State University; the status of the implementation of student and student organization disciplinary proceedings uniform procedures; and policies, procedures, supports, and services available at public higher education institutions relating to sexual assault and related incidents.

In response to a question from Representative Carlson, Representative Sanford said tuition rates at University System institutions generally are competitive with tuition rates at comparable regional institutions.

**It was moved by Senator Wardner, seconded by Representative Dockter, and carried on a roll call vote that the report of the Higher Education Committee be accepted.** Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### GOVERNMENT FINANCE COMMITTEE

Representative Jeff Delzer, Chairman, Government Finance Committee, presented the [committee report](#). He said the committee studied the functions of the Budget Section and the statutory and regulatory requirements placed on North Dakota state government agencies by United States government agencies as a condition of the receipt of federal funding. He said the committee monitored the status of the general fund and other major funds and received updates on oil and gas development in the state, major agency budget items, and the preliminary general fund revenue forecast for the 2017-19 biennium.

**It was moved by Representative Devlin, seconded by Representative Belter, and carried on a roll call vote that the report of the Government Finance Committee be accepted.** Senators Holmberg, Axness, Klein, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

## LEGISLATIVE AUDIT AND FISCAL REVIEW COMMITTEE

Senator Jerry Klein, Chairman, Legislative Audit and Fiscal Review Committee, presented the [committee report](#). He said the committee reviewed the state's financial transactions to ensure the collection of state revenues and the expenditures of state money were in compliance with the law, legislative intent, and sound financial practices. He said the committee studied the structure and requirements necessary for the State Auditor's office to conduct audits of political subdivisions. He said the committee reviewed 8 performance audit and evaluation reports and 115 financial or information technology application audit reports. He said 57 audit reports were filed with the committee, but were not formally presented.

**It was moved by Senator Klein, seconded by Representative Ruby, and carried on a roll call vote that the report of the Legislative Audit and Fiscal Review Committee be accepted.** Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

## HEALTH CARE REFORM REVIEW COMMITTEE

Representative George Keiser, Chairman, Health Care Reform Review Committee, presented the [committee report](#). He said the committee studied the proposed and final federal rules issued by the federal Health and Human Services Department relating to the essential health benefits under the federal Affordable Care Act (ACA) for plan years 2017 and beyond; the needs and challenges of the North Dakota health care delivery system, including monitoring the implementation of ACA, examining Medicaid Expansion and Medicaid reform, and receiving a report from the University of North Dakota School of Medicine and Health Sciences Advisory Council on the status of its biennial report; and state contributions for state employee health insurance premiums, including the feasibility and desirability of establishing a maximum state contribution for state employee health insurance premiums and the effect of losing the state's grandfathered status under ACA.

In response to a question from Representative Carlson regarding the Medicaid Expansion program and ACA, Representative Keiser said the committee did not receive financial information or testimony or conduct committee discussion specific to how a change in the federal executive branch might impact the possible repeal, amendment, or continuation of ACA. He said the state's Medicaid Expansion program covers approximately 20,000 lives, but during the interim the Department of Human Services was not able to provide the committee with financial data regarding the cost of continuing the Medicaid Expansion program in its current manner or through a revised program. He said he expects continuation of the program through a revised program would result in cost-savings to the state.

In response to a question from Representative Carlson regarding the study of the public employee health benefits plan, Representative Keiser said the plan's health carrier lost money on the contract this biennium, and continuation of the existing health plan will cost an additional \$32 million due to an increase in premium rates. In addition to the premium increase, he said, the carrier will be addressing the loss by adjusting provider reimbursement rates and through an injection of approximately \$100 million from other sources. He said despite this loss, the Insurance Department determined the carrier is financially sound and adequately funded.

In response to a question from Representative Carlson, the Legislative Council staff said following the committee's adjournment sine die, the Public Employees Retirement Board decided to renew the public employee health benefits plan contract for an additional 2 years. She said typically the board signs the renewal contract in February or later in the legislative session so the contract reflects plan changes occurring as a result of the appropriation process or other legislation.

Representative Keiser said the Public Employees Retirement System Board followed the renewal process established by statute and the Legislative Assembly retains its authority to make plan changes and funding decisions.

Representative Carlson said he is concerned about challenges the 65<sup>th</sup> Legislative Assembly may face in ensuring the health benefits plan allows the Legislative Assembly to balance the budget.

**It was moved by Senator Triplett, seconded by Representative Devlin, and carried on a roll call vote that the report of the Health Care Reform Review Committee be accepted.** Senators Holmberg, Axness, Klein, Schaible, Triplett, Unruh, and Wardner and Representatives Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

## JUDICIARY COMMITTEE

Representative Kim Koppelman, Vice Chairman, Judiciary Committee, presented the [committee report](#). He said the committee studied the registration requirements for offenders against children and sex offenders, voter

registration and verification of citizenship status, and North Dakota statutes that may be in conflict with the definition of marriage ruling from the United States Supreme Court in *Obergefell v. Hodges*.

Representative Koppelman said the committee reviewed the uniform laws recommended by the North Dakota Commission on Uniform State Laws and undertook statutory revision responsibilities. He said the committee received reports on the status and trends of unlawful drug use and abuse and drug control and enforcement efforts, the State Hospital's program for the evaluation and treatment of sexually dangerous individuals, the indigent defense contract system and established public defender offices, the operation of the North Dakota Racing Commission, the operation of the North Dakota Lottery, the findings of the Task Force on Substance Exposed Newborns, and the number of revoked child support obligor driver's licenses.

**It was moved by Senator Klein, seconded by Senator Wardner, and carried on a roll call vote that the report of the Judiciary Committee be accepted.** Senators Holmberg, Klein, Schaible, Triplett, Unruh, and Wardner and Representatives Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **INCARCERATION ISSUES COMMITTEE AND COMMISSION ON ALTERNATIVES TO INCARCERATION**

Senator Ron Carlisle, Chairman, Incarceration Issues Committee and Commission on Alternatives to Incarceration, presented the [report of the committee and commission](#). He said the committee and commission studied pretrial services, sentencing alternatives, treatment options, and other related issues. He said the committee and commission also studied justice reinvestment reforms to seek cost-effective and evidence-based strategies to enhance public safety and properly manage corrections and supervisions populations.

In response to a question from Representative Carlson, Senator Carlisle said treatment of low-level offenders is the key.

**It was moved by Representative Ruby, seconded by Senator Schaible, and carried on a roll call vote that the report of the Incarceration Issues Committee and Commission on Alternatives to Incarceration be accepted.** Senators Holmberg, Axness, Klein, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE**

Senator Rich Wardner, Chairman, Energy Development and Transmission Committee, presented the [committee report](#). He said the committee studied the impact of a comprehensive energy policy, the oil and gas tax revenue allocation formulas, and the impacts and costs of the federal Environmental Protection Agency regulations of carbon dioxide emissions from new and existing electrical generation units. He said the committee received reports regarding the Energy Policy Commission's policy recommendations, the North Dakota Transmission Authority's activities, the North Dakota Pipeline Authority's activities, gathering pipeline recommendations, water management practices, and retail electricity sales meeting or exceeding the state renewable and recycled energy objective.

**It was moved by Senator Wardner, seconded by Senator Unruh, and carried on a roll call vote that the report of the Energy Development and Transmission Committee be accepted.** Senators Holmberg, Axness, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **WATER TOPICS OVERVIEW COMMITTEE**

Representative Jim Schmidt, Chairman, Water Topics Overview Committee, presented the [committee report](#). He said the committee monitored the status of the Garrison Diversion Conservancy District and Red River Valley Water Supply Project, and the Fargo Flood Control and FM Area Diversion Project. He said the committee studied the use of quick take eminent domain by water resource districts, and the impact on owners of land inundated by rising levels of Devils Lake and Stump Lake. He said the committee collaborated with the State Water Commission on multiple issues and received reports on water project funding, Souris Basin flood control, the Grand Forks water treatment plant, flood control projects for Fox Island and the Missouri River Correctional Center, water recreation on state land, regionalization of water supply systems, water permits, zebra mussels, Sheyenne River Valley flood protection, the Western Area Water Supply Authority, the Northwest Area Water Supply Project, the Southwest Water Authority, various water resource district projects, Bureau of Reclamation funding, western North Dakota surge funding, the Assiniboine Basin Commission, the status of the federal Water of the United States regulations, and well water testing information.

**It was moved by Representative Schmidt, seconded by Representative Dockter, and carried on a roll call vote that the report of the Water Topics Overview Committee be accepted.** Senators Holmberg, Axness, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### INFORMATION TECHNOLOGY COMMITTEE

Representative Mark S. Owens, Chairman, Information Technology Committee, presented the [committee report](#). He said the committee received reports from the Chief Information Officer and representatives of the Information Technology Department regarding the department's activities, elementary and secondary information technology initiatives, health information technology activities, large information technology projects, and the prioritization of large software projects for the 2017-19 biennium. He said the committee also received reports from representatives of the University System regarding higher education information technology projects and services. He said the committee received the Information Technology Department's annual report and an audit report of the state's network.

**It was moved by Representative Ruby, seconded by Senator Wardner, and carried on a roll call vote that the report of the Information Technology Committee be accepted.** Senators Holmberg, Axness, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### TRANSPORTATION COMMITTEE

Representative Dan Ruby, Chairman, Transportation Committee, presented the [committee report](#). He said the Transportation Committee studied uniform truck permitting and truck size and weight harmonization. He said the committee received information from the Upper Great Plains Transportation Institute regarding its collaborative study with the Department of Transportation on truck size and weight harmonization and the Highway Patrol regarding methods of calculating truck size and weight restrictions.

Representative Ruby said the committee studied motor vehicle insurance, special transportation funding distributions to political subdivisions, and the administrative authority of the Upper Great Plains Transportation Institute.

Representative Ruby said the committee received a report from the Upper Great Plains Transportation Institute regarding the state's infrastructure needs and reports from the Department of Transportation regarding information collected from transportation network companies, its study of state funding distributions and allocations to public transportation providers, the state rail plan, and the status of its budget and highway construction projects.

**It was moved by Representative Ruby, seconded by Representative Devlin, and carried on a roll call vote that the report of the Transportation Committee be accepted.** Senators Holmberg, Axness, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Ruby, and Schmidt voted "aye." No negative votes were cast.

### EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Senator Karen K. Krebsbach, Chairman, Employee Benefits Programs Committee, presented the [committee report](#). She reviewed the committee's statutory jurisdiction over legislative measures affecting retirement, health insurance, and retiree health insurance programs of public employees. She said the committee is required to make a thorough review of any measure or proposal it takes under its jurisdiction, including an actuarial review. She said the committee also reviewed the actuarial reports for the Public Employees Retirement System and for the Teachers' Fund for Retirement.

**It was moved by Senator Unruh, seconded by Representative Ruby, and carried on a roll call vote that the report of the Employee Benefits Programs Committee be accepted.** Senators Holmberg, Axness, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### HUMAN SERVICES COMMITTEE

Representative Kathy Hogan, Chairman, Human Services Committee, presented the [committee report](#) and supplemental information ([Appendix B](#)) regarding the interim committee studies. She said the committee studied family caregiver supports and services and behavioral health needs. She said the committee received reports regarding the Autism Spectrum Disorder Task Force, autism spectrum disorder voucher program pilot project, the children's health insurance program, Medicaid Expansion, brain injury life skill services, developmental disabilities, developmental disability waiver eligibility, family control parent-to-parent support, family-to-family health information

and education, adult protective services, quarterly behavioral health services reports, addiction treatment services voucher, and statutory references to mental health professionals.

**It was moved by Representative Hogan, seconded by Representative Ruby, and carried on a roll call vote that the report of the Human Services Committee be accepted.** Senators Holmberg, Axness, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Hogan and Onstad voted "aye." Representatives Belter, Carlson, Devlin, Dockter, Ruby, and Schmidt voted "nay."

### **WORKERS' COMPENSATION REVIEW COMMITTEE**

Senator Nicole Poolman, Chairman, Workers' Compensation Review Committee, presented the [committee report](#). She said the committee reviewed claims of seven injured workers to determine whether changes should be made to the state's workers' compensation law. She said the committee received a biennial report from Workforce Safety and Insurance regarding compiled data relating to safety grants, annual reports from Workforce Safety and Insurance regarding pilot programs to assess alternative methods of providing rehabilitation services, status reports on the quadrennial performance evaluation of Workforce Safety and Insurance, and a report on whether there is an industry interest in using safety programs to provide grants to an industry association to provide alcohol server training to employees of bars and restaurants that serve alcohol.

**It was moved by Representative Devlin, seconded by Senator Unruh, and carried on a roll call vote that the report of the Workers' Compensation Review Committee be accepted.** Senators Holmberg, Klein, Schaible, Triplett, and Wardner and Representatives Belter, Carlson, Dockter, Hogan, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **EDUCATION COMMITTEE**

Senator Donald Schaible, Chairman, Education Committee, presented the [committee report](#). He said the committee studied North Dakota content standards and assessments, including a review of the content standards applicable to all grade levels in this state in the areas of English language arts and mathematics, a comparison of the content standards of this state to those of other states recognized as having high-academic achievement levels, and a review of the standards development process. He said the committee studied the nature and scope of career and technical education opportunities available to students in the state, the manner in which such opportunities are financially supported, and the manner in which such opportunities are monitored to ensure that they provide students with 21<sup>st</sup> century technical skills that are aligned to industry standards, in addition to providing appropriate academic foundations. He said the committee also studied the use of restraint and seclusion procedures in schools. He said the committee reviewed various Century Code provisions and Section 6 of Article VIII of the Constitution of North Dakota, which refer to the "North Dakota Education Association," which no longer exists after its merger with the North Dakota Public Employees Association into North Dakota United. He said the committee also received numerous reports.

**It was moved by Senator Schaible, seconded by Representative Ruby, and carried on a roll call vote that the report of the Education Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **AGRICULTURE AND NATURAL RESOURCES COMMITTEE**

Representative Kenton Onstad, Chairman, Agriculture and Natural Resources Committee, presented the [committee report](#). He said the committee continued the study of Century Code provisions that relate to agriculture for the purposes of eliminating those provisions that are irrelevant or duplicative, clarifying provisions that are inconsistent or unclear in their intent and direction, and rearranging provisions in a logical order. He said the committee received a report from the State Board of Agricultural Research and Education regarding its annual evaluation of research and expenditures in accordance with Section 4-05.1-19. He said the committee also studied the Game and Fish Department's special allocation hunting licenses provided to entities for the purpose of fundraising.

**It was moved by Representative Onstad, seconded by Representative Dockter, and carried on a roll call vote that the report of the Agriculture and Natural Resources Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE**

Representative Al Carlson, Chairman, Legislative Procedure and Arrangements Committee, presented the [committee report](#). He said the committee was responsible for making arrangements for the 2017 legislative session.

He said the committee oversaw legislative wing improvement projects, including the legislative media room and new legislative meeting rooms in the judicial wing. He said the committee recommends legislative rules amendments addressing contested resolutions on the consent calendar, depositing legislative records with the Secretary of State, and roll call votes on divisions of bills. He said the committee recommends changes in legislative compensation based on projected increases for state employees.

**It was moved by Representative Carlson, seconded by Representative Schmidt, and carried on a roll call vote that the report of the Legislative Procedure and Arrangements Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt vote "aye." No negative votes were cast.

### ADMINISTRATIVE RULES COMMITTEE

Representative Bill Devlin, Chairman, Administrative Rules Committee, presented the [committee report](#). He said the committee reviewed all state administrative rulemaking actions from January 2015 through October 2016, covering 2,938 pages of rules and 2,108 rules sections. He said both the number of sections reviewed and the number of pages of rules were substantially higher than the comparable period from the previous biennial period. He said the committee voided a rule of the Education Standards and Practices Board and several rules of the State Board of Dental Examiners.

In response to a question from Representative Carlson, Representative Devlin said he has seen an increase in public attendance at the committee meetings. He said a copy of the written comments and a summary of oral comments received at the agency's public hearing accompanies each set of rules submitted to the committee. He said public interest in the administrative rules process has increased over the past several years.

**It was moved by Representative Devlin, seconded by Senator Schaible, and carried on a roll call vote that the report of the Administrative Rules Committee be accepted.** Senators Holmberg, Axness, Klein, Schaible, Schneider, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Onstad, Ruby, and Schmidt voted "aye." No negative votes were cast.

The committee recessed at 4:00 p.m. and reconvened at 9:00 a.m. on Thursday, November 17, 2016.

### ECONOMIC IMPACT COMMITTEE

Senator Triplett, Chairman, Economic Impact Committee, presented the [committee report](#). She said the committee studied the one-call excavation notice system, including the financial and operational impact on the underground facilities owners from the tremendous increase in the number of locates. She said the committee studied providing natural gas service to underserved communities from available natural gas not otherwise committed in main gas transmission lines near those underserved communities. She said the committee studied North Dakota's development of a civilian ground center, including the development of a central location for processing first responder data generated from the deployment of unmanned aircraft and unmanned systems by first responders during federal, state, and local government responses to emergencies. She said the committee received a number of reports, including one from the Emergency Services Communication Coordinating Committee regarding the use of the assessed communications services fee revenue and one from the Department of Commerce regarding the status of the program to establish and administer an unmanned aircraft systems test site.

**It was moved by Senator Triplett, seconded by Senator Wardner, and carried on a roll call vote that the report of the Economic Impact Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Ruby, and Schmidt voted "aye." No negative votes were cast.

### TRIBAL AND STATE RELATIONS COMMITTEE

Representative Marvin Nelson, Chairman, Tribal and State Relations Committee, presented the [committee report](#). He said the committee held joint meetings with the North Dakota Tribal Governments' Task Force to study providing state services for tribal youth in the state who are adjudicated in tribal courts. He said the committee also studied tribal-state tax agreements, Indian education issues, and tribal health and human services issues. He said the committee received a report from the Task Force on Substance Exposed Newborns and a report on the activities of the North Dakota Tribal State Health Service Committee. He said the committee received information regarding a paleontology project on the Standing Rock Sioux Reservation, the tribal recruiting and retention efforts of the North Dakota National Guard, the services of the State Fire Marshal, the state's animal cruelty laws and the availability of free veterinary services, and the status of the Environmental Protection Agency's Clean Power Plan. He said the committee received the biennial report on the implementation of the oil and gas tax agreement with the Three Affiliated Tribes of the Fort Berthold Reservation.

**It was moved by Representative Nelson, seconded by Representative Devlin, and carried on a roll call vote that the report of the Tribal and State Relations Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **TAXATION COMMITTEE**

Senator Jessica Unruh, Chairman, Taxation Committee, presented the [committee report](#). She said the committee studied the oil extraction tax exemption available for incremental production from a tertiary recovery project that uses carbon dioxide and considered the potential benefits and costs to industry, the state, and the environment of using carbon dioxide enhanced recovery methods and the economic conditions in which that usage is feasible for oil producers. She said the committee studied current scientific and economic information regarding oil and gas recovery and enhanced recovery techniques, including the use of carbon dioxide, the timeline for implementing the techniques, and the estimated future annual economic impact; and to evaluate existing and alternative tax incentives and recommend tax incentives that under current and foreseeable conditions, within different oil formations, would best serve the interests of the state, political subdivisions, and fossil fuel energy production industries. She said the committee also received a report from the Tax Commissioner regarding revenues received and expended by counties and school districts receiving oil and gas gross production tax revenues, and a report from a representative of the Department of Commerce regarding a summary of state grantor reports and reports of state agencies that award business incentives.

**It was moved by Senator Unruh, seconded by Senator Triplett, and carried on a roll call vote that the report of the Taxation Committee be accepted.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Hogan, Nelson, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **POLITICAL SUBDIVISION TAXATION COMMITTEE**

Representative Jason Dockter, Chairman, Political Subdivision Taxation Committee, presented the [committee report](#). He said the committee studied the effectiveness of economic development tax incentives. He said the committee studied transferring the costs of operating social services programs from county property tax levies to general fund appropriations. He said the committee also studied the application of sales and use tax to purchases made by a contractor on behalf of an exempt entity and the income tax reciprocity agreement between North Dakota and Montana. He said the committee received two reports from a representative of the Department of Commerce. He said the first report pertained to renaissance zone progress and the second summarized a compilation of reports from cities having renaissance zone property located in a tax increment financing district.

**It was moved by Representative Dockter, seconded by Representative Devlin, and carried on a roll call vote that the report of the Political Subdivision Taxation Committee be accepted.** Senators Holmberg, Schaible, Triplett, and Unruh and Representatives Belter, Devlin, Dockter, Hogan, Nelson, Ruby, and Schmidt voted "aye." No negative votes were cast.

### **HEALTH SERVICES COMMITTEE**

Senator J. Lee, Chairman, Health Services Committee, presented the [committee report](#). She said the committee studied dental services in the state, including the effectiveness of case management services and the state infrastructure necessary to cost-effectively use mid-level providers to improve access to services and address dental service provider shortages in underserved areas of the state; medicolegal death investigation in the state and how current best practices, including authorization, reporting, training, certification, and the use of information technology and toxicology, can improve death investigation systems in the state; the feasibility and desirability of the University of North Dakota acquiring the building that houses the Forensic Pathology Center; and issues relating to employment restrictions in public assistance programs. She said the committee received reports from the Board of Addiction Counseling Examiners, Board of Counselor Examiners, North Dakota Board of Social Work Examiners, State Board of Psychologist Examiners, North Dakota Board of Medicine, and North Dakota Marriage and Family Therapy Licensure Board regarding plans for administration and implementation of licensing and reciprocity standards for licensees and any legislative changes necessary to implement those plans; the Board of Addiction Counseling Examiners regarding the status of the periodic evaluation of the initial licensure coursework requirements and clinical training requirements; and a health care workforce task force regarding nursing workforce capacity, including behavioral health nurses, nursing faculty recruitment and retention, and the need for advanced practice registered nurse preceptors. She said the committee received a recommendation from the Insurance Commissioner of an entity to provide cost-benefit analyses on legislative measures mandating health insurance coverage of services or payment for specified providers of services or amendments that mandate such coverage or payment.

Senator J. Lee said the committee also received reports from the State Fire Marshal regarding the effectiveness of test methods and performance standards for cigarettes and any recommendations for legislation to improve the effectiveness of the law on reduced ignition propensity standards for cigarettes; the Department of Human Services, State Department of Health, Indian Affairs Commission, and the Public Employees Retirement System regarding goals and strategies to reduce the incidence of diabetes in the state, improve diabetes care, and control complications associated with diabetes; the State Department of Health regarding a study of state programs to assist health professionals, including behavioral health professionals, with a focus on state loan repayment programs for health professionals; the State Department of Health regarding progress made toward improvement in the quality of care provided under the state comprehensive stroke system for stroke response and treatment and any recommendations for future legislation; and the Tobacco Prevention and Control Advisory Committee and the State Department of Health regarding grant expenditures, the granting process, and reporting requirements of a \$500,000 grant from the tobacco prevention and control trust fund to the State Department of Health. In addition, she said, the committee received information regarding a survey of agency alcohol, drug, tobacco, and risk-associated behavior prevention and treatment program expenditures during the 2013-15 biennium and funding budgeted for the 2015-17 biennium.

**It was moved by Representative Hogan, seconded by Representative Dockter, and carried on a roll call vote to accept the report of the Health Services Committee.** Senators Holmberg, Schaible, Triplett, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Hogan, Nelson, Ruby, and Schmidt voted "aye." No negative votes were cast.

### COMMITTEE DISCUSSION

Representative Carlson said because the resources of the Highway Patrol and other law enforcement agencies in the state have been significantly strained by the ongoing pipeline-related protests in the area, additional burdens should not be placed on law enforcement by holding formal events during the legislative session which are not required by law, including the State of the Judiciary Address and the State-Tribal Relationship address.

**It was moved by Representative Carlson, seconded by Senator Schaible, and carried on a roll call vote that the Legislative Procedure and Arrangements Committee report be amended to reflect that the State of the Judiciary address and the State of the Tribal-State Relationship address not be scheduled during the 65<sup>th</sup> Legislative Assembly.** Senators Holmberg, Schaible, Unruh, and Wardner and Representatives Belter, Carlson, Devlin, Dockter, Ruby, and Schmidt voted "aye." Senator Triplett and Representatives Hogan and Nelson voted "nay."

No further business appearing, Chairman Holmberg adjourned the meeting at 10:30 a.m.

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Jim W. Smith  
Director

ATTACH:2