

## JOURNAL OF THE HOUSE

## Sixty-fifth Legislative Assembly

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Bismarck, February 20, 2017

The House convened at 1:00 p.m., with Speaker Bellew presiding.

The prayer was offered by Pastor Martha Harrison, Trinity United Parish, Glenburn/Lansford, ND.

The roll was called and all members were present except Representatives P. Anderson, Kreidt, and M. Ruby.

A quorum was declared by the Speaker.

**CORRECTION AND REVISION OF THE JOURNAL**

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

Page 379, line 2, remove "."

Page 393, line 2, replace "HB 1337 failed" with "HB 1337 failed for want of a constitutional majority"

Page 590, remove lines 31 through 35

**REP. KLEMM MOVED** that the report be adopted, which motion prevailed on a voice vote.

**POINT OF PERSONAL PRIVILEGE**

**REP. LOUSER** rose on a point of personal privilege.

**REMARKS OF REPRESENTATIVE LOUSER**

**MR. SPEAKER:** This past weekend, the Minot High School wrestling team won its first state championship since 1993. Entering the tournament as the top ranked team in Class A, the Magi lost two of their team dual meets and were sitting in fifth place in the team standings, trailing traditional power Bismarck High by almost 70 points.

Coach Justin Racine gathered his athletes to rally and express his confidence in them. The end result saw 13 athletes place and scoring 86 points to take home the title. Brody Armstrong was the sole individual champion at 126 pounds and coach Racine, a Minot High graduate in only his second year as head coach, won Coach of the Year.

Bishop Ryan also saw success this past weekend as Konner Beeter won the 152 pound title and Jordan Will pinned his way through the 220 weight class on his way to a second individual title. Will owns the state record for pins in a season and was undefeated against North Dakota athletes, finishing the season 58-1.

As the winter championship seasons are just getting underway, we're hoping more teams can follow our Minot wrestlers and continue the Magician Tradition and Lion Pride. Congratulations to the athletes, coaches and parents who sacrifice so much in a sport that requires as much sacrifice as any.

For those in the assembly, the only undefeated state champion this year was Clayton Grueneich, cousin of Representative Jim Grueneich.

Mr Speaker

**REQUEST**

**REP. VIGESAA REQUESTED** that the remarks of Rep. Louser be printed in the Journal, which request was granted on a voice vote.

**SIXTH ORDER OF BUSINESS**

**SPEAKER BELLEW DEEMED** approval of the amendments to HB 1012, HB 1013, HB 1015, Engrossed HB 1115, HB 1124, Engrossed HB 1259, Engrossed HB 1324, HB 1352, HB 1430, and HCR 3015.

HCR 3015, as amended, was placed on the Tenth order of business on the calendar.

HB 1012, HB 1013, HB 1015, Engrossed HB 1115, HB 1124, Engrossed HB 1259, Engrossed HB 1324, HB 1352, and HB 1430, as amended, were placed on the Eleventh order of business on today's calendar.

**MOTION**

**REP. VIGESAA MOVED** that HB 1038 be moved to the top of the calendar, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1038:** A BILL for an Act to provide an appropriation to the department of human services; to provide for the establishment of a caregiver resource center website; and to provide for a report.

**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 86 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streytle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Becker, Rick C.; Ertelt; Johnston; Kading; Simons

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Ruby, M.

Engrossed HB 1038 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1330:** A BILL for an Act to amend and reenact section 54-35-01 of the North Dakota Century Code, relating to the membership of the legislative management; and to declare an emergency.

**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 80 YEAS, 11 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boehning; Bosch; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Hatlestad; Headland; Heinert; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier;

Monson; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Boe; Boschee; Delmore; Guggisberg; Hanson; Hogan; Holman; Mitskog; Mock; Nelson, M.; Schneider

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Ruby, M.

HB 1330 passed and the emergency clause was declared carried.

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### SECOND READING OF HOUSE BILL

**HB 1298:** A BILL for an Act to create and enact a new section to chapter 11-10, a new section to chapter 40-05, and a new section to chapter 58-03 of the North Dakota Century Code, relating to prohibiting counties, cities, and townships from contracting with lobbyists; to amend and reenact section 54-05.1-02 of the North Dakota Century Code, relating to the definition of lobbyist and prohibiting lobbyists from receiving public funds from political subdivisions; and to provide a penalty.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 8 YEAS, 83 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Ertelt; Lefor; Magrum; Meier; Paur; Ruby, D.; Steiner; Streyle

**NAYS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Longmuir; Louser; Maragos; Marschall; Martinson; McWilliams; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Pollert; Porter; Pyle; Roers Jones; Rohr; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Ruby, M.

HB 1298 failed.

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### SECOND READING OF HOUSE BILL

**HB 1168:** A BILL for an Act to create and enact a new section to chapter 44-08 of the North Dakota Century Code, relating to restricting compensation and travel reimbursement for public employees for attendance at legislative meetings.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 5 YEAS, 86 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Becker, Rick C.; Ertelt; Kading; Koppelman, B.; Skroch

**NAYS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier;

Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Ruby, M.

HB 1168 failed.

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### SECOND READING OF HOUSE BILL

**HB 1321:** A BILL for an Act to amend and reenact subsection 4 of 39-12-05.3 of the North Dakota Century Code, relating to weight limitations and the movement of agricultural products during harvest.

### ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 53 YEAS, 38 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson, D.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Damschen; Delmore; Delzer; Devlin; Dockter; Grueneich; Hatlestad; Headland; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kasper; Kempenich; Kiefert; Koppelman, B.; Magrum; Maragos; Marschall; McWilliams; Mitskog; Monson; Nelson, J.; O'Brien; Pollert; Pyle; Roers Jones; Sanford; Satrom; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Simons; Streyle; Trottier; Vetter; Weisz; Westlind; Zubke

**NAYS:** Anderson, B.; Becker, Rick C.; Carlson; Dobervich; Ertelt; Guggisberg; Hanson; Heinert; Hogan; Holman; Kading; Karls; Keiser; Klemin; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Martinson; Meier; Mock; Nathe; Nelson, M.; Oliver; Olson; Owens; Paur; Porter; Rohr; Ruby, D.; Schneider; Skroch; Steiner; Sukut; Toman; Vigesaa; Speaker Bellew

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Ruby, M.

HB 1321 passed.

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### SECOND READING OF HOUSE BILL

**HB 1421:** A BILL for an Act to create and enact a new subsection to section 57-02-01.1 of the North Dakota Century Code, relating to the certification of township assessors.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 43 YEAS, 49 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Becker, Rich S.; Boe; Boschee; Brabandt; Damschen; Delzer; Devlin; Johnson, C.; Johnson, D.; Johnston; Jones; Karls; Kiefert; Laning; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Monson; Nelson, J.; Nelson, M.; O'Brien; Paur; Pollert; Ruby, D.; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Streyle; Trottier; Vigesaa; Weisz; Westlind; Speaker Bellew

**NAYS:** Beadle; Becker, Rick C.; Blum; Boehning; Bosch; Brandenburg; Carlson; Delmore; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, M.; Kading; Kasper; Keiser; Kempenich; Klemin; Koppelman, B.; Koppelman, K.; Lefor; Longmuir; Louser; Mitskog; Mock; Nathe; Oliver; Olson; Owens; Porter; Pyle; Roers Jones; Rohr; Sanford; Satrom; Schneider; Steiner; Sukut; Toman; Vetter; Zubke

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1421 failed.

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### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3020:** A concurrent resolution urging Congress and the President of the United States to allow the continuation of the Garrison Diversion project canal system to aid in the delivery of water to the Red River Valley.

### ROLL CALL

The question being on the final adoption of the amended resolution, which has been read, and has committee recommendation of DO PASS. The roll was called and there were 91 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Skroch

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HCR 3020 was declared adopted on a recorded roll call vote.

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### SECOND READING OF HOUSE BILL

**HB 1409:** A BILL for an Act to amend and reenact section 38-11.2-07 of the North Dakota Century Code, relating to well water testing preceding subsurface mineral production and liability for damages to water supplies.

### 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 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Johnston; Schatz; Simons

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1409 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1367:** A BILL for an Act amend and reenact sections 20.1-13-07 and 20.1-13-10 of the North Dakota Century Code, relating to personal watercraft and towing an individual on water skies or similar devices; 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 83 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Jones; Kading; Karls; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Beadle; Becker, Rich S.; Ertelt; Johnson, M.; Johnston; Kasper; Keiser; Marschall; Vetter

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1367 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1257:** A BILL for an Act to amend and reenact subsection 7 of section 38-08-09.4 and sections 38-08-09.5 and 38-08-09.9 of the North Dakota Century Code, relating to approval requirements for unitization plans.

**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 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1257 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1311:** A BILL for an Act to amend and reenact subsection 2 of section 39-06.1-06 of the North Dakota Century Code, relating to the amount of statutory fees for littering on the highway; 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 55 YEAS, 37 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, P.; Becker, Rich S.; Bosch; Boschee; Brandenburg; Damschen; Delmore; Dobervich; Grueneich; Guggisberg; Hanson; Hatlestad; Heinert; Hogan; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Keiser; Kempenich; Kiefert; Klemin; Lefor; Longmuir; Magrum; Maragos; Marschall; Martinson; McWilliams; Mitskog; Mock; Nathe; Nelson, M.; O'Brien; Oliver; Owens; Paur; Porter; Ruby, D.; Sanford; Satrom; Schneider; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Toman; Trottier; Weisz; Westlind; Zubke

**NAYS:** Anderson, D.; Beadle; Becker, Rick C.; Blum; Boe; Boehning; Brabandt; Carlson; Delzer; Devlin; Dockter; Ertelt; Headland; Holman; Howe; Johnston; Karls; Kasper; Koppelman, B.; Koppelman, K.; Laning; Louser; Meier; Monson; Nelson, J.; Olson; Pollert; Pyle; Roers Jones; Rohr; Schatz; Schmidt; Simons; Skroch; Vetter; Vigesaa; Speaker Bellew

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1311 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1129:** A BILL for an Act to amend and reenact subsections 1, 5, and 6 of section 39-06.2-10.6, section 39-06.2-10.7, subsections 1, 5, and 6 of section 39-20-05, and section 39-20-06 of the North Dakota Century Code, relating to hearing requirements for commercial vehicles and for commercial and noncommercial driver's licenses.

**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 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1129 passed.

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**SECOND READING OF HOUSE BILL**

**HB 1339:** A BILL for an Act to amend and reenact sections 61-16.1-22, 61-16.1-23, and 61-16.1-26 of the North Dakota Century Code, relating to notice, appeals, and refunds of special assessments.

**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 79 YEAS, 13 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Brabandt; Carlson; Damschen; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hatlestad; Heinert; Hogan; Holman; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Porter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Boschee; Brandenburg; Delmore; Delzer; Hanson; Headland; Howe; Johnson, M.; Kiefert; Mock; Pollert; Pyle; Seibel

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1339 passed.

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### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3014:** A concurrent resolution requesting the Legislative Management to consider studying the various legal notice and publishing requirements of all state agencies and political subdivisions, the related costs required in state and political subdivision budgets, and potential notification alternatives.

### ROLL CALL

The question being on the final adoption of the amended resolution, which has been read, and has committee recommendation of DO PASS. The roll was called and there were 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Anderson, P.; Paur; Schneider

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HCR 3014 was declared adopted on a recorded roll call vote.

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### SECOND READING OF HOUSE BILL

**HB 1402:** A BILL for an Act to amend and reenact subsection 4 of section 14-07.1-02 of the North Dakota Century Code, relating to the surrender of firearms or other dangerous weapons pursuant to domestic violence protection orders.

### 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 57 YEAS, 35 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Becker, Rich S.; Blum; Boe; Bosch; Boschee; Carlson; Damschen; Delmore; Dobervich; Grueneich; Guggisberg; Hanson; Hatlestad; Hogan; Holman; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Keiser; Kiefert; Klemin; Koppelman, K.; Laning; Lefor; Longmuir;

Maragos; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nelson, J.; Nelson, M.; O'Brien; Oliver; Owens; Paur; Pyle; Sanford; Satrom; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Sukut; Trottier; Weisz; Westlind; Zubke

**NAYS:** Beadle; Becker, Rick C.; Boehning; Brabandt; Brandenburg; Delzer; Devlin; Dockter; Ertelt; Headland; Heinert; Howe; Johnston; Kasper; Kempenich; Koppelman, B.; Louser; Magrum; Marschall; Nathe; Olson; Pollert; Porter; Roers Jones; Rohr; Ruby, D.; Schatz; Schmidt; Seibel; Simons; Streyle; Toman; Vetter; Vigesaa; Speaker Bellew

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

HB 1402 passed.

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### SECOND READING OF HOUSE BILL

**HB 1427:** A BILL for an Act to provide for a legislative management study of refugee resettlement in 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 86 YEAS, 5 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Anderson, P.; Boschee; Hanson; Johnson, M.; Schneider

**ABSENT AND NOT VOTING:** Kreidt; Oliver; Ruby, M.

Engrossed HB 1427 passed.

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### SECOND READING OF HOUSE CONCURRENT RESOLUTION

**HCR 3016:** A concurrent resolution requesting the Legislative Management to consider studying the desirability of moving city and other local elections from the primary election in June in even-numbered years to the general election in November in even-numbered years.

### ROLL CALL

The question being on the final adoption of the amended resolution, which has been read, and has committee recommendation of DO PASS. The roll was called and there were 88 YEAS, 1 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Olson; Owens;

Paur; Pollert; Porter; Pyle; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Johnson, M.

**ABSENT AND NOT VOTING:** Kreidt; Oliver; Roers Jones; Rohr; Ruby, M.

Engrossed HCR 3016 was declared adopted on a recorded roll call vote.

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### SECOND READING OF HOUSE BILL

**HB 1393:** A BILL for an Act to amend and reenact section 61-16.1-17, 61-16.1-21, 61-16.1-22, and 61-21-20 of the North Dakota Century Code, relating to assessments by water resource districts.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 12 YEAS, 79 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Becker, Rick C.; Brabandt; Ertelt; Guggisberg; Maragos; Ruby, D.; Schatz; Simons; Steiner; Toman; Weisz; Speaker Bellew

**NAYS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Grueneich; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Sanford; Satrom; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Skroch; Streyle; Sukut; Trottier; Vetter; Vigesaa; Westlind; Zubke

**ABSENT AND NOT VOTING:** Kreidt; Oliver; Ruby, M.

Engrossed HB 1393 failed.

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### SECOND READING OF HOUSE BILL

**HB 1272:** A BILL for an Act to create and enact section 47-16-07.6 of the North Dakota Century Code, relating to reasonable accommodations for service animals in rental dwelling units; to amend and reenact section 47-16-07.5 of the North Dakota Century Code, relating to disability documentation for service or assistance animals in a rental dwelling; 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 91 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Oliver; Olson; Owens; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker

Bellew

**NAYS:** Steiner

**ABSENT AND NOT VOTING:** Kreidt; Ruby, M.

Engrossed HB 1272 passed.

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### SECOND READING OF HOUSE BILL

**HB 1248:** A BILL for an Act to create and enact a new chapter to title 54 of the North Dakota Century Code, relating to a prosperity states compact.

### 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 39 YEAS, 52 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Brabandt; Damschen; Dockter; Ertelt; Grueneich; Hatlestad; Headland; Johnson, C.; Johnson, M.; Johnston; Jones; Kading; Kempenich; Klemin; Koppelman, B.; Louser; Maragos; Marschall; McWilliams; Monson; Olson; Paur; Ruby, D.; Sanford; Satrom; Schatz; Simons; Skroch; Steiner; Streyle; Toman; Vetter; Zubke

**NAYS:** Anderson, P.; Boe; Boehning; Bosch; Boschee; Brandenburg; Carlson; Delmore; Delzer; Devlin; Dobervich; Guggisberg; Hanson; Heinert; Hogan; Holman; Howe; Johnson, D.; Karls; Kasper; Keiser; Kiefert; Koppelman, K.; Laning; Lefor; Longmuir; Magrum; Martinson; Meier; Mitskog; Mock; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Pollert; Porter; Pyle; Roers Jones; Rohr; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Sukut; Trottier; Vigesaa; Weisz; Westlind; Speaker Bellew

**ABSENT AND NOT VOTING:** Kreidt; Oliver; Ruby, M.

Engrossed HB 1248 failed.

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### SECOND READING OF HOUSE BILL

**HB 1374:** A BILL for an Act to create and enact sections 61-02-14.3, 61-02-80, 61-02-81, and a new section to chapter 61-03 of the North Dakota Century Code, relating to contracts and financial assistance for water projects and duties of the state engineer; and to amend and reenact sections 61-02-01.3, 61-02-01.4, 61-02-02, 61-02-04, 61-02-07, and 61-02-08, subsection 1 of section 61-02-14, and subsection 4 of section 61-02-62 of the North Dakota Century Code, relating to definitions of types of financial assistance for water projects and the composition and operation of the state water 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 82 YEAS, 8 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Bosch; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dobervich; Dockter; Ertelt; Grueneich; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klemin; Koppelman, B.; Laning; Lefor; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; McWilliams; Meier; Mitskog; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Olson; Owens; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Simons; Skroch; Steiner; Streyle; Sukut; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Bellew

**NAYS:** Boschee; Guggisberg; Hanson; Hogan; Johnson, M.; Koppelman, K.; Mock; Paur

**ABSENT AND NOT VOTING:** Anderson, P.; Kreidt; Oliver; Ruby, M.

Engrossed HB 1374 passed.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1165, HB 1182, HB 1190, HB 1216, HB 1299, HB 1306, HB 1337, HB 1385, HB 1398, HB 1428.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1196, HB 1198, HB 1200, HB 1204, HB 1206, HB 1208, HB 1210, HB 1211, HB 1212, HB 1214, HB 1215, HB 1218, HB 1220, HB 1222, HB 1231, HB 1234, HB 1235, HB 1237, HB 1239, HB 1241, HB 1245, HB 1246, HB 1247.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HB 1407.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HCR 3001, HCR 3002, HCR 3003, HCR 3006, HCR 3009, HCR 3010, HCR 3021.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, and your favorable consideration is requested on: HB 1024, HB 1025, HB 1054, HB 1152, HB 1155, HB 1197, HB 1207, HB 1365, HB 1406.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, and your favorable consideration is requested on: HB 1233, HB 1395.

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

**MR. PRESIDENT:** The House has passed, the emergency clause carried, and your favorable consideration is requested on: HB 1240.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2002, SB 2011, SB 2013, SB 2014, SB 2025, SB 2270, SB 2298, SB 2341, SB 2343.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2005, SB 2006, SB 2007, SB 2008, SB 2009, SB 2010, SB 2017, SB 2019, SB 2020, SB 2022, SB 2023, SB 2037, SB 2142, SB 2144, SB 2146, SB 2147, SB 2157, SB 2159, SB 2188, SB 2212, SB 2213, SB 2223, SB 2258, SB 2289, SB 2301, SB 2310.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2012, SB 2036, SB 2123, SB 2148, SB 2156, SB 2168, SB 2171, SB 2190, SB 2193, SB 2197, SB 2203, SB 2204, SB 2205, SB 2221, SB 2239, SB 2247, SB 2273, SB 2278, SB 2280, SB 2296, SB 2327, SB 2340.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, and your favorable consideration is requested on: SB 2031, SB 2054, SB 2101, SB 2133, SB 2134, SB 2150, SB 2160, SB 2185, SB 2186, SB 2199, SB 2200, SB 2214, SB 2222, SB 2236, SB 2245, SB 2250, SB 2259, SB 2262, SB 2269, SB 2271, SB 2282, SB 2283, SB 2288, SB 2295, SB 2304, SB 2307, SB 2308, SB 2318, SB 2321, SB 2324, SB 2330, SB 2333, SCR 4004.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2035, SB 2107, SB 2135, SB 2175, SB 2178, SB 2196, SB 2198, SB 2238, SB 2242, SB 2272, SB 2284, SB 2320.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2311.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1426.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1426.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1426.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on February 20, 2017: HB 1426.

**MOTION**

**REP. VIGESAA MOVED** that the absent members be excused, which motion prevailed on a voice vote.

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 9:00 a.m., Tuesday, February 21, 2017, which motion prevailed on a voice vote.

**REPORT OF STANDING COMMITTEE**

**HB 1001: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 2 NAYS, 3 ABSENT AND NOT VOTING). HB 1001 was placed on the Sixth order on the calendar.

Page 1, replace lines 11 through 16 with:

"Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough rider awards	<u>10,800</u>	<u>0</u>	<u>10,800</u>
Total general fund	\$4,094,559	(\$233,172)	\$3,861,387
Full-time equivalent positions	18.00	(1.00)	17.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$50,086 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1001 - Governor's Office - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$3,735,049	(\$192,918)	\$3,542,131
Operating expenses	343,710	(45,254)	298,456
Contingencies	5,000	5,000	10,000
Rough Rider Awards	<u>10,800</u>		<u>10,800</u>
Total all funds	\$4,094,559	(\$233,172)	\$3,861,387
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$4,094,559	(\$233,172)	\$3,861,387
FTE	18.00	(1.00)	17.00

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

	Adjusts Salaries and Wages Funding <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 1 FTE Position <sup>3</sup>	Adjusts Funding for Operating Expenses <sup>4</sup>	Restores Contingencies Funding <sup>5</sup>	Total House Changes
Salaries and wages	(\$93,004)	\$50,086	(\$150,000)			(\$192,918)
Operating expenses				(45,254)		(45,254)
Contingencies					5,000	5,000
Rough Rider Awards						
Total all funds	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
Less estimated income	0	0	0	0	0	0
General fund	(\$93,004)	\$50,086	(\$150,000)	(\$45,254)	\$5,000	(\$233,172)
FTE	0.00	0.00	(1.00)	0.00	0.00	(1.00)

<sup>1</sup> Funding is adjusted for salaries and wages, including base payroll changes, as requested in the executive budget recommendation.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> One FTE position and funding of \$150,000 from the general fund is removed.

<sup>4</sup> Funding for operating expenses is reduced as requested in the executive budget recommendation.

<sup>5</sup> Funding of \$5,000 for contingencies that was reduced as a result of the August 2016 general fund budget reductions is restored to provide total contingencies funding of \$10,000.

This amendment also adds a section detailing the amount of funding provided to the agency for employee health insurance premium increases.

#### REPORT OF STANDING COMMITTEE

**HB 1002: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 2, after "printing" insert "; and to provide an exemption"

Page 1, remove lines 14 through 23

Page 2, replace lines 1 through 11 with:

"Salaries and wages	\$4,903,514	(\$501,144)	\$4,402,370
Operating expenses	2,053,162	607,856	2,661,018
Petition review	8,000	0	8,000
Election reform	<u>2,703,535</u>	<u>(1,510,673)</u>	<u>1,192,862</u>
Total all funds	\$9,668,211	(\$1,403,961)	\$8,264,250
Less estimated income	<u>3,583,536</u>	<u>(995,997)</u>	<u>2,587,539</u>
Total general fund	\$6,084,675	(\$407,964)	\$5,676,711
Full-time equivalent positions	34.00	(3.00)	31.00

Subdivision 2.

#### SECRETARY OF STATE - PUBLIC PRINTING

	Base Level	Adjustments or Enhancements	Appropriation
Public printing	<u>\$290,045</u>	<u>(\$1,595)</u>	<u>\$288,450</u>
Total general fund	\$290,045	(\$1,595)	\$288,450

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$6,374,720	(\$409,559)	\$5,965,161
Grand total special funds	<u>3,583,536</u>	<u>(995,997)</u>	<u>2,587,539</u>
Grand total all funds	\$9,958,256	(\$1,405,556)	\$8,552,700

**SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in subdivision 1 of section 1 of this Act includes the sum of \$94,446, of which \$91,588 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 16, insert:

**"SECTION 4. EXEMPTION - GENERAL SERVICES OPERATING FUND.** Any unexpended and unobligated balance remaining in the secretary of state's general services operating fund on June 30, 2017, is not subject to the provisions of section 54-09-08, and any unexpended funds are available and may be expended by the secretary of state during the biennium beginning July 1, 2017, and ending June 30, 2019."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1002 - Summary of House Action**

	Base Budget	House Changes	House Version
Secretary of State			
Total all funds	\$9,668,211	(\$1,403,961)	\$8,264,250
Less estimated income	<u>3,583,536</u>	<u>(995,997)</u>	<u>2,587,539</u>
General fund	\$6,084,675	(\$407,964)	\$5,676,711
Public Printing			
Total all funds	\$290,045	(\$1,595)	\$288,450
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$290,045	(\$1,595)	\$288,450
Bill total			
Total all funds	\$9,958,256	(\$1,405,556)	\$8,552,700
Less estimated income	<u>3,583,536</u>	<u>(995,997)</u>	<u>2,587,539</u>
General fund	\$6,374,720	(\$409,559)	\$5,965,161

**House Bill No. 1002 - Secretary of State - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$4,903,514	(\$501,144)	\$4,402,370
Operating expenses	2,053,162	607,856	2,661,018
Petition review	8,000		8,000
Election reform	<u>2,703,535</u>	<u>(1,510,673)</u>	<u>1,192,862</u>
Total all funds	\$9,668,211	(\$1,403,961)	\$8,264,250
Less estimated income	<u>3,583,536</u>	<u>(995,997)</u>	<u>2,587,539</u>
General fund	\$6,084,675	(\$407,964)	\$5,676,711
FTE	34.00	(3.00)	31.00

**Department No. 108 - Secretary of State - Detail of House Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Adjusts Funding for Overtime and Temporary Salaries <sup>3</sup>	Removes 3 FTE Positions <sup>4</sup>	Adjusts Base Level Funding <sup>5</sup>	Adds Funding for Central Indexing System <sup>6</sup>
Salaries and wages	(\$274,637)	\$91,584		(\$318,091)		
Operating expenses					81,856	526,000
Petition review						
Election reform	<u>2,792</u>	<u>2,862</u>				
Total all funds	(\$271,845)	\$94,446	\$0	(\$318,091)	\$81,856	\$526,000
Less estimated income	<u>(202,484)</u>	<u>2,858</u>	<u>50,000</u>	<u>0</u>	<u>143,956</u>	<u>526,000</u>

General fund	(\$69,361)	\$91,588	(\$50,000)	(\$318,091)	(\$62,100)	\$0
FTE	0.00	0.00	0.00	(3.00)	0.00	0.00
	<b>Reduces Funding for Election Reform<sup>7</sup></b>	<b>Total House Changes</b>				
Salaries and wages		(\$501,144)				
Operating expenses		607,856				
Petition review						
Election reform	(1,516,327)	(1,510,673)				
Total all funds	(\$1,516,327)	(\$1,403,961)				
Less estimated income	(1,516,327)	(995,997)				
General fund	\$0	(\$407,964)				
FTE	0.00	(3.00)				

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Funding is adjusted for overtime and temporary salaries to provide a decrease from the general fund of \$50,000 and an increase of \$50,000 from the Secretary of State's general services operating fund.

<sup>4</sup> Funding is removed for 3 FTE positions, including 1 FTE position removed in the executive budget and 2 FTE positions removed in the revised executive budget.

<sup>5</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Information technology operating expenses	\$0	\$118,956	\$118,956
Other operating expenses	(62,100)	25,000	(37,100)
Total	(\$62,100)	\$143,956	\$81,856

<sup>6</sup> Funding is provided from the Secretary of State's general services operating fund for operational increases related to hosting and maintenance expenses for the North Dakota central indexing system.

<sup>7</sup> Funding is reduced for election reform, including reductions for information technology data processing, information technology contractual services and repairs, and professional service fees to provide a total appropriation of \$1,192,862 for election reform.

This amendment also adds:

- A section detailing the amount of funding provided to the agency for employee health insurance premium increases.
- A section providing an exemption for the Secretary of State's general services operating fund to allow any unexpended and unobligated balance on June 30, 2017, to remain in the fund and be expended by the Secretary of State during the 2017-19 biennium rather than the unobligated balance exceeding \$75,000 to be transferred to the general fund.

#### House Bill No. 1002 - Public Printing - House Action

	Base Budget	House Changes	House Version
Public printing	\$290,045	(\$1,595)	\$288,450
Total all funds	\$290,045	(\$1,595)	\$288,450
Less estimated income	0	0	0
General fund	\$290,045	(\$1,595)	\$288,450

FTE	0.00		0.00	0.00
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**Department No. 109 - Public Printing - Detail of House Changes**

	Reduces Funding for Public Printing <sup>1</sup>	Total House Changes
Public printing	(\$1,595)	(\$1,595)
Total all funds	(\$1,595)	(\$1,595)
Less estimated income	0	0
General fund	(\$1,595)	(\$1,595)
FTE	0.00	0.00

<sup>1</sup> Public printing funding is reduced by \$1,595 to provide a total appropriation for public printing of \$288,450.

**REPORT OF STANDING COMMITTEE**

**HB 1003: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 1, after "general" insert "; to provide exemptions; and to provide a report to the office of management and budget and the legislative council"

Page 1, remove lines 10 through 24

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$40,503,865	(\$236,581)	\$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
Capital assets	2,339,187	403,185	2,742,372
Grants	1,762,659	677,341	2,440,000
Litigation fees	50,000	100,000	150,000
Intellectual property attorney	418,323	8,808	427,131
Abortion litigation fees	400,000	(400,000)	0
Medical examinations	660,000	0	660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	0	7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	<u>3,455,725</u>	<u>(550,907)</u>	<u>2,904,818</u>
Total all funds	\$83,714,313	(\$9,233,765)	\$74,480,548
Less estimated income	<u>35,247,452</u>	<u>(4,766,904)</u>	<u>30,480,548</u>
Total general fund	\$48,466,861	(\$4,466,861)	\$44,000,000
Full-time equivalent positions	250.00	(19.00)	231.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in section 1 of this Act includes the sum of \$695,462, of which \$637,105 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 14, insert:

**"SECTION 4. TOBACCO SETTLEMENT TRUST FUND - USE.** The estimated income line item in section 1 of this Act includes \$200,000 from the tobacco settlement trust fund which the attorney general may use for the purpose of enforcing the master settlement agreement and any disputes with the agreement, during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 5. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of

the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2017, and ending June 30, 2019. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 6. EXEMPTION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The amount appropriated to the attorney general from the strategic investment and improvements fund for awarding grants to law enforcement agencies, for crime-related needs of the attorney general's office, and for development of a uniform law enforcement and custody manual, as contained in section 11 of chapter 471 of the 2013 Session Laws and as continued in section 5 of chapter 37 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for crime-related needs of the attorney general's office, during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 7. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2017."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1003 - Attorney General - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$40,503,865	(\$236,581)	\$40,267,284
Operating expenses	24,672,585	(8,527,581)	16,145,004
Capital assets	2,339,187	403,185	2,742,372
Grants	1,762,659	677,341	2,440,000
Litigation fees	50,000	100,000	150,000
Intellectual property attorney	418,323	8,808	427,131
Abortion litigation fees	400,000	(400,000)	
Medical examinations	660,000		660,000
North Dakota lottery	5,282,778	55,989	5,338,767
Arrest and return of fugitives	10,000		10,000
Gaming commission	7,490		7,490
Criminal justice information sharing	4,151,701	(764,019)	3,387,682
Law enforcement	3,455,725	(550,907)	2,904,818
Additional income appropriation		250,000	250,000
Total all funds	\$83,714,313	(\$8,983,765)	\$74,730,548
Less estimated income	35,247,452	(4,516,904)	30,730,548
General fund	\$48,466,861	(\$4,466,861)	\$44,000,000
FTE	250.00	(19.00)	231.00

#### Department No. 125 - Attorney General - Detail of House Changes

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increase <sup>2</sup>	Removes 19 FTE Positions <sup>3</sup>	Changes Funding Source for 8 FTE Positions <sup>4</sup>	Underfunds Salaries and Wages <sup>5</sup>	Removes Spending Authority for the 24/7 Sobriety Program <sup>6</sup>
Salaries and wages	\$787,933	\$606,804	(\$702,021)		(\$929,297)	
Operating expenses						(6,375,572)
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	5,946	2,862				
Abortion litigation fees						
Medical examinations						
North Dakota lottery	28,801	27,188				
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(117,882)	14,310	(180,224)			
Law enforcement	(120,713)	44,298	(264,982)			
Additional income appropriation						

Total all funds	\$584,085	\$695,462	(\$1,147,227)	\$0	(\$929,297)	(\$6,375,572)
Less estimated income	1,106,134	58,357	(60,722)	1,120,322	0	(6,375,572)
General fund	(\$522,049)	\$637,105	(\$1,086,505)	(\$1,120,322)	(\$929,297)	\$0
FTE	0.00	0.00	(19.00)	0.00	0.00	0.00

  

	Reduces Funding for Operating Expenses <sup>7</sup>	Reduces Funding for Criminal Justice Information Sharing <sup>8</sup>	Removes Funding for Abortion Litigation Fees <sup>9</sup>	Adjusts Base Level Funding <sup>10</sup>	Additional Income Appropriation <sup>11</sup>	Total House Changes
Salaries and wages						(\$236,581)
Operating expenses	(1,787,768)			(364,241)		(8,527,581)
Capital assets				403,185		403,185
Grants				677,341		677,341
Litigation fees				100,000		100,000
Intellectual property attorney						8,808
Abortion litigation fees			(400,000)			(400,000)
Medical examinations						
North Dakota lottery						55,989
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		(480,223)				(764,019)
Law enforcement				(209,510)		(550,907)
Additional income appropriation					250,000	250,000
Total all funds	(\$1,787,768)	(\$480,223)	(\$400,000)	\$606,775	\$250,000	(\$8,983,765)
Less estimated income	(1,197,220)	(291,482)	0	873,279	250,000	(4,516,904)
General fund	(\$590,548)	(\$188,741)	(\$400,000)	(\$266,504)	\$0	(\$4,466,861)
FTE	0.00	0.00	0.00	0.00	0.00	(19.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Total funding of \$1,147,227, of which \$952,505 is from the general fund is reduced relating to the removal of 16 FTE positions as recommended in Governor Dalrymple's executive budget (\$1,013,227) and the removal of an additional 3 FTE positions (\$134,000).

<sup>4</sup> The funding source for 8 FTE positions has been changed from the general fund to federal and other funds, of which 2 FTE positions were included in Governor Dalrymple's executive budget recommendation (\$262,767) and 6 FTE positions are in addition to Governor Dalrymple's executive budget recommendation (\$857,555).

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> North Dakota Century Code Section 54-12-27 provides a continuing appropriation for revenues received into the Attorney General sobriety fund from fees charged to users of the program which was approved by the 2007 Legislative Assembly. Funding of \$6,375,572 in special funds authority is removed for the 24/7 sobriety program.

<sup>7</sup> Funding is reduced for operating expenses.

<sup>8</sup> Reduces funding for criminal justice information sharing to provide total funding of \$3,391,562.

<sup>9</sup> Removes funding for abortion litigation fees.

<sup>10</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Adjusts equipment funding	(\$194,388)	\$606,882	\$412,494
Reduces law enforcement funding	(219,348)		(219,348)

Increases federal funds spending authority		228,897	228,897
Adds IT disaster recovery system funding	46,703		46,703
Increases funding for litigation fees	100,000		100,000
Increases funding for Indian gaming audit		37,500	37,500
Increases funding for Crime Laboratory bond payment	529		529
Total	(\$266,504)	\$873,279	\$606,775

<sup>11</sup> A section is added to provide an appropriation of \$250,000 for any additional federal or other funds which may become available to the Attorney General for the purposes of the office during the 2017-19 biennium. The section requires the Attorney General to report to the Office of Management and Budget and the Legislative Council regarding any additional income made available. The Attorney General will need to seek Emergency Commission approval to receive and spend any additional income in excess of the \$250,000.

This amendment also:

- Adds a section to identify the funding increases for the health insurance premium increase.
- Adds a section to identify \$200,000 from the tobacco settlement trust fund for enforcing the master settlement agreement and any disputes with the agreement.
- Provides an exemption from Section 54-44.1-11 for funds appropriated to the Attorney General for grants to law enforcement agencies for the 2013-15 biennium to allow the funds to be continued into the 2017-19 biennium.
- Provides an exemption from Section 54-12-18, to allow the Attorney General to retain the balance in the Attorney General refund fund for the 2017-19 biennium.

#### REPORT OF STANDING COMMITTEE

**HB 1017: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 5 NAYS, 2 ABSENT AND NOT VOTING). HB 1017 was placed on the Sixth order on the calendar.

Page 1, replace lines 12 through 24 with:

"Salaries and wages	\$29,670,242	\$214,963	\$29,885,205
Operating expenses	13,668,944	1,669,186	15,338,130
Capital assets	5,497,996	832,960	6,330,956
Grants - Game and fish	7,334,412	2,315,772	9,650,184
Land habitat and deer depredation	16,922,681	903,127	17,825,808
Noxious weed control	700,000	25,000	725,000
Missouri River enforcement	282,540	1,392	283,932
Grant - Gift - Donation	827,519	(25,318)	802,201
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,823,005	(24,057)	1,798,948
Wildlife services	<u>384,400</u>	<u>115,600</u>	<u>500,000</u>
Total special funds	\$77,231,739	\$6,028,625	\$83,260,364
Full-time equivalent positions	163.00	0.00	163.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in section 1 of this Act includes the sum of \$453,615 of other funds, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1017 - Game and Fish Department - House Action

	Base Budget	House Changes	House Version
Salaries and wages	\$29,670,242	\$214,963	\$29,885,205
Operating expenses	13,668,944	1,669,186	15,338,130
Capital assets	5,497,996	832,960	6,330,956

Grants - Game and fish	7,334,412	2,315,772	9,650,184
Land habitat and deer depredation	16,922,681	903,127	17,825,808
Noxious weed control	700,000	25,000	725,000
Missouri River enforcement	282,540	1,392	283,932
Grants - Gifts - Donations	827,519	(25,318)	802,201
Nongame wildlife conservation	120,000		120,000
Lonetree Reservoir	1,823,005	(24,057)	1,798,948
Wildlife services	384,400	115,600	500,000
Total all funds	\$77,231,739	\$6,028,625	\$83,260,364
Less estimated income	77,231,739	6,028,625	83,260,364
General fund	\$0	\$0	\$0
FTE	163.00	0.00	163.00

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

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increase <sup>2</sup>	Increases Funding for Credit Card Fee Charges <sup>3</sup>	Adds Funding for Replacement of Pond Liners <sup>4</sup>	Continues Funding for Operation of Boating Access <sup>5</sup>	Adjusts Base Level Funding <sup>6</sup>
Salaries and wages	(\$203,656)	\$418,619				
Operating expenses			180,000			1,489,186
Capital assets				572,000		10,960
Grants - Game and fish					122,000	2,193,772
Land habitat and deer depredation	(373,268)	22,515				1,253,880
Noxious weed control	(95,135)					120,135
Missouri River enforcement	1,021	1,033				(662)
Grants - Gifts - Donations	11,696					(37,014)
Nongame wildlife conservation						
Lonetree Reservoir	44,980	11,448				(80,485)
Wildlife services						
Total all funds	(\$614,362)	\$453,615	\$180,000	\$572,000	\$122,000	\$4,949,772
Less estimated income	(614,362)	453,615	180,000	572,000	122,000	4,949,772
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for Wildlife Services <sup>7</sup>	Adds One-Time Funding to Replace an Airplane <sup>8</sup>	Total House Changes
Salaries and wages			\$214,963
Operating expenses			1,669,186
Capital assets		250,000	832,960
Grants - Game and fish			2,315,772
Land habitat and deer depredation			903,127
Noxious weed control			25,000
Missouri River enforcement			1,392
Grants - Gifts - Donations			(25,318)
Nongame wildlife conservation			
Lonetree Reservoir			(24,057)
Wildlife services	115,600		115,600
Total all funds	\$115,600	\$250,000	\$6,028,625
Less estimated income	115,600	250,000	6,028,625
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Increases funding for credit card fee charges on the purchase of licenses.

<sup>4</sup> Adds funding for the replacement of pond liners.

<sup>5</sup> Continues funding to support the Parks and Recreation Department's operation of boating access at state parks.

<sup>6</sup> Base level funding is adjusted as follows:

	Other Funds
Rent allowance reduction	(\$100,000)
Extraordinary repairs increase	97,000
Salmon building replacement lighting	130,000
Wildlife management area improvements	200,000
Equipment replacement	747,000
Federal funds authority increase	1,590,000
Operating expenses increase	839,186
Capital assets reduction	(1,063,040)
Grants increase	1,353,772
Land habitat and deer depredation increases	1,153,880
Noxious weed control operating expenses increases	120,135
Missouri River enforcement reduction	(662)
Grants - Gifts - Donations reduction	(37,014)
Lonetree Reservoir operating expenses reduction	(80,485)
Total	\$4,949,772

<sup>7</sup> Increases funding the Game and Fish Department provides to the Agriculture Commissioner from \$384,400 to \$500,000, for wildlife services.

<sup>8</sup> Adds **one-time** funding to replace an airplane.

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This amendment also adds a section identifying the cost of the health insurance premium increase.

#### REPORT OF STANDING COMMITTEE

**HB 1018: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (18 YEAS, 1 NAYS, 2 ABSENT AND NOT VOTING). HB 1018 was placed on the Sixth order on the calendar.

Page 1, line 2, after "society" insert "; to provide an exemption; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 through 20 with:

"Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	<u>293,454</u>	<u>(293,454)</u>	<u>0</u>
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	<u>3,299,901</u>	<u>(142,811)</u>	<u>3,157,090</u>
Total general fund	\$17,254,791	(\$846,019)	\$16,408,772
Full-time equivalent positions	78.00	(3.00)	75.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of \$208,926, of which \$191,055 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 19, insert:

#### **"SECTION 6. EXEMPTION - DOUBLE DITCH HISTORIC SITE REPAIRS.**

The amounts appropriated to the state historical society from the general fund, the state disaster relief fund, and Bank of North Dakota loan proceeds for double ditch historic site repairs, as contained in sections 5 and 6 of chapter 52 of the 2015 Session Laws, are not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations are available for defraying the expenses of the double ditch historic site repairs during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 7. LEGISLATIVE INTENT - LOAN FOR DOUBLE DITCH HISTORIC SITE REPAIRS.** It is the intent of the sixty-fifth legislative assembly that the state historical society not obtain a loan from the Bank of North Dakota for defraying the expenses of double ditch historic site repairs as authorized as a contingency in section 6 of chapter 52 of the 2015 Session Laws. It is further the intent of the sixty-fifth legislative assembly that if the state historical society chooses to obtain the loan that funding needed for repayment of the loan plus interest be raised by the historical society from nonstate sources.

**SECTION 8. EMERGENCY.** Section 7 of this Act is declared to be an emergency measure."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$13,604,636	(\$237,321)	\$13,367,315
Operating expenses	3,986,308	(135,414)	3,850,894
Capital assets	1,770,294	(22,641)	1,747,653
Grants	900,000	(300,000)	600,000
Cultural heritage grants	293,454	(293,454)	
Total all funds	\$20,554,692	(\$988,830)	\$19,565,862
Less estimated income	3,299,901	(142,811)	3,157,090
General fund	\$17,254,791	(\$846,019)	\$16,408,772
FTE	78.00	(3.00)	75.00

**Department No. 701 - State Historical Society - Detail of House Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 3 FTE Positions <sup>3</sup>	Removes Funding for Temporary Employees <sup>4</sup>	Underfunds Salaries and Wages <sup>5</sup>	Removes Funding for the Welk Homestead Historic Site <sup>6</sup>
Salaries and wages	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$50,000)
Operating expenses						(35,000)
Capital assets						
Grants						
Cultural heritage grants						
Total all funds	\$353,797	\$208,926	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
Less estimated income	(10,682)	17,871	0	0	0	0
General fund	\$364,479	\$191,055	(\$164,630)	(\$147,986)	(\$437,428)	(\$85,000)
FTE	0.00	0.00	(3.00)	0.00	0.00	0.00

	Adjusts Base Level Funding <sup>7</sup>	Total House Changes
Salaries and wages		(\$237,321)
Operating expenses	(100,414)	(135,414)
Capital assets	(22,641)	(22,641)
Grants	(300,000)	(300,000)
Cultural heritage grants	(293,454)	(293,454)
Total all funds	(\$716,509)	(\$988,830)
Less estimated income	(150,000)	(142,811)
General fund	(\$566,509)	(\$846,019)
FTE	0.00	(3.00)

<sup>1</sup> Funding is adjusted for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Three FTE positions and \$164,630 from the general fund is removed. The 2015 Legislative Assembly appropriated \$390,332 for these positions for the 2015-17 biennium, which was reduced by \$225,702 to \$164,630 during the 2015-17 biennium as a result of general fund budget reductions.

<sup>4</sup> Funding of \$147,986 from the general fund for temporary employees is removed.

<sup>5</sup> General fund salaries and wages are underfunded.

<sup>6</sup> Funding is removed for the operation of the Welk Homestead Historic Site.

<sup>7</sup> Base level funding is adjusted as follows:

	General Fund	Other Funds	Total
Reduces funding for grants		(\$300,000)	(\$300,000)
Adjusts operating expenses	(\$250,414)	150,000	(100,414)
Reduces capital assets	(22,641)		(22,641)
Removes cultural heritage grants	(293,454)		(293,454)
Total	(\$566,509)	(\$150,000)	(\$716,509)

This amendment also:

- Adds a section identifying the cost of the health insurance premium increase.
- Provides an exemption from North Dakota Century Code Section 54-44.1-11 for funds appropriated for Double Ditch Historic Site repairs for the 2015-17 biennium to allow the funds to continue to be spent in the 2017-19 biennium.
- Adds a section providing legislative intent that the State Historical Society refrain from obtaining a loan from the Bank of North Dakota for the repair of Double Ditch Historic Site which was authorized by the 2015 Legislative Assembly. It provides further intent that if the State Historical Society does obtain the loan for the repairs, it is to raise funding from nonstate sources for the repayment of the loan plus interest.
- Adds a section declaring the legislative intent section to be an emergency measure.

#### REPORT OF STANDING COMMITTEE

**HB 1020: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 1, after "Act" insert "to create and enact two new sections to chapter 61-02 of the North Dakota Century Code, relating to industrial use of fresh water dispensed for oil and gas industry users; to amend and reenact subsection 1 of section 57-51.1-07, section 61-02-02, subsection 1 of section 61-02-78, and sections 61-02-79 and 61-40-11 of the North Dakota Century Code, relating to the allocation of moneys in the oil extraction tax development fund, definitions, the infrastructure revolving loan fund, a Bank of North Dakota line of credit, and water rates of the western area water supply authority; to provide for a legislative management study; to provide for a state engineer study; to provide for a report to the legislative management; to provide legislative intent; to designate funding;"

Page 1, replace lines 11 through 14 with:

"Administrative and support services	\$5,535,618	\$100,154	\$5,635,772
Water and atmospheric resources	863,400,218	(127,322,401)	736,077,817
Total all funds	\$868,935,836	(\$127,222,247)	\$741,713,589
Full-time equivalent positions	97.00	(4.00)	93.00

**SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in section 1 of this Act includes the sum of \$277,612 of other funds, for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 2, after line 2, insert:

**"SECTION 5. OIL AND GAS INDUSTRY FRESH WATER ROYALTY INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated in section 1 of this Act, there is appropriated from oil and gas industry fresh water royalty income deposited in the resources trust fund, the sum of \$8,300,000, or so much of the sum as may be necessary, to the state water commission for the purpose of repaying state-guaranteed loans, which were made to entities that sell fresh water to oil and gas industry users, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state water commission shall notify the legislative management's water topics overview committee of any funding made available and payments made pursuant to this section."

Page 2, after line 9, insert:

**"SECTION 7. STATE WATER COMMISSION PROJECT FUNDING DESIGNATIONS - TRANSFERS - BUDGET SECTION APPROVAL.**

1. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act from funds available in the resources trust fund and water development trust fund, \$299,875,000 is designated as follows:
  - a. \$30,000,000 for rural water supply projects;
  - b. \$44,125,000 for municipal water supply projects;
  - c. \$58,000,000 for regional water supply projects;
  - d. \$1,000,000 for water conveyance projects;
  - e. \$150,000,000 for flood control or protection projects;
  - f. \$750,000 for irrigation projects; and
  - g. \$16,000,000 for general water management.
2. The funding designated in this section is for the specific purposes identified; however, the state water commission may transfer funding among these items, subject to budget section approval and upon notification to the legislative management's water topics overview committee.

**SECTION 8. NORTHWEST AREA WATER SUPPLY PROJECT FUNDING.**

Any funding provided by the state water commission for the northwest area water supply project must be from funds made available through the line of credit authorized in section 18 of this Act before any other funds may be provided by the state water commission for the project during the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 9. LOAN AUTHORIZATION - APPROPRIATION - MINOT FLOOD CONTROL PROJECT FUNDING.** The state water commission may obtain a loan from the Bank of North Dakota in an amount not to exceed \$110,000,000, the sum of which is appropriated to the state water commission for the purpose of defraying the expenses of the construction of phase one through phase four of the Minot flood control project, for the biennium beginning July 1, 2017, and ending June 30, 2019. The terms and conditions of the loan must be negotiated by the state water commission and the Bank of North Dakota, and the repayment of principal and interest on the loan must be from revenues deposited in the resources trust fund.

**SECTION 10. LEGISLATIVE INTENT - MINOT FLOOD CONTROL PROJECT FUNDING.** Except for the funding appropriated in section 9 of this Act, it is the intent of the sixty-fifth legislative assembly that the state water commission not provide any additional funding for flood control projects within the city limits of Minot during the 2019-21, 2021-23, and 2023-25 bienniums.

**SECTION 11. WESTERN AREA WATER SUPPLY AUTHORITY - BANK OF NORTH DAKOTA LOAN - REPORTS.** The Bank of North Dakota shall consolidate the \$40,000,000 loan to the western area water supply authority authorized in section 5 of chapter 20 of the 2013 Session Laws, the \$50,000,000 loan to the western area water supply authority authorized in section 2 of chapter 500 of the 2011 Session Laws, and the \$19,500,000 loan from funds appropriated to the state water commission from the resources trust fund in section 1 of chapter 20 of the 2013 Session Laws. The terms and conditions of the consolidation loan must be negotiated by the western area water supply authority and the Bank of North Dakota. If the authority defaults on its payment of principal or interest on the consolidation loan from the Bank of North Dakota authorized by this section, the authority is subject to the default provisions under section 61-40-09. The Bank of North Dakota shall report the terms of the consolidation loan upon its completion to the legislative management's water topics overview committee during the 2017-18 interim. The western area water supply authority shall provide its quarterly financial statements and industrial sales to the legislative council for the legislative management's water topics overview committee's review during the 2017-18 interim.

**SECTION 12. WESTERN AREA WATER SUPPLY AUTHORITY DEBT SERVICE SHORTFALL - BUDGET SECTION APPROVAL.** If the western area water supply authority defaults on its payment of the principal or interest on the consolidation loan provided for in section 11 of this Act, the Bank of North Dakota shall notify the legislative council, and the state water commission shall provide a payment, subject to budget section approval, to the Bank of North Dakota in an amount of the default as certified to the budget section by the Bank of North Dakota.

**SECTION 13. STATE ENGINEER - FLOOD HAZARD RISK MANAGEMENT STUDY - ADDITIONAL INCOME - APPROPRIATION.** The water and atmospheric resources line item in section 1 of this Act includes \$50,000, for the purpose of conducting a flood hazard risk management framework study and demonstration in section 14 of this Act, for the biennium beginning July 1, 2017, and ending June 30, 2019. The state engineer may seek funding from federal, local, and private sector co-funding partnerships. Any fees collected from data users and partners and any other funds from public or private sources, including federal grants and county revenue contributions, are appropriated to the state engineer for the study and for expanding the project to additional counties for the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - FLOOD HAZARD RISK MANAGEMENT.** During the 2017-18 interim, the legislative management shall study issues related to the state's development of a statewide flood hazard risk management framework by granting authority to the state engineer to perform a study and proof of concept demonstration to implement statewide flood risk management capabilities for assessing, managing, and reducing property-specific flood risk.

1. In performing the study and proof of concept demonstration, the state engineer may leverage, coordinate, and partner with the North Carolina floodplain mapping program and with Cass, Ward, Richland, and Burleigh Counties and other counties to conduct the study and proof of concept demonstration. The state engineer shall acquire and leverage data necessary to support the study and proof of concept demonstration including:
  - a. Footprints and elevations from current and future light detection and ranging data collections that meet federal emergency management agency risk mapping, assessment, and planning standards;
  - b. First floor elevations and elevation certificates from local planning and zoning offices or light detection and ranging data;
  - c. Parcel, address, and imagery data necessary for individual property flood hazard identification, assessment, and reduction; and

- d. Any other data the state engineer deems necessary to meet the objectives in creating the database.
2. To complete the pilot project, the state engineer shall:
    - a. Construct and maintain flood hazard and risk data in a spatial, relational database;
    - b. Disseminate flood hazard and risk data through a digital display environment prompted through dynamic querying;
    - c. Coordinate, incentivize, and partner with a least one county to obtain the necessary parcel data and other data needed for this study and serve as the repository for the property flood risk dataset;
    - d. Establish a technical committee consisting of federal, state, local, and private sector stakeholders and providers to the greatest extent possible to allow data sharing, coordination, synergy, and partnering;
    - e. Work with the North Carolina floodplain mapping program to incorporate the property risk dataset into the multistate flood risk information system maintained by North Carolina, augment the dataset with federal emergency management agency digital flood insurance data, and assess any data or other gaps preventing this state's full use of the system;
    - f. Make the data publicly available on the state water commission's website in an easily accessible and useable format;
    - g. Provide technical assistance to data users, including reports and analysis as needed; and
    - h. Work with the federal emergency management agency and study counties to enable the communities and property owners to use the elevation, light detection and ranging, and other data provided on the website to submit letters of map amendment or revision to the federal emergency management agency.
  3. The state engineer shall report to the legislative management as requested by the legislative management. At the conclusion of the study, the state engineer shall provide the following information to the legislative management:
    - a. A description of the engineer's current cooperative technical flood mapping partnership with the federal emergency management agency and any additional authority, staffing, and funding required to create a fully independent and self-sustaining state flood mapping program in lieu of the federal emergency management agency program, including the processing of letters of map change;
    - b. A detailed estimate of overall program costs and flood risk reductions of a self-sustaining state flood mapping program; and
    - c. A county-by-county assessment of the private, county, state, and federal data and resources that are currently available as compared to the resources that would be required to fully use North Carolina's flood risk information system for flood risk management, including recommendations for improvement or the statewide expansion of the project established under this study and suggested funding mechanisms and alternatives for data dissemination, which may include a one-state online repository or the provision of data by local planning and zoning offices.

**SECTION 15. AMENDMENT.** Subsection 1 of section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

1. Twenty percent must be allocated and credited to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds must be credited to a special trust fund, to be known as the resources trust fund. The resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as are other state funds to earn the maximum amount permitted by law which income must be deposited in the resources trust fund. ~~Five~~Three percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the renewable energy development fund, not to exceed three million dollars per biennium. ~~One-half of one percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the energy conservation grant fund not to exceed one million two hundred thousand dollars per biennium.~~ The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:
  - a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; ~~and~~.
  - b. The industrial commission for the funding of programs for development of renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products utilization; and for the making of grants and loans in connection therewith.
  - c. The department of commerce for the funding of programs for development of energy conservation and for the making of grants and loans relating to energy conservation.

**SECTION 16. AMENDMENT.** Section 61-02-02 of the North Dakota Century Code is amended and reenacted as follows:

**61-02-02. Definitions.**

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

1. "Commission" means the state water commission.
2. "Cost of works" includes:
  - a. The cost of construction, the cost of all lands, property rights, water rights, easements, and franchises acquired which are deemed necessary for such construction;
  - b. The cost of all water rights acquired or exercised by the commission in connection with such works;
  - c. The cost of all machinery and equipment, financing charges, interest prior to and during construction and for a period not exceeding three years after the completion of construction;
  - d. The cost of engineering and legal expenses, plans, specifications, surveys, estimates of cost, and other expenses necessary or incident to determining the feasibility or practicability of any project;
  - e. Administrative expenses;

- f. The construction of the works and the placing of the same in operation; and
  - g. Such other expenses as may be necessary or incident to the financing authorized in this chapter, including funding of debt service, repair and replacement reserves, capitalized interest, and the payment of bond issuance costs.
3. "Fresh water" means fresh water of the state drawn from an underground or surface source in this state under an industrial use water permit, whether treated or untreated, and dispensed to an oil and gas industry user.
4. "Oil and gas industry user" means an enterprise engaged in exploration, drilling, or production of oil and gas, and includes businesses that transport water for use in the enterprise.
5. "Owner" includes all individuals, associations, corporations, limited liability companies, districts, municipalities, and other political subdivisions of this state having any title or interest in any properties, rights, water rights, easements, or franchises to be acquired.
- ~~4-6.~~ "Project" means any one of the works defined in subsection 5, or any combination of such works, which are physically connected or jointly managed and operated as a single unit.
- ~~5-7.~~ "Works" includes:
- a. All property rights, easements, and franchises relating thereto and deemed necessary or convenient for their operation;
  - b. All water rights acquired and exercised by the commission in connection with such works;
  - c. All means of conserving and distributing water, including without limiting the generality of the foregoing two subdivisions, reservoirs, dams, diversion canals, distributing canals, channels, lateral ditches, pumping units, mains, pipelines, treatment plants, and waterworks systems; and
  - d. All works for the conservation, control, development, storage, treatment, distribution, and utilization of water, including without limiting the generality of the foregoing subdivisions, works for the purpose of irrigation, flood control, watering stock, supplying water for public, domestic, industrial, and recreational use, fire protection, and the draining of lands injured or in danger of injury as a result of such water utilization.

**SECTION 17. AMENDMENT.** Subsection 1 of section 61-02-78 of the North Dakota Century Code is amended and reenacted as follows:

1. An infrastructure revolving loan fund is established on January 1, 2015, within the resources trust fund to provide loans for water supply, flood protection, or other water development and water management projects. Ten percent of oil extraction moneys deposited in the resources trust fund, not to exceed a total deposit from oil extraction moneys of twenty-five million dollars, are made available on a continuing basis for making loans in accordance with this section. Accounts may be established in the resources trust fund as necessary for its management and administration.

**SECTION 18. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

**61-02-79. Bank of North Dakota - Line of credit.**

The Bank of North Dakota shall extend a line of credit not to exceed ~~two-hundredseventy-five~~ million dollars at a rate that may not exceed one and three-quarters percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for ~~water supply projects in-~~ ~~suspense, water supply projects identified in section 19 of chapter 54 of the 2015-~~ ~~session laws, and water supply projects approved before June 30, 2017~~2019, and flood control projects that have approval for funding before June 30, 20172019.

**SECTION 19.** Two new sections to chapter 61-02 of the North Dakota Century Code are created and enacted as follows:

**Oil and gas industry fresh water royalty.**

A royalty of seventy-five cents per one thousand gallons [3785.41 liters] is imposed on fresh water dispensed to an oil and gas industry user at a privately owned water depot or water-dispensing point in the state. For each privately owned water depot or water-dispensing point in this state which dispenses fresh water to an oil and gas industry user, the commission shall maintain water-metering devices in compliance with rules adopted by the commission.

**Deposit of revenue.**

The state water commission shall collect and transfer royalty payments collected under this chapter to the resources trust fund for the sole purpose of repaying state-guaranteed loans made to entities that sell fresh water to oil and gas industry users.

**SECTION 20. AMENDMENT.** Section 61-40-11 of the North Dakota Century Code is amended and reenacted as follows:

**61-40-11. Water rates.**

~~The authority shall develop industrial commission shall provide an industrial water depot and lateral retail rate and present the rate to the industrial commission for approval. Any industrial water depot and lateral rate adjustment must have approval of the industrial commission before going into effect for the authority which is a competitive, floating, market rate.~~ The authority shall develop domestic water rates that must include all costs for operation, maintenance, and operating and capital reserves, and debt repayment of all infrastructure managed or constructed by the authority, with the exception of the costs identified in section 61-40-10 which are paid for by industrial water depot and lateral sales.

**SECTION 21. TRANSFER - INFRASTRUCTURE REVOLVING LOAN FUND TO RESOURCES TRUST FUND.** On July 1, 2017, the state treasurer shall transfer any oil extraction moneys exceeding \$25,000,000 which have been deposited in the infrastructure revolving loan fund from the infrastructure revolving loan fund to the resources trust fund.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - WESTERN AREA WATER SUPPLY AUTHORITY.** During the 2017-18 interim, the legislative management shall study whether allowing private persons to lease the western area water supply industrial infrastructure and privatizing industrial sales will maximize industrial sales or otherwise be commensurate with repaying the western area water supply authority's debt to the state. The study must include identification and consideration of the collateral for the debt, the authority's cashflow and revenue, the current loan structure and financing stream, the equipment that may be privatized, and any other factors that are relevant and necessary to accomplish the objective of the study. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-sixth legislative assembly."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1020 - State Water Commission - House Action**

	Base Budget	House Changes	House Version
Administrative and support services	\$5,535,618	\$100,154	\$5,635,772
Water and atmospheric resources	863,400,218	(127,322,401)	736,077,817
Minot flood control loan		110,000,000	110,000,000
Water authority debt payments		8,300,000	8,300,000
Total all funds	\$868,935,836	(\$8,922,247)	\$860,013,589
Less estimated income	868,935,836	(8,922,247)	860,013,589
General fund	\$0	\$0	\$0
FTE	97.00	(4.00)	93.00

**Department No. 770 - State Water Commission - Detail of House Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes 4 FTE Positions <sup>3</sup>	Increases Funding for the Bank of North Dakota Loan Repayment Program <sup>4</sup>	Adds Funding for the Agriculture Commissioner's Wildlife Services Program <sup>5</sup>	Adds Loan Funding for Minot Flood Control <sup>6</sup>
Administrative and support services	\$71,150	\$35,690				
Water and atmospheric resources	251,550	241,922	(753,720)	3,693,997	125,000	
Minot flood control loan						110,000,000
Water authority debt payments						
Total all funds	\$322,700	\$277,612	(\$753,720)	\$3,693,997	\$125,000	\$110,000,000
Less estimated income	322,700	277,612	(753,720)	3,693,997	125,000	110,000,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(4.00)	0.00	0.00	0.00

	Adds Funding From a Line of Credit for Water Projects <sup>7</sup>	Adds Funding for a Flood Hazard Risk Management Study <sup>8</sup>	Adjusts Funding for Agency Operations and Water Projects <sup>9</sup>	Water Authority Debt Payments <sup>10</sup>	Total House Changes
Administrative and support services			(\$6,686)		\$100,154
Water and atmospheric resources	75,000,000	50,000	(205,931,150)		(127,322,401)
Minot flood control loan					110,000,000
Water authority debt payments				8,300,000	8,300,000
Total all funds	\$75,000,000	\$50,000	(\$205,937,836)	\$8,300,000	(\$8,922,247)
Less estimated income	75,000,000	50,000	(205,937,836)	8,300,000	(8,922,247)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	(4.00)

<sup>1</sup> Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> Four FTE positions and related funding of \$753,720 are removed.

<sup>4</sup> Funding of \$3,693,997 is added from the water development trust fund to provide a total of \$7,500,000 for loan payments on outstanding bonds that were refinanced during the 2015-17 biennium with the Bank of North Dakota.

<sup>5</sup> Funding of \$125,000 from the resources trust fund is appropriated to the State Water Commission for the Agriculture Commissioner's wildlife services program. This is a reduction of \$125,000 from the 2015-17 biennium.

<sup>6</sup> A section is added authorizing the State Water Commission to obtain a loan from the Bank of North Dakota and appropriating the proceeds to the State Water Commission for the construction of Phase 1 through 4 of the Minot flood control project.

<sup>7</sup> Funding from a \$75 million line of credit from the Bank of North Dakota is added to make \$50 million available for water projects approved during the 2015-17 biennium and \$25 million for new water projects during the 2017-19 biennium.

<sup>8</sup> Funding of \$50,000 from the resources trust fund is appropriated to the State Engineer to conduct a flood hazard risk management study.

<sup>9</sup> Funding for the operations of the agency and water projects funding is adjusted to provide a total of \$299,875,000 for new water projects in the 2017-19 biennium from the resources trust fund and water development trust fund.

<sup>10</sup> A section is added to provide an appropriation of \$8.3 million for oil and gas industry fresh water royalty income deposited in the resources trust fund to the State Water Commission for the purpose of repaying state-guaranteed loans, which were made to entities that sell fresh water to oil and gas industry users, for the 2017-19 biennium. The section requires the State Water Commission to report to Legislative Management's Water Topics Overview Committee any funding made available and payments made on the state-guaranteed loans.

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This amendment also adds sections:

- Identifying the cost of the health insurance premium increase.
- Designating funding from the water and atmospheric resources line item in Section 1 to various project types and authorizes funding transfers between the designations subject to Budget Section approval.
- Requiring the State Water Commission to use funding from the Bank of North Dakota line of credit for the Northwest Area Water Supply Project before any other funding source.
- Providing legislative intent that the State Water Commission not provide any additional funding for flood control projects within the city limits of Minot during the 2019-21, 2021-23, and 2023-25 bienniums.
- Directing the Bank of North Dakota to consolidate Western Area Water Supply Authority loans, which includes a \$19.5 million loan from the resources trust fund.
- Directing the State Water Commission to provide a payment, subject to Budget Section approval, to the Bank of North Dakota if the Western Area Water Supply Authority defaults on its loan.
- Amending North Dakota Century Code Section 57-51.1-07 relating to the allocation of money in the oil extraction tax development fund. The amendment reduces the percentage of the resources trust fund which is allocated to the renewable energy development fund from 5 to 3 percent and removes all allocations to the energy conservation grant fund.
- Amending Section 61-02-02 relating to definitions for the State Water Commission. The amendment adds definitions for "fresh water" and "oil and gas industry user".
- Amending Section 61-02-78 relating to the infrastructure revolving loan fund. The amendment limits the total oil extraction money deposited in the infrastructure revolving loan fund to \$25 million.
- Directing the State Treasurer to transfer on July 1, 2017, all extraction money exceeding \$25 million that has been deposited in the infrastructure revolving loan fund from the infrastructure revolving loan fund to the resources trust fund.
- Amending Section 61-02-79 relating to the State Water Commission line of credit with the Bank of North Dakota. The amendment authorizes the State Water Commission to obtain a \$75 million line of credit with the Bank of North Dakota for

the 2017-19 biennium.

- Amending Section 61-40-11 relating to Western Area Water Supply Authority industrial water rates. The amendment requires the Industrial Commission to set industrial water rates that are at a competitive, floating, market rate for the Western Area Water Supply Authority.
- Creating two new sections to Chapter 61-02 relating to oil and gas industry fresh water royalties.
- Provides for a Legislative Management study on the affects on repayment of state-guaranteed debt by allowing private persons to lease the Western Area Water Supply Authority's industrial infrastructure and privatizing industrial water sales.
- Providing for a Legislative Management and State Engineer study relating to flood hazard risk management.

**REPORT OF STANDING COMMITTEE**

**HB 1023: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (15 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). HB 1023 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to provide a continuing appropriation;"

Page 1, line 2, after "transfer" insert "; and to amend and reenact subdivision j of subsection 2 of section 12-60-24, paragraph 4 of subdivision a of subsection 4 of section 15-10-17, sections 21-10-01, 39-03.1-01, 39-03.1-04, 39-03.1-06, 39-03.1-07, 39-03.1-08.1, and 39-03.1-08.2, subsection 2 of section 39-03.1-09, sections 39-03.1-10.1, 39-03.1-10.2, 39-03.1-11, 39-03.1-11.2, 39-03.1-11.3, 39-03.1-14.1, 39-03.1-14.2, 39-03.1-25, 39-03.1-28, 39-03.1-29, 52-11-01, 54-35-02.3, 54-35-02.4, 54-52-01, 54-52-02.1, 54-52-02.6, 54-52-03, and 54-52-04, subsection 3 of section 54-52-05, and sections 54-52-06, 54-52-06.2, 54-52-06.3, 54-52-06.4, 54-52-10, 54-52-10.1, 54-52-11.1, 54-52-14, 54-52-14.2, 54-52-16, 54-52-17, 54-52-17.2, 54-52-17.3, 54-52-17.4, 54-52-17.6, 54-52-17.11, 54-52-17.13, 54-52-23, 54-52-26, 54-52-28, 54-52-29, 54-52.1-01, 54-52.1-02, 54-52.1-03, 54-52.1-03.1, 54-52.1-03.2, 54-52.1-03.3, 54-52.1-03.4, 54-52.1-04, 54-52.1-04.1, 54-52.1-04.2, 54-52.1-04.3, 54-52.1-04.4, 54-52.1-04.6, 54-52.1-04.7, 54-52.1-04.8, 54-52.1-04.9, 54-52.1-04.10, 54-52.1-04.11, 54-52.1-04.12, 54-52.1-04.13, 54-52.1-04.14, 54-52.1-05, 54-52.1-05.1, 54-52.1-06, 54-52.1-06.1, 54-52.1-08, 54-52.1-08.1, 54-52.1-08.2, 54-52.1-09, 54-52.1-11, 54-52.1-12, 54-52.1-13, 54-52.1-14, 54-52.1-15, 54-52.1-16, 54-52.1-17, 54-52.1-18, 54-52.2-01, 54-52.2-02, 54-52.2-03, 54-52.2-03.2, 54-52.2-03.3, 54-52.3-01, 54-52.3-02, 54-52.3-03, 54-52.3-05, 54-52.3-06, 54-52.6-01, 54-52.6-02, 54-52.6-03, 54-52.6-03.1, 54-52.6-04, 54-52.6-05, 54-52.6-06, 54-52.6-08, 54-52.6-09, 54-52.6-09.1, 54-52.6-11, 54-52.6-12, 54-52.6-13, 54-52.6-14, 54-52.6-15, 54-52.6-18, 54-52.6-19, 54-52.6-20, and 54-52.6-21 of the North Dakota Century Code, relating to the public employees retirement board, the public employees retirement system, and the membership of the employee benefits programs committee"

Page 1, replace lines 11 through 15 with:

"Salaries and wages	\$6,315,360	\$8,263	\$6,323,623
Operating expenses	2,753,643	(132,844)	2,620,799
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$9,319,003	(\$124,581)	\$9,194,422
Full-time equivalent positions	34.50	(1.00)	33.50

**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in Section 1 of this Act includes the sum of \$102,885 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,249 per month."

Page 1, line 22, remove "Upon approval of the retirement"

Page 1, line 23, replace "board, the" with "The"

Page 1, line 23, after "system" insert "office"

Page 2, after line 2, insert:

**"SECTION 5. HEALTH INSURANCE RESERVE FUND - LIMITATIONS.**

Notwithstanding any other provision of law, the public employees retirement system office may not spend any moneys in the fund created under section 54-52.1-06 or from any other source for the purpose of reducing uniform group insurance premium amounts for the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 6. AMENDMENT.** Subdivision j of subsection 2 of section 12-60-24 of the North Dakota Century Code is amended and reenacted as follows:

- j. The North Dakota public employees retirement ~~board~~system office for individuals first employed by the public employees retirement ~~board~~system office after July 31, 2005, who have unescorted physical access to the office or any security-sensitive area of the office as designated by the executive director.

**SECTION 7. AMENDMENT.** Paragraph 4 of subdivision a of subsection 4 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- (4) Employees of the university system who are members of the public employees retirement system under chapter 54-52 or 54-52.6 and who become entitled to participate in the alternate retirement program are entitled to a special annuity purchase in the alternate retirement program in accordance with this subdivision. An eligible employee who consents to have that employee's contribution included is entitled to have that employee's contribution and employer's contribution, with interest, in the public employees retirement system fund, used by the ~~retirement board of the~~ public employees retirement system office to purchase for that employee an annuity in the alternate retirement program in lieu of any other rights under the public employees retirement fund. However, before the employer's contribution may be used for an annuity purchase, the employee's combined years of service with the public employees retirement system and the alternate retirement program must equal or exceed the years of service necessary to be eligible for retirement benefits under the public employees retirement system. An employee who transferred from the public employees retirement system before March 30, 1987, and who received a refund of that employee's contribution is entitled to have the employer's contribution, with interest, used to purchase an annuity even if that employee did not purchase an annuity in the alternate employee program with the employee's contribution. If an employee makes the election allowed under this subdivision, that employee relinquishes all rights the employee or any of the employee's beneficiaries may have had to benefits provided under chapters 54-52 and 54-52.6.

**SECTION 8. AMENDMENT.** Section 21-10-01 of the North Dakota Century Code is amended and reenacted as follows:

**21-10-01. State investment board - Membership - Term - Compensation - Advisory council.**

- 1. The North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of workforce safety and insurance, the insurance commissioner, three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board, two of the elected members of the ~~public employees retirement~~

system advisory board as selected by that board, and ~~one member of the public employees retirement system board as selected by that board~~ office executive director or the director's designee. The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The ~~public employees retirement system~~ advisory board may appoint an alternate designee with full voting privileges from the ~~public employees retirement system~~ advisory board to attend meetings of the state investment board when a selected member is unable to attend. The members of the state investment board, except elected and appointed officials and the director of workforce safety and insurance or the director's designee and the public employees retirement system executive director or executive director's designee, are entitled to receive as compensation one hundred forty-eight dollars per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.

2. The state investment board may establish an advisory council composed of individuals who are experienced and knowledgeable in the field of investments. The state investment board shall determine the responsibilities of the advisory council. Members of the advisory council are entitled to receive the same compensation as provided the members of the advisory board of the Bank of North Dakota and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09.

**SECTION 9. AMENDMENT.** Section 39-03.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-01. Definitions.**

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

1. "Accumulated deductions" means the total of the amounts deducted from the salary of a contributor and paid into the fund, and standing to the contributor's credit in the fund, and interest credited on those amounts at a rate established by the ~~board~~ office.
2. "~~Board~~" means the North Dakota public employees retirement board.
3. "Contributor" means any person who is a member of the North Dakota highway patrol, is subject to salary deductions to support the fund, and is employed on or after July 1, 1981.
- 4-3. "Fund" means the North Dakota highway patrolmen's retirement fund.
4. "Office" means the public employees retirement system office.
5. "Patrol" means the North Dakota highway patrol.
6. "Salary" means the actual dollar compensation, excluding any bonus, overtime, or expense allowance, paid to or for a contributor for the contributor's services.
7. "Surviving spouse" means that person lawfully married to the contributor at the time of the contributor's death.

**SECTION 10. AMENDMENT.** Section 39-03.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-04. Administrative expenses.**

The expense of the administration of this chapter, exclusive of the payment of retirement allowances and other benefits, must be paid by the state of North Dakota, by appropriation out of the highway patrol fund, made on the basis of budgets submitted by the ~~board~~office.

**SECTION 11. AMENDMENT.** Section 39-03.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-06. Rules and regulations - Actuarial data.**

The ~~board~~office shall, from time to time, establish such rules and regulations for the administration of this chapter as may be deemed necessary. It shall cause to be made periodic actuarial investigations into the mortality and service experience of the contributors to and the beneficiaries of the fund.

**SECTION 12. AMENDMENT.** Section 39-03.1-07 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-07. Membership.**

Except as otherwise provided, each member of the patrol, including the superintendent and assistant superintendent, shall contribute to the fund, and is eligible to nominate and vote for members of the retirement system advisory board. Personnel of the truck regulatory division of the state highway department transferred to the highway patrol after July 1, 1983, are not required to contribute to the fund. They are members of the public employees retirement system and social security system.

**SECTION 13. AMENDMENT.** Section 39-03.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-08.1. Purchase of legislative service credit.**

A contributor may, prior to retirement, purchase service credit for the time during each legislative session spent serving as a member of the legislative assembly while a member of the fund. The contributor shall pay for the service credit an amount equal to the required member contributions and the state contributions for that period of time plus interest as established by the ~~board~~office. Service credit for legislative sessions prior to July 1, 1985, must be purchased before January 1, 1986. Service credit for each later legislative session must be purchased within one year after the adjournment of that legislative session.

**SECTION 14. AMENDMENT.** Section 39-03.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-08.2. Purchase of additional service credit.**

1. The fund may accept rollovers from other eligible plans under rules adopted by the board for the purchase of additional service credit, but only to the extent the transfer is a rollover contribution that meets the requirement of section 408 of the Internal Revenue Code [26 U.S.C. 408].
2. The ~~board~~office may accept trustee-to-trustee transfers as permitted by Internal Revenue Code section 403(b)(13) and section 457(e)(17) from an Internal Revenue Code section 403(b) annuity or Internal Revenue Code section 457 deferred compensation plan for the purchase of permissive service credit, as defined in Internal Revenue Code section 415(n)(3)(A), or as repayment of a cashout from a governmental plan under Internal Revenue Code section 415(k)(3).
3. A contributor may elect to purchase credit for years of service and prior service for which the contributor is not presently receiving credit. A

contributor is entitled to purchase additional credit under this section for the following service or prior service, except this service is not eligible for credit if the years claimed also qualify for retirement benefits from another retirement system:

- a. Except as provided in subsection 3 of section 39-03.1-10.1, up to four years of credit for active employment in the armed forces of the United States.
  - b. Employment as a permanent employee by a public employer either within or outside the state.
  - c. Employment as a permanent employee by the federal government.
4. A contributor may elect to purchase credit for the following absences for which the participating contributor is not receiving service credit:
    - a. Employer-approved leave of absence; and
    - b. Months away from work while participating as a seasonal employee.
  5. The contributor may purchase credit under this section by paying to the boardoffice an amount equal to the actuarial cost to the fund of providing the credit. The boardoffice shall adopt rules governing the purchase of additional credit under this section.
  6. The boardoffice may establish individual retirement accounts and individual retirement annuities as permitted under section 408(q) of the Internal Revenue Code to allow employees to make voluntary employee contributions. The boardoffice may adopt appropriate rules as may be necessary to implement and administer the accounts and annuities under this section.
  7. In addition to service credit identified in this section, a contributor may purchase up to five years of service credit.
  8. Pursuant to rules adopted by the boardoffice, the boardoffice may allow a contributor to purchase service credit with either pretax or aftertax moneys, at the board's discretion of the office. If a contributor elects to purchase service credit using pretax moneys, the requirements and restrictions in subsection 2 of section 39-03.1-09 apply to the purchase arrangement.

**SECTION 15. AMENDMENT.** Subsection 2 of section 39-03.1-09 of the North Dakota Century Code is amended and reenacted as follows:

2. The state of North Dakota, at its option, may pay the member contributions required by subsection 1 for all compensation earned after June 30, 1983, and may pay the member contributions required to purchase service credit on a pretax basis pursuant to subsection 8 of section 39-03.1-08.2. The amount paid must be paid by the state in lieu of contributions by the member. A member may not receive the contributed amounts directly once the employer has elected to pay the member contributions. If the state decides not to pay the contributions, the amount that would have been paid will continue to be deducted from compensation. If contributions are paid by the state, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the state, they must not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The state shall pay these member contributions from the same source of funds used in paying compensation to the members. The state shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a

combination of a reduction in gross salary and offset against future salary increases. If member contributions are paid by the state, they must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made prior to the date the contributions were assumed by the state. The option given employers by this subsection must be exercised in accordance with rules adopted by the ~~board~~office.

**SECTION 16. AMENDMENT.** Section 39-03.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-10.1. Refund and repurchase of contributions.**

Except as provided in section 39-03.1-10.3, a contributor whose employment has been terminated for at least thirty days is entitled to a refund of or to repurchase contributions as follows:

1. a. If the contributor has less than ten years of service at termination of employment, the refund is payable either on application of the contributor or is automatically payable if within thirty days after termination the contributor has not provided a written statement to the ~~board~~office waiving the refund and requesting the contributor's account remain in the fund and the contributor has an account balance of less than one thousand dollars.
- b. If the contributor has at least ten years of service at the date of termination, the contributor may apply for a refund of accumulated deductions instead of retirement benefits. By receiving the refund of accumulated deductions under this subdivision, the contributor forfeits all months of service to the date of refund and cannot use those months for any future benefit calculations.
2. A contributor who was paid a refund under subdivision a of subsection 1 may, upon re-employment, elect to repurchase the forfeited past service for the retirement program and the retiree health benefits program in accordance with the rules adopted by the ~~board~~office.

**SECTION 17. AMENDMENT.** Section 39-03.1-10.2 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-10.2. Employer service purchases.**

An employer may purchase additional service credit on behalf of a contributor under the following conditions:

1. The contributor may not be given the option to choose between an employer service purchase and an equivalent amount paid in cash.
2. The contributor must meet one of the following conditions at the time the purchase is made:
  - a. The contributor's age plus service credit must be equal to or greater than seventy; or
  - b. The contributor's age must be at least fifty and the contributor must have at least ten years of service credit.
3. The ~~board~~office must determine the purchase price on an actuarially equivalent basis.
4. The purchase must be completed before the contributor's retirement.
5. The employer may purchase a maximum of five years of service credit on behalf of the contributor.

6. The employer must pay the purchase price for the service credit purchased under this section in a lump sum.

**SECTION 18. AMENDMENT.** Section 39-03.1-11 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-11. Retirement benefit.**

Each contributor whose employment with the highway patrol has been terminated may apply to the ~~board~~office for retirement benefits according to this section and rules adopted by the ~~board~~office consistent with this chapter. The following procedures apply:

1. A contributor is entitled to credit for permanent employment or its equivalent from the date eligibility is attained until normal or postponed retirement date, as described in subsection 3.
2. Retirement benefits are based on the contributor's final average salary. Final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred twenty months of employment. For contributors who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred eighty months of employment. For contributors who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the ~~board~~office has appropriate and accurate salary records on its electronic database, but that period may not be more than the last one hundred eighty months of employment. Months not employed or months in which employment was not as a permanent employee are excluded in arriving at the thirty-six months to be used for the purpose of computing an average. If the contributor has worked for less than thirty-six months at the postponed retirement date, the final average salary is the average salary for all months of employment.
3. Retirement dates are as follows:
  - a. Early retirement date is the first day of the month next following the month in which the contributor attains the age of fifty years and has completed at least ten years of eligible employment.
  - b. Normal retirement date is:
    - (1) The first day of the month next following the month in which the contributor attains the age of fifty-five years and has completed at least ten years of eligible employment; or
    - (2) When the contributor has a combined total of years of service credit and years of age equal to eighty and has not received a retirement benefit under this chapter.
      - c. Postponed retirement date is the first day of the month next following the month in which the contributor attains the age of sixty years.
  - d. Disability retirement date is the first day of the month after a contributor becomes permanently and totally disabled, according to medical evidence called for under the rules of the ~~board~~office, and has completed at least one hundred eighty days of employment.
4. The ~~board~~office shall calculate retirement benefits as follows:
  - a. Normal retirement benefits for all contributors reaching the normal retirement date are payable monthly, and are:

- (1) The first twenty-five years of credited service multiplied by three and sixty hundredths percent of final average salary.
    - (2) All years in excess of twenty-five years of credited service multiplied by one and three-fourths percent of final average salary.
    - (3) All contributors who retired before August 1, 2001, or their beneficiaries, are entitled to receive benefits equal to three and sixty hundredths percent of final average salary multiplied by the first twenty-five years of credited service, plus one and three-fourths percent of final average salary multiplied by credited service in excess of twenty-five years, with the increased benefits payable beginning August 1, 2001.
  - b. Early retirement benefits are normal retirement benefits accrued to the date of termination of employment, but actuarially reduced to account for benefit payments beginning before the normal retirement date.
  - c. Postponed retirement benefits, for all contributors reaching the postponed retirement date, are calculated in the same manner as normal retirement benefits.
  - d. Disability retirement benefits are payable monthly and are:
    - (1) Seventy percent of the contributor's final average salary, reduced by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this subsection is one hundred dollars.
    - (2) An individual or that person's beneficiary who, on July 31, 2001, is receiving a disability retirement benefit is entitled to receive an increase in benefits equal to six percent of the individual's present benefits, with the increase payable beginning August 1, 2001.
5. On termination of employment after completing ten years of eligible employment but before the normal retirement date, a contributor who does not elect to receive early retirement benefits is eligible to receive deferred vested retirement benefits. The deferred benefits are payable beginning on the contributor's normal retirement date in one of the forms provided in this section. Contributors who have delayed or inadvertently failed to apply for retirement benefits to commence on their normal retirement date may choose to receive either a lump sum payment equal to the amount of missed payments, or an actuarial increase to the form of benefit the member has selected, which increase must reflect the missed payments. The final average salary used for calculating deferred retirement benefits must be increased annually, from the later of the date of termination of employment or July 1, 1991, until the date the contributor begins to receive retirement benefits from the fund, at a rate as determined by the ~~board~~office not to exceed a rate that would be approximately equal to annual salary increases provided state employees pursuant to action by the legislative assembly.
6. If before retiring a contributor dies after completing ten years of eligible employment, the ~~board~~office shall pay the contributor's accumulated deductions to the contributor's designated beneficiary as provided in this subsection. If the contributor has designated an alternate beneficiary with the surviving spouse's written consent, the ~~board~~office shall pay the contributor's account balance to the named beneficiary. If the contributor has named more than one primary beneficiary, the ~~board~~office shall pay the contributor's account balance to the named primary beneficiaries in the percentages designated by the contributor or, if the contributor has not designated a percentage for the beneficiaries, in equal percentages.

If one or more of the primary beneficiaries has predeceased the contributor, the boardoffice shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If there are no remaining primary beneficiaries, the boardoffice shall pay the contributor's account balance to the contingent beneficiaries in the same manner. If there are no remaining designated beneficiaries, the boardoffice shall pay the contributor's account balance to the contributor's estate. If the contributor has not designated an alternate beneficiary under this section or the surviving spouse is the beneficiary, the surviving spouse of the contributor may select one of the following optional forms of payment:

- a. A lump sum payment of the contributor's accumulated deductions as of the date of death.
  - b. Payment of a monthly retirement benefit equal to fifty percent of the deceased contributor's accrued normal retirement benefits until the spouse dies.
7. If a contributor not eligible for the benefits of subsection 6 terminates employment for any reason before retirement, the contributor or the contributor's designated beneficiary is entitled to the contributor's accumulated deductions at termination.
8. The surviving spouse of a member receiving retirement benefits must be the member's primary beneficiary unless there is no surviving spouse or the surviving spouse designates an alternate beneficiary in writing. If a contributor receiving retirement benefits, or a contributor's surviving spouse receiving retirement benefits, dies before the total amount of benefits paid to them equals the amount of the contributor's accumulated deductions at retirement, the difference must be paid to the named beneficiary of the recipient or, if there is no named beneficiary, to the recipient's estate.
9. The boardoffice shall adopt rules providing for the receipt of retirement benefits in the following optional forms:
- a. An actuarially equivalent joint and survivor one hundred percent option.
  - b. An actuarially equivalent life with ten-year or twenty-year certain options.
  - c. An actuarially equivalent partial lump sum distribution option with a twelve-month maximum lump sum distribution.
  - d. An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year.

Unless a contributor requests that the contributor receive benefits according to one of these options at the time of applying for retirement, all retirement benefits must be in the form of a lifetime monthly pension, with a fifty percent option to the surviving spouse.

**SECTION 19. AMENDMENT.** Section 39-03.1-11.2 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-11.2. Internal Revenue Code compliance.**

The boardoffice shall administer the plan in compliance with the following sections of the Internal Revenue Code, as amended, as it applies for governmental plans.

1. Section 415, including the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code.

- a. The defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as approved by the legislative assembly, must be adjusted under section 415(d) of the Internal Revenue Code, effective January first of each year following a regular legislative session. The adjustment of the defined benefit dollar limitation under section 415(d) applies to participating members who have had a separation from employment, but that member's benefit payments may not reflect the adjusted limit prior to January first of the calendar year in which the adjustment applies.
  - b. If a participating member's benefit is increased by plan amendment after the commencement of benefit payments, the member's annual benefit may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as adjusted under section 415(d) for the calendar year in which the increased benefit is payable.
  - c. If a participating member is, or ever has been, a participant in another defined benefit plan maintained by the employer, the sum of the participant's annual benefits from all the plans may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code. If the participating member's employer-provided benefits under all such defined benefit plans would exceed the defined benefit dollar limitation, the benefit must be reduced to comply with section 415 of the Internal Revenue Code. This reduction must be made pro rata between the plans, in proportion to the participating member's service in each plan.
2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirements under section 401(a)(9)(G), and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. A member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment.
  3. The annual compensation limitation under section 401(a)(17) of the Internal Revenue Code, as adjusted for cost-of-living increases under section 401(a)(17)(B).
  4. The rollover rules under section 401(a)(31) of the Internal Revenue Code. Accordingly, a distributee may elect to have an eligible rollover distribution, as defined in section 402(c)(4) of the Internal Revenue Code, paid in a direct rollover to an eligible retirement plan, as defined in section 402(c)(8)(B) of the Internal Revenue Code, specified by the distributee.
  5. If the plan of retirement benefits set forth in this chapter is terminated or discontinued, the rights of all affected participating members to accrued retirement benefits under this chapter as of the date of termination or discontinuance is nonforfeitable, to the extent then funded.

**SECTION 20. AMENDMENT.** Section 39-03.1-11.3 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-11.3. Supplemental retiree benefit payment.**

If the ~~board~~office determines that the fund has obtained a total return on investments of nine and six hundredths percent or higher for the fiscal year ending June 30, 2007, or June 30, 2008, the ~~board~~office shall authorize an additional payment equal to seventy-five percent of the January retirement allowance following the fiscal yearend to each eligible retiree in pay status as of that January, including

joint and survivor and term certain beneficiaries, under this chapter. The boardoffice may only make one payment under this section.

**SECTION 21. AMENDMENT.** Section 39-03.1-14.1 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-14.1. Multiple plan membership - Eligibility for benefits - Amount of benefits.**

1. For the purpose of determining eligibility for benefits under this chapter, a member's years of service is the total of the years of service earned under this chapter and the years of service employment or years of service credit earned in any number of the following, the total of which may not exceed twelve months of credit per year:
  - a. The public employees retirement system.
  - b. The teachers' fund for retirement.
  - c. The teachers' insurance and annuity association of America - college retirement equities fund (TIAA-CREF), for service credit earned while employed by North Dakota institutions of higher education.
2. If a member terminates eligible employment under this chapter, if that member has not received a refund of the member's accumulated deductions, and if that member begins eligible employment in a plan described in subdivision a or b of subsection 1, that member may elect to remain an inactive member of the system without refund of the member's accumulated deductions. The election must be made within ninety days after beginning the eligible employment. The boardoffice shall terminate the inactive status of a member under this subsection if the member gains eligible employment under this chapter or if the member terminates eligible employment under a plan described in subdivision a or b of subsection 1.
3. Pursuant to rules adopted by the boardoffice, a member who has service credit in the system and in any of the alternate plans described in subdivision a or b of subsection 1 is entitled to benefits under this chapter. The employee may elect to have benefits calculated using the benefit formula in section 39-03.1-11 under either of the following calculation methods:
  - a. By using the final average salary as calculated in section 39-03.1-11. If the participating member has worked for less than thirty-six months at retirement, the final average salary is the average salary for the total months of employment.
  - b. Using the final average salary as calculated in section 39-03.1-11, with service credit not to exceed one month in any month when combined with the service credit earned in the alternate retirement system.

The boardoffice shall calculate benefits for an employee under this subsection by using only those years of service employment earned under this chapter.

**SECTION 22. AMENDMENT.** Section 39-03.1-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-14.2. Benefit payments to alternate payee under qualified domestic relations order.**

1. The boardoffice shall pay retirement benefits in accordance with the applicable requirements of any qualified domestic relations order. The boardoffice shall review a domestic relations order submitted to it to

determine if the domestic relations order is qualified under this section and under rules established by the ~~board~~office for determining the qualified status of domestic relations orders and administering distributions under the qualified orders. Upon determination that a domestic relations order is qualified, the ~~board~~office shall notify the contributor and the named alternate payee of its receipt of the qualified domestic relations order.

2. A "qualified domestic relations order" for purposes of this section means any judgment, decree, or order, including approval of a property settlement agreement, which relates to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or other dependent of a contributor, is made pursuant to a North Dakota domestic relations law, and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a part of the benefits payable to the contributor. A qualified domestic relations order may not require the ~~board~~office to provide any type or form of benefit, or any option, not otherwise provided under the retirement system, or to provide increased benefits as determined on the basis of actuarial value. However, a qualified domestic relations order may require the payment of benefits at the early retirement date notwithstanding that the contributor has not terminated eligible employment. A qualified domestic relations order must specify:
  - a. The name and the last-known mailing address of the contributor and the name and mailing address of each alternate payee covered by the order;
  - b. The amount or percentage of the contributor's benefits to be paid by the plan to each alternate payee;
  - c. The number of payments or period to which the order applies; and
  - d. Each retirement plan to which the order applies.

**SECTION 23. AMENDMENT.** Section 39-03.1-25 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-25. Fraud - Correction of errors.**

No person may knowingly make any false statement, or may falsify or permit to be falsified any record or records of the retirement system herein established in any attempt to defraud such system. Should any such change in records fraudulently made or any mistake in records inadvertently made result in any contributor or other beneficiary receiving more or less than the person would have been entitled to had the records been correct, then, on the discovery of such error, the ~~board~~office shall correct such error and shall adjust the payments which shall be made to the contributor in such manner that the benefit to which the contributor was correctly entitled shall be paid.

**SECTION 24. AMENDMENT.** Section 39-03.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-28. Confidentiality of records.**

All records relating to the retirement benefits of a member or a beneficiary under this chapter are confidential and are not public records. The information and records may be disclosed, under rules adopted by the ~~board~~office only to:

1. A person to whom the member has given written consent to have the information disclosed.
2. A person legally representing the member, upon proper proof of representation, and unless the member specifically withholds consent.

3. A person authorized by a court order.
4. A member's participating employer, limited to information concerning the member's years of service credit and years of age. The boardoffice may share other types of information as needed by the employer to validate the employer's compliance with existing state or federal laws. Any information provided to the member's participating employer under this subsection must remain confidential except as provided under subsection 6.
5. The administrative staff of the retirement and investment office for purposes relating to membership and benefits determination.
6. State or federal agencies for purposes of reporting on a service provider's provision of services or when the employer must supply information to an agency to validate the employer's compliance with existing state or federal laws.
7. Member interest groups approved by the boardoffice on a third-party blind list basis, limited to information concerning the member's participation, name, and address.
8. The member's spouse or former spouse, that individual's legal representative, and the judge presiding over the member's dissolution proceeding for purposes of aiding the parties in drafting a qualified domestic relations order under section 39-03.1-14.2. The information disclosed under this subsection must be limited to information necessary for drafting the order.
9. Beneficiaries designated by a participating member or a former participating member to receive benefits after the member's death, but only after the member's death. Information relating to beneficiaries may be disclosed to other beneficiaries of the same member.
10. Any person if the boardoffice determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.
11. The general public, but only after the boardoffice has been unable to locate the member for a period in excess of two years, and limited to the member's name and the fact that the boardoffice has been unable to locate the member.
12. A government child support enforcement agency for purposes of establishing paternity or establishing, modifying, or enforcing a child support obligation of the member.
13. A person if the information relates to an employer service purchase under section 39-03.1-10.2, but the information must be limited to the member's name and employer, the retirement program in which the member participates, the amount of service credit purchased by the employer, and the total amount expended by the employer for that service credit purchase, and that information may only be obtained from the member's employer.

**SECTION 25. AMENDMENT.** Section 39-03.1-29 of the North Dakota Century Code is amended and reenacted as follows:

**39-03.1-29. Savings clause - Plan modifications.**

If the boardoffice determines that any section of this chapter does not comply with applicable federal statutes or rules, the boardoffice shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules, subject to the approval of the employee benefits programs committee. Any plan modifications made by the boardoffice pursuant to this section are effective until

the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

**SECTION 26. AMENDMENT.** Section 52-11-01 of the North Dakota Century Code is amended and reenacted as follows:

**52-11-01. Retirement for certain state employees.**

1. The North Dakota national guard is authorized to establish an employee retirement program by contract with an insurance company, state or national bank and trust company, or an investment company, authorized under the law to do business in this state, the state investment board, or the North Dakota public employees retirement system office. Except for a retirement program established under chapter 54-52, the North Dakota national guard shall prepare specifications of the terms of the retirement program which must be submitted to not less than three companies or agencies with a request for bids upon the retirement program contracts. After the submission of at least three bids, the adjutant general shall compare the bids, and with the approval of the governor, shall execute a contract for the retirement program with the company or agency submitting the lowest and best bid. The public employees retirement system ~~board~~ office may administer the retirement plan established in 1961 and frozen to new entrants in 1980 for employees of job service North Dakota. The public employees retirement system ~~board~~ office shall fund the administrative expenses of administering that retirement plan from the funds in that plan.
2. The employing agency shall be authorized to withhold the employee's share of the contributions required under such retirement program from the salary paid each employee of such agency. The amount of such withholding must be an adjustable percentage rate of the employee's salary sufficient to provide financing of the required employee's contributions to such retirement plan as such plan was originally contracted and as it has been or will be amended, provided that such percentage rate may not exceed the percentage rate which may be fixed for withholding from federal employees for employee contributions to the federal retirement program under civil service. The employing agency shall be authorized to pay a sum as prescribed in the program contract toward the cost of such retirement program, which sum may not be in excess of the amount approved by the appropriate federal agency supervising the payment or reimbursement of salary and retirement program costs. The amount withheld from the wages due an employee and the amount to be paid by the employing agency must be paid to the company holding such retirement program contract in accordance with the terms of such contract.
3. The employing agency's share of the costs of such retirement program must be paid from any funds made available to it for this purpose by the United States government, and in the case of employees of such agencies for whom the state does not receive federal payments for salary costs, such employer's share may be made from any appropriations made available for the purpose of paying such salaries. Payments may be made for prior service of employees in accordance with the terms of the retirement program contract and in accordance with the availability of funds. The contract must specify the terms and conditions under which employee contributions may be withdrawn from the program and for the crediting of the employer's contributions to future payments due from the employing agency. Provision may be made in the contract for optional payment of benefits to survivors of covered employees. Each agency participating in the retirement program shall be authorized to do all things necessary for the proper administration of the program, but no benefits payable under the terms of the retirement program contract shall ever become an obligation of the state.

**SECTION 27. AMENDMENT.** Section 54-35-02.3 of the North Dakota Century Code is amended and reenacted as follows:

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

The legislative management, during each biennium, shall appoint an employee benefits programs committee in the same manner as the legislative management appoints other interim committees. The legislative management shall appoint seven members of the house of representatives and six members of the senate to the committee. The legislative management shall designate the chairman of the committee. The three elected employee members of the retirement system advisory board shall serve as nonvoting members of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees. The public employees retirement system office shall pay the per diem and expenses of the three nonvoting members.

**SECTION 28. AMENDMENT.** Section 54-35-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-02.4. Employee benefits programs committee - Powers and duties.**

1. The employee benefits programs committee shall meet at least quarterly at the discretion of the chairman.
  - a. The employee benefits programs committee shall consider and report on those legislative measures and proposals over which it takes jurisdiction and which affect, actuarially or otherwise, the retirement programs of state employees or employees of any political subdivision, and health and retiree health plans of state employees or employees of any political subdivision. The committee shall make a thorough review of any measure or proposal which it takes under its jurisdiction, including an actuarial review.
  - b. The committee shall take jurisdiction over any measure or proposal that authorizes an automatic increase or other change in benefits beyond the ensuing biennium which would not require legislative approval. The committee must include in the report of the committee a statement that the proposal would allow future changes without legislative involvement.
  - c. Quarterly, the public employees retirement system office shall report to the committee on the activities of the office, including the status of and any proposed changes to retirement plans and uniform group insurance plans administered by the office. Before each regular legislative session, the office shall present to the committee the executive budget proposals, including any anticipated changes, relating to retirement plans and uniform group insurance plans administered by the office. The committee shall consider and report on these activities and executive budget proposals.
  - d. The committee shall report its findings and recommendations, along with any necessary legislation, to the legislative management and to the legislative assembly.
2. To carry out its responsibilities, the committee, or its designee, may:
  - a. Enter contracts, including retainer agreements, with an actuary or actuarial firm for expert assistance and consultation. Each retirement, insurance, or retiree insurance program shall pay, from its retirement, insurance, or retiree health benefits fund, as appropriate, and without the need for a prior appropriation, the cost of any actuarial report required by the committee which relates to that program.

- b. Call on personnel from state agencies or political subdivisions to furnish such information and render such assistance as the committee may from time to time request.
- c. Establish rules for its operation, including the submission and review of proposals and the establishing of standards for actuarial review.
3. The committee may solicit draft measures and proposals from interested persons during the interim between legislative sessions, and may also study measures and proposals referred to it by the legislative assembly or the legislative management.
4. A copy of the committee's report concerning any legislative measure shall, if that measure is introduced for consideration by a legislative assembly, be appended to the copy of that measure which is referred to a standing committee.
5. A legislative measure affecting a public employees retirement program, public employees health insurance program, or public employee retiree health insurance program may not be introduced in either house unless it is accompanied by a report from the committee. A majority of the members of the committee, acting through the chairman, has sole authority to determine whether any legislative measure affects a program.
6. Any amendment made during a legislative session to a legislative measure affecting a public employees retirement program, public employees health insurance program, or public employee retiree health insurance program may not be considered by a standing committee unless it is accompanied by a report from the employee benefits programs committee.
7. Any legislation enacted in contravention of this section is invalid and of no force and effect, and any benefits provided under such legislation must be reduced to the level current prior to enactment.

**SECTION 29. AMENDMENT.** Section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-01. (Effective through July 31, 2017) Definition of terms.**

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

1. "Account balance" means the total contributions made by the employee, vested employer contributions under section 54-52-11.1, the vested portion of the vesting fund as of June 30, 1977, and interest credited thereon at the rate established by the ~~board~~office.
2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.
3. "Correctional officer" means a participating member who is employed as a correctional officer by a political subdivision.
4. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.13, and employees of the state board for career and technical education who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.14.

- Eligible employee does not include state employees who elect to become members of the retirement plan established under chapter 54-52.6.
5. "Employee" means any person employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; licensed employees of a school district means those employees eligible to participate in the teachers' fund for retirement who, except under subsection 2 of section 54-52-17.2, are not eligible employees under this chapter.
  6. "Employer" means a governmental unit.
  7. "Funding agent" or "agents" means an investment firm, trust bank, or other financial institution which the ~~retirement board~~office may select to hold and invest the employers' and members' contributions.
  8. "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision thereof.
  9. "National guard security officer or firefighter" means a participating member who is:
    - a. A security police employee of the North Dakota national guard; or
    - b. A firefighter employee of the North Dakota national guard.
  10. "Office" means the public employees retirement system office.
  11. "Participating member" means all eligible employees who through payment into the plan have established a claim against the plan.
  - ~~11-12.~~ "Peace officer" means a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by the bureau of criminal investigation or by a political subdivision and, notwithstanding subsection 12, for persons employed after August 1, 2005, is employed thirty-two hours or more per week and at least twenty weeks each year of employment. Participating members of the law enforcement retirement plan created by this chapter who begin employment after August 1, 2005, are ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system.
  - ~~12-13.~~ "Permanent employee" means a governmental unit employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is employed twenty hours or more per week and at least twenty weeks each year of employment.
  - ~~13-14.~~ "Prior service" means service or employment prior to July 1, 1966.
  - ~~14-15.~~ "Prior service credit" means such credit toward a retirement benefit as the ~~retirement board~~office may determine under the provisions of this chapter.
  - ~~15-16.~~ "Public employees retirement system" means the retirement plan and program established by this chapter.
  - ~~16-17.~~ "Retirement" means the acceptance of a retirement allowance under this chapter upon either termination of employment or termination of participation in the retirement plan and meeting the normal retirement date.

- ~~17-18.~~ "Retirement board" or "board" means the ~~governing authority~~retirement system advisory board created under section 54-52-03.
- ~~18-19.~~ "Seasonal employee" means a participating member who does not work twelve months a year.
- ~~19-20.~~ "Service" means employment on or after July 1, 1966.
- ~~20-21.~~ "Service benefit" means the credit toward retirement benefits as determined by the ~~retirement board~~office under the provisions of this chapter.
- ~~21-22.~~ "Temporary employee" means a governmental unit employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored pension fund, and, if employed by a school district, occupies a noncertified teacher's position.
- ~~22-23.~~ "Wages" and "salaries" means the member's earnings in eligible employment under this chapter reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the ~~board~~office.

**(Effective after July 31, 2017) Definition of terms.** As used in this chapter, unless the context otherwise requires:

1. "Account balance" means the total contributions made by the employee, vested employer contributions under section 54-52-11.1, the vested portion of the vesting fund as of June 30, 1977, and interest credited thereon at the rate established by the ~~board~~office.
2. "Beneficiary" means any person in receipt of a benefit provided by this plan or any person designated by a participating member to receive benefits.
3. "Correctional officer" means a participating member who is employed as a correctional officer by a political subdivision.
4. "Director" means the executive director of the public employees retirement system office.
5. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials under sections 54-52-02.5, 54-52-02.11, and 54-52-02.12, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.13, and employees of the state board for career and technical education who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 54-52-02.14. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

- ~~5-6.~~ "Employee" means any person employed by a governmental unit, whose compensation is paid out of the governmental unit's funds, or funds controlled or administered by a governmental unit, or paid by the federal government through any of its executive or administrative officials; licensed employees of a school district means those employees eligible to participate in the teachers' fund for retirement who, except under subsection 2 of section 54-52-17.2, are not eligible employees under this chapter.
- ~~6-7.~~ "Employer" means a governmental unit.
- ~~7-8.~~ "Funding agent" or "agents" means an investment firm, trust bank, or other financial institution ~~which the retirement board~~ the office may select to hold and invest the employers' and members' contributions.
- ~~8-9.~~ "Governmental unit" means the state of North Dakota, except the highway patrol for members of the retirement plan created under chapter 39-03.1, or a participating political subdivision thereof.
- ~~9-10.~~ "National guard security officer or firefighter" means a participating member who is:
- a. A security police employee of the North Dakota national guard; or
  - b. A firefighter employee of the North Dakota national guard.
- ~~11.~~ "Office" means the public employees retirement system office.
- ~~10-12.~~ "Participating member" means all eligible employees who through payment into the plan have established a claim against the plan.
- ~~11-13.~~ "Peace officer" means a participating member who is a peace officer as defined in section 12-63-01 and is employed as a peace officer by the bureau of criminal investigation or by a political subdivision and, notwithstanding subsection 12, for persons employed after August 1, 2005, is employed thirty-two hours or more per week and at least twenty weeks each year of employment. Participating members of the law enforcement retirement plan created by this chapter who begin employment after August 1, 2005, are ineligible to participate concurrently in any other retirement plan administered by the public employees retirement system.
- ~~12-14.~~ "Permanent employee" means a governmental unit employee whose services are not limited in duration and who is filling an approved and regularly funded position in an eligible governmental unit, and is employed twenty hours or more per week and at least twenty weeks each year of employment.
- ~~13-15.~~ "Prior service" means service or employment prior to July 1, 1966.
- ~~14-16.~~ "Prior service credit" means such credit toward a retirement benefit as the ~~retirement board~~ office may determine under the provisions of this chapter.
- ~~15-17.~~ "Public employees retirement system" means the retirement plan and program established by this chapter.
- ~~16-18.~~ "Retirement" means the acceptance of a retirement allowance under this chapter upon either termination of employment or termination of participation in the retirement plan and meeting the normal retirement date.
- ~~17-19.~~ "Retirement board" or "board" means the ~~seven persons designated by this chapter as the governing authority for the retirement system~~

~~created~~retirement system advisory board established under section 54-52-03.

- ~~18-20~~ "Seasonal employee" means a participating member who does not work twelve months a year.
- ~~19-21~~ "Service" means employment on or after July 1, 1966.
- ~~20-22~~ "Service benefit" means the credit toward retirement benefits as determined by the ~~retirement board~~office under the provisions of this chapter.
- ~~21-23~~ "Temporary employee" means a governmental unit employee who is not eligible to participate as a permanent employee, who is at least eighteen years old and not actively contributing to another employer-sponsored pension fund, and, if employed by a school district, occupies a noncertified teacher's position.
- ~~22-24~~ "Wages" and "salaries" means the member's earnings in eligible employment under this chapter reported as salary on the member's federal income tax withholding statements plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between the member and participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the ~~board~~office.

**SECTION 30. AMENDMENT.** Section 54-52-02.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-02.1. Political subdivisions authorized to join public employees retirement system.**

1. A political subdivision may, on behalf of its permanent employees, on behalf of its peace officers and correctional officers separately from its other employees, and permanent noncertified employees only in the case of school districts, enter into agreements with the ~~retirement board~~office for the purpose of extending the benefits of the public employees retirement system, as provided in this chapter, to those employees. The agreement may, in accordance with this chapter, contain provisions relating to benefits, contributions, effective date, modification, administration, and other appropriate provisions as the ~~retirement board~~office and the political subdivision agree upon, but the agreement must provide that:
  - a. The political subdivision will contribute on behalf of each eligible employee an amount equal to that provided in section 54-52-06 or 54-52-06.3 for peace officers and correctional officers participating separately from other political subdivision employees.
  - b. A portion of the moneys paid by the political subdivision may be used to pay administrative expenses of the ~~retirement board~~office.
2. Notwithstanding any other provision of law, a political subdivision having an existing police pension plan may merge that plan into the public employees retirement system under rules adopted by and in a manner determined by the ~~board~~office.
3. Notwithstanding any other provision of this chapter, a political subdivision of this state not currently participating in the public employees retirement

system may not become a participant in the retirement system until an actuarial study is performed under the direction of the ~~board~~office to calculate the required employer contribution for any past service liability and the required employer contribution must be an amount determined sufficient to amortize and fund any past service liability over a period not to exceed thirty years as determined by the ~~board~~office. Any fees incurred in performing the actuarial study must be paid for by the political subdivision in a manner determined by the ~~board~~office.

**SECTION 31. AMENDMENT.** Section 54-52-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-02.6. Repurchase of past service upon re-employment.**

An individual who terminates participation in the plan may elect to receive a refund of the member's account balance under subsection 7 of section 54-52-17 and thus forfeit all rights under the retirement plan. An individual upon re-employment may elect to repurchase the forfeited past service for retirement and the retiree health benefits program in accordance with rules established by the ~~board~~office.

**SECTION 32. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-03. Governing authorityPublic employees retirement system office - Retirement system advisory board.**

1. ~~A state agency~~The public employees retirement system office is hereby created to constitute the governing authority of the public employees retirement system to consist of a ~~board of nine individuals known as the retirement board~~.
2. A seven-member retirement system advisory board shall advise the director, the governor, and the legislative management in the administration of the public employees retirement system. No more than one ~~elected~~ member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. An employee of the public employees retirement system office or the state retirement and investment office may not serve on the board.
  4. a. Two members of the legislative assembly must be appointed by the chairman of the legislative management to serve on the board.
    - a. (1) If the same political party has the greatest number of members in both the house and senate, one member must be from that majority party and one member from the political party with the next greatest number of members in the house and senate.
    - b. (2) If the same political party does not have the greatest number of members in both the house and senate, one member must be from the majority party in the house and one member must be from the majority party in the senate.
  2. b. One member of the board must be appointed by the governor to serve a term of five years. The appointee must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management. ~~The citizen member is chairman of the board.~~
  3. ~~One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.~~
  4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~

5. c. Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
6. d. One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.
7. e. The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.
8. f. A board member shall serve a five-year term and until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~<sup>four</sup> of the ~~nine~~<sup>seven</sup> board members constitute a quorum. ~~Five~~<sup>Four</sup> votes are necessary for resolution or action by the board at any meeting.

**SECTION 33. AMENDMENT.** Section 54-52-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-04. Board authority~~Authority~~ - Continuing appropriation.**

1. The ~~board~~<sup>public employees retirement system office</sup> shall adopt rules necessary to implement this chapter, and to manage the system, subject to the limitations of this chapter. ~~The board has the powers and privileges of a corporation, including the right to sue and be sued in its own name as the board. The venue of all actions in which the board is a party must be Burleigh County, North Dakota.~~
2. The ~~board~~<sup>governor</sup> shall appoint an executive director to serve at ~~its~~<sup>the</sup> ~~governor's~~ discretion. ~~The executive director shall perform such duties as assigned by the board.~~
3. The ~~board~~<sup>office</sup> shall ~~authorize the creation of whatever~~<sup>employ</sup> staff it ~~deems~~<sup>as</sup> necessary for sound and economical administration of the system. ~~The executive director shall hire the staff, subject to the approval of the board.~~
4. The ~~board~~<sup>office</sup> shall arrange for actuarial and medical advisers for the system. The ~~board~~<sup>office</sup> shall ~~cause~~<sup>contract with</sup> a qualified, competent actuary to be retained on a consulting basis. The actuary shall make an annual valuation of the liabilities and reserves of the system and a determination of the contributions required by the system to discharge its liabilities and pay the administrative costs under this chapter, and to recommend to the ~~board~~<sup>office</sup> rates of employer and employee contributions required, based upon the entry age normal cost method, to maintain the system on an actuarial reserve basis; once every five years make a general investigation of the actuarial experience under the system including mortality, retirement, employment turnover, and other

- items required by the boardoffice, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation; and perform other duties as may be assigned by the boardoffice.
5. The state shall provide the boardoffice with the ~~retirement systems office~~ or offices to be used for the ~~meetings of the board~~ and for the general purposes of the ~~administrative personneloffice~~.
  6. The funds necessary for paying prior service and service benefits, consultant fees, and making withdrawal payments and refunds are hereby appropriated from the retirement fund for those purposes. The amount necessary to pay the consulting fees and insurance benefits related to the uniform group insurance program is hereby appropriated from the insurance premiums received by the boardoffice.
  7. The boardoffice shall administer chapters 39-03.1, 54-52.1, and 54-52.2, and may administer other optional employee benefit programs, including a flexible benefits plan, an optional employee short-term disability plan, a long-term care plan, or other optional employee benefit programs as the boardoffice deems appropriate. The boardoffice shall also administer the retirement plan established in 1961 and frozen to new entrants in 1980 for employees of job service North Dakota under chapter 52-11.
  8. ~~The board shall annually~~Annually, the office shall report the investment performance of the fund and distribute a copy to each participant.
  9. The boardoffice may distribute the employer contribution and applicable interest for any employee of any development foundation associated with a public institution of higher education in this state who may previously have been included in the public employees retirement system while employed by such foundation. Such employee is entitled to have that employee's contribution and the contribution of the development foundation, with interest.
  10. The boardoffice may audit any books, papers, accounts, bills, vouchers, and other documents or property of any and all departments, boards, commissions, political subdivisions, financial institutions, contractors, health care organizations, and consultants relating to their participation in services provided to programs administered by the boardoffice.
  11. The boardoffice shall fund the administrative expenses of chapter 54-52.2 from funds collected under chapters 54-52, 54-52.1, and 54-52.3 and from fines and fees collected from deferred compensation services providers, including any fees paid for by participant funds, subject to appropriation by the legislative assembly.
  12. Except as provided by section 54-52-17.7, the boardoffice may adjust service and make any correction of member, retiree, or beneficiary records and benefits after an error or inequity has been determined.
  13. ~~The board~~Subject to appropriation, the office may use any amount credited to the separate uniform group insurance program fund created by section 54-52.1-06 in excess of the costs of administration of the uniform group insurance program to reduce the amount of premium amounts paid monthly by enrolled members of the uniform group insurance program, to reduce any increase in premium amounts paid monthly by enrolled members, or to provide increased insurance coverage to the members, as the boardoffice may determine.
  14. The boardoffice may create and implement an Internal Revenue Code section 115 trust health care savings plan for all supreme and district court judges participating in the public employees retirement system if seventy-five percent of the total active participating supreme and district court judges vote to approve the program. If approved, the contribution

level specified in the vote applies to all current and future participating supreme and district court judges and must be paid pursuant to the plan document developed by the ~~board~~office. The contribution level may only be changed by a vote of seventy-five percent of the total active participating supreme and district court judges at that time.

15. The office shall establish policies and implement procedures to make and collect payments in the most cost-effective manner, including the use of electronic transfer of funds.

**SECTION 34. AMENDMENT.** Subsection 3 of section 54-52-05 of the North Dakota Century Code is amended and reenacted as follows:

3. Each employer, at its option, may pay all or a portion of the employee contributions required by subsection 2 and sections 54-52-06.1, 54-52-06.2, 54-52-06.3, and 54-52-06.4 or the employee contributions required to purchase service credit on a pretax basis pursuant to subsection 5 of section 54-52-17.4. Employees may not receive the contributed amounts directly once the employer has elected to pay the employee contributions. The amount paid must be paid by the employer in lieu of contributions by the employee. If the state determines not to pay the contributions, the amount that would have been paid must continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. If contributions are paid by the employer, they may not be included as gross income of the employee in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee or from the levy authorized by subsection 5 of section 57-15-28.1. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a contribution of a reduction in gross salary and offset against future salary increases. If employee contributions are paid by the employer, they must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made prior to the date on which employee contributions were assumed by the employer. An employer exercising its option under this subsection shall report its choice to the ~~board~~office in writing.

**SECTION 35. AMENDMENT.** Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-06. Employer's contribution to retirement plan.**

Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Governmental unit contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014. For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds appropriated for payroll and salary or any other funds available for these purposes. Any governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to

a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date they became due, penalty and interest to be paid on delinquent contributions may be waived. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05. The ~~board~~director shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.

**SECTION 36. AMENDMENT.** Section 54-52-06.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-06.2. Contribution by national guard security officers or firefighters - Employer contribution.**

Each national guard security officer or firefighter who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Member contributions increase by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2014. Effective August 1, 2015, each national guard security officer or firefighter who is a participating member of the plan under this section becomes a participating member of the plan under section 54-52-06.4 and the ~~board~~office shall thereafter manage any account balance associated with those participating members under section 54-52-06.4. After July 31, 2015, a new eligible employee may not become a participating member of the plan under this section. The assessment must be deducted and retained out of the employee's salary in equal monthly installments. The national guard security officer's or firefighter's employer shall contribute an amount determined by the ~~board~~office to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the security officer's or firefighter's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required national guard security officer's or firefighter's assessment.

**SECTION 37. AMENDMENT.** Section 54-52-06.3 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-06.3. Contribution by peace officers and correctional officers employed by political subdivisions - Employer contribution.**

Each peace officer or correctional officer employed by a political subdivision that enters into an agreement with the ~~retirement board~~office on behalf of its peace officers and correctional officers separately from its other employees and who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer or correctional officer contributions increase by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, and with an additional increase of one-half of one percent, beginning with the monthly reporting period of January 2013, and with an additional increase of one-half of one percent, beginning with the monthly reporting period of January 2014. The assessment must be deducted and retained out of the employee's salary in equal monthly installments. The peace officer's or correctional officer's employer shall contribute an amount determined by the ~~board~~office to be actuarially required to support the level of benefits specified in section 54-52-17. If the peace officer's or correctional officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or correctional officer's assessment.

**SECTION 38. AMENDMENT.** Section 54-52-06.4 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-06.4. Contribution by peace officers employed by the bureau of criminal investigation or security officers employed by the national guard - Employer contribution.**

Each peace officer employed by the bureau of criminal investigation who is a member of the public employees retirement system is assessed and shall pay monthly four percent of the employee's monthly salary. Peace officer contributions increase by one percent of the member's monthly salary beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013. Effective August 1, 2015, each national guard security officer who is a member of the public employee's retirement system is assessed and monthly shall pay six percent of the employee's monthly salary. National guard security officer contributions decrease by one-half of one percent of the member's monthly salary beginning with the monthly reporting period of January 2016. The assessment must be deducted and retained out of the employee's salary in equal monthly installments. The peace officer's or security officer's employer shall contribute an amount determined by the ~~board~~office to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

**SECTION 39. AMENDMENT.** Section 54-52-10 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-10. Allocation of funds.**

The ~~board~~office shall maintain such funds and accounts as may be necessary to administer the provisions of this chapter. Any and all expenses incurred by or for the operation of the retirement plan must be paid from the funds contributed pursuant to sections 54-52-06 and 54-52-06.1.

**SECTION 40. AMENDMENT.** Section 54-52-10.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-10.1. Payment of benefits and other costs.**

The ~~board~~office shall use funds under ~~its~~the control of the office both before and after July 1, 1977, to administer this chapter and pay benefits authorized by this chapter.

**SECTION 41. AMENDMENT.** Section 54-52-11.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-11.1. Vesting of employer contributions.**

Except for supreme and district court judges, who are not eligible for benefits under this section, a member's account balance includes vested employer contributions equal to the member's contributions to the deferred compensation plan for public employees under chapter 54-52.2, or member contributions to other participating employer supplemental Internal Revenue Code section 457 or 403(b) retirement programs as approved by the ~~board~~office, with the minimum member contribution being twenty-five dollars. However, the vested employer contribution may not exceed:

1. For months one through twelve of service credit, twenty-five dollars or one percent of the member's monthly salary, whichever is greater.

2. For months thirteen through twenty-four of service credit, twenty-five dollars or two percent of the member's monthly salary, whichever is greater.
3. For months twenty-five through thirty-six of service credit, twenty-five dollars or three percent of the member's monthly salary, whichever is greater.
4. For service exceeding thirty-six months, twenty-five dollars or four percent of the member's monthly salary, whichever is greater.
5. The vested employer contribution may not exceed four percent of the member's monthly salary.

Vested employer contributions must be credited monthly to the member's account balance.

**SECTION 42. AMENDMENT.** Section 54-52-14 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-14. Acceptance of money and property by the board.**

The ~~board~~office may take by gift, grant, devise, or bequest, any money or real or personal property or any other thing of value for the benefit of the employees retirement fund, and when received, said property becomes a part of such fund.

**SECTION 43. AMENDMENT.** Section 54-52-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-14.2. Interest and earnings attributable to administered funds.**

All interest and earnings on funds administered by the ~~retirement board~~office established under chapters 39-03.1, 54-52, 54-52.1, 54-52.2, and 54-52.3 must be credited to the respective fund.

**SECTION 44. AMENDMENT.** Section 54-52-16 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-16. Insurance contracts - Trust agreements.**

For the purpose of establishing the funding agent or agents, the ~~board~~office may enter ~~into~~ an insurance contract, agreement, or purchase an insurance policy or policies covering all or any part of the retirement plan adopted, provided the assuring company is a North Dakota corporation or authorized to do business in the state of North Dakota, or may enter ~~into~~ a contract with any qualified trust company or companies, or combinations of insurance contracts and trust contracts.

**SECTION 45. AMENDMENT.** Section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17. Formulation of plan.**

Participating members shall receive benefits according to this section and according to rules adopted by the ~~board~~office, not inconsistent with this chapter. No person is entitled to receive a prior service benefit if the person was not continuously employed by a governmental unit in North Dakota for a period of not less than two years immediately prior to eligibility for retirement.

1. Participating members shall receive credit for full-time employment or its equivalent from the date they attain eligibility until their normal retirement date, postponed retirement date, or early retirement date, as defined in this section. Part-time employment will be recognized as full-time employment on a prorated basis as the ~~board~~office may prescribe.

2. Retirement benefits are calculated from the participating member's final average salary, which is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred twenty months of employment. For members who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred eighty months of employment. For members who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the ~~board~~office has appropriate and accurate salary records on its electronic database, but that period may not be more than the last one hundred eighty months of employment. Months not employed are excluded in arriving at the thirty-six months to be used for the purpose of computing an average. If the participating member has worked for less than thirty-six months at the normal retirement date, the final average salary is the average salary for the total months of employment.
3. Retirement dates are defined as follows:
  - a. Normal retirement date, except for a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, is:
    - (1) The first day of the month next following the month in which the member attains the age of sixty-five years; or
    - (2) When the member has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
  - b. Normal retirement date for members first enrolled after December 31, 2015, except for a national guard security officer or firefighter, a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a supreme court or district court judge, is:
    - (1) The first day of the month next following the month in which the member attains the age of sixty-five years; or
    - (2) When the member has a combined total of years of service credit and years of age equal to ninety and the member attains a minimum age of sixty and has not received a retirement benefit under this chapter.
  - c. Normal retirement date for a national guard security officer or firefighter is:
    - (1) The first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty-five years and has completed at least three eligible years of employment; or
    - (2) When the national guard security officer or firefighter has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
  - d. Normal retirement date for a peace officer or correctional officer employed by a political subdivision is:
    - (1) The first day of the month next following the month in which the peace officer or correctional officer attains the age of fifty-five

years and has completed at least three eligible years of employment; or

- (2) When the peace officer or correctional officer has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
- e. Normal retirement date for a peace officer employed by the bureau of criminal investigation is:
- (1) The first day of the month next following the month in which the peace officer attains the age of fifty-five years and has completed at least three eligible years of employment; or
  - (2) When the peace officer has a combined total of years of service credit and years of age equal to eighty-five and has not received a retirement benefit under this chapter.
- f. Postponed retirement date is the first day of the month next following the month in which the member, on or after July 1, 1977, actually severs or has severed the member's employment after reaching the normal retirement date.
- g. Early retirement date, except for a national guard security officer or firefighter or a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, is the first day of the month next following the month in which the member attains the age of fifty-five years and has completed three years of eligible employment. For a national guard security officer or firefighter, early retirement date is the first day of the month next following the month in which the national guard security officer or firefighter attains the age of fifty years and has completed at least three years of eligible employment. For a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, early retirement date is the first day of the month next following the month in which the peace officer or correctional officer attains the age of fifty years and has completed at least three years of eligible employment.
- h. Disability retirement date is the first day of the month after a member becomes permanently and totally disabled, according to medical evidence called for under the rules of the ~~board~~office, and has completed at least one hundred eighty days of eligible employment. For supreme and district court judges, permanent and total disability is based solely on a judge's inability to perform judicial duties arising out of physical or mental impairment, as determined pursuant to rules adopted by the ~~board~~office or as provided by subdivision a of subsection 3 of section 27-23-03. A member is eligible to receive disability retirement benefits only if the member:
- (1) Became disabled during the period of eligible employment; and
  - (2) Applies for disability retirement benefits within twelve months of the date the member terminates employment.

A member is eligible to continue to receive disability benefits as long as the permanent and total disability continues and the member submits the necessary documentation and undergoes medical testing required by the ~~board~~office, or for as long as the member participates in a rehabilitation program required by the ~~board~~office, or both. If the ~~board~~office determines that a member no longer meets the eligibility definition, the ~~board~~office may discontinue the disability retirement benefit. The ~~board~~office may pay the cost of any medical testing or rehabilitation services ~~if~~the office deems necessary and

these payments are appropriated from the retirement fund for those purposes.

4. The board office shall calculate retirement benefits as follows:
  - a. Normal retirement benefits for all retirees, except supreme and district court judges, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
    - (1) Service benefit equals two percent of final average salary multiplied by the number of years of service employment.
    - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
  - b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
    - (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
    - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
  - c. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.
  - d. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning prior to the normal retirement date, which is the earlier of age sixty-five or the age at which current service plus age equals eighty-five. Except for a national guard security officer or firefighter, a peace officer or correctional officer employed by the bureau of criminal investigation or by a political subdivision, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.
  - e. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and

insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

5. Upon termination of employment after completing three years of eligible employment, except for supreme and district court judges, who must complete five years of eligible employment, but before normal retirement date, a member who does not elect to receive early retirement benefits is eligible to receive deferred vested retirement benefits payable commencing on the member's normal retirement date in one of the optional forms provided in subsection 9. Members who have delayed or inadvertently failed to apply for retirement benefits to commence on their normal retirement date may choose to receive either a lump sum payment equal to the amount of missed payments, or an actuarial increase to the form of benefit the member has selected, which increase must reflect the missed payments.
6. If before retiring a member dies after completing three years of eligible employment, except for supreme and district court judges, who must have completed five years of eligible employment, the boardoffice shall pay the member's account balance to the member's designated beneficiary as provided in this subsection. If the member has designated an alternate beneficiary with the surviving spouse's written consent, the boardoffice shall pay the member's account balance to the named beneficiary. If the member has named more than one primary beneficiary, the boardoffice shall pay the member's account balance to the named primary beneficiaries in the percentages designated by the member or, if the member has not designated a percentage for the beneficiaries, in equal percentages. If one or more of the primary beneficiaries has predeceased the member, the boardoffice shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If any beneficiary survives the member, yet dies before distribution of the beneficiary's share, the beneficiary must be treated as if the beneficiary predeceased the member. If there are no remaining primary beneficiaries, the boardoffice shall pay the member's account balance to the contingent beneficiaries in the same manner. If there are no remaining designated beneficiaries, the boardoffice shall pay the member's account balance to the member's estate. If the member has not designated an alternate beneficiary or the surviving spouse is the beneficiary, the surviving spouse of the member may select a form of payment as follows:
  - a. If the member was a supreme or district court judge, the surviving spouse may select one of the following optional forms of payment:
    - (1) A lump sum payment of the member's retirement account as of the date of death.
    - (2) Payments as calculated for the deceased member as if the member was of normal retirement age at the date of death, payable until the spouse dies.
  - b. The surviving spouse of all other members may select one of the following options:
    - (1) A lump sum payment of the member's retirement account as of the date of death.
    - (2) Payment of a monthly retirement benefit equal to fifty percent of the deceased member's accrued single life retirement benefits until the spouse dies.
    - (3) If the member dies on or after the member's normal retirement date, the payment of a monthly retirement benefit equal to an amount that would have been paid to the surviving spouse if the member had retired on the day of the member's death and

had selected a one hundred percent joint and survivor annuity, payable until the spouse dies. A surviving spouse who received a benefit under this subsection as of July 31, 1995, is entitled to the higher of that person's existing benefit or the equivalent of the accrued benefit available under the one hundred percent joint and survivor provision as if the deceased member were of normal retirement age, with the increase payable beginning August 1, 1995.

7. If a member not coming under the provisions of subsection 6 terminates employment because of death, permanent and total disability, or any voluntary or involuntary reason prior to retirement, the member or the member's designated beneficiary is entitled to the member's account balance at termination. The boardoffice automatically shall refund a member's account balance if the member has completed less than three years of eligible employment, has an account balance of less than one thousand dollars, and was not a supreme or district court judge. If the member was a supreme or district court judge, the boardoffice automatically shall refund a member's account balance if the member completed less than five years of eligible employment. A member may waive the refund if the member submits a written statement to the boardoffice, within thirty days after termination, requesting that the member's account balance remain in the fund.
8. The surviving spouse of a member receiving retirement benefits must be the member's primary beneficiary unless there is no surviving spouse or the surviving spouse designates an alternate beneficiary in writing. If a member receiving retirement benefits or the member's surviving spouse receiving retirement benefits dies before the total amount of benefits paid to either or both equals the amount of the member's account balance at retirement, the difference must be paid to the named beneficiary of the recipient or, if there is no named beneficiary, to the recipient's estate.
9. The boardoffice shall adopt rules providing for the receipt of retirement benefits in the following optional forms:
  - a. Single life.
  - b. An actuarially equivalent joint and survivor option, with fifty percent or one hundred percent options.
  - c. Actuarially equivalent life with ten-year or twenty-year certain options.
  - d. An actuarially equivalent partial lump sum distribution option with a twelve-month maximum lump sum distribution.
  - e. An actuarially equivalent graduated benefit option with either a one percent or two percent increase to be applied the first day of January of each year.

Except for supreme and district court judges, unless a member specifically requests that the member receive benefits according to one of these options at the time of applying for retirement, all retirement benefits must be in the form of a single life benefit. For supreme and district court judges, unless a member specifically requests that the member receive benefits according to one of these options at the time of applying for retirement, all retirement benefits must be in the form of a lifetime monthly pension with fifty percent of the benefit continuing for the life of the surviving spouse, if any.

10. The fund may accept rollovers from other eligible plans under rules adopted by the boardoffice for the purchase of additional service credit, but only to the extent the transfer is a rollover contribution that meets the requirement of section 408 of the Internal Revenue Code.

11. The boardoffice may accept trustee-to-trustee transfers as permitted by Internal Revenue Code section 403(b)(13) and section 457(e)(17) from an Internal Revenue Code section 403(b) annuity or Internal Revenue Code section 457 deferred compensation plan for the purchase of permissive service credit, as defined in Internal Revenue Code section 415(n)(3)(A) or as repayment of a cashout from a governmental plan under Internal Revenue Code section 415(k)(3).
12. The boardoffice may establish individual retirement accounts and individual retirement annuities as permitted under section 408(q) of the Internal Revenue Code to allow employees to make voluntary employee contributions. The boardoffice may adopt rules to implement and administer the accounts and annuities under this section.

**SECTION 46. AMENDMENT.** Section 54-52-17.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.2. Multiple plan membership - Eligibility for benefits - Amount of benefits.**

1. a. For the purpose of determining eligibility for benefits under this chapter, an employee's years of service credit is the total of the years of service credit earned in the public employees retirement system and the years of service credit earned in any number of the following:
  - (1) The teachers' fund for retirement.
  - (2) The highway patrolmen's retirement system.
  - (3) The teachers' insurance and annuity association of America - college retirement equities fund (TIAA-CREF), for service credit earned while employed by North Dakota institutions of higher education.

Service credit may not exceed twelve months of credit per year.

- b. Pursuant to rules adopted by the boardoffice, an employee who has service credit in the system and in any of the plans described in paragraphs 1 and 2 of subdivision a is entitled to benefits under this chapter. The benefits of a temporary employee employed after July 31, 2015, must be calculated using the benefit formula in section 54-52-17. A permanent employee or a temporary employee employed before August 1, 2015, may elect to have benefits calculated using the benefit formula in section 54-52-17 under either of the following methods:
  - (1) The final average salary as calculated in section 54-52-17. If the participating member has worked for less than thirty-six months at retirement, the final average salary is the average salary for the total months of employment.
  - (2) The final average salary as calculated in section 54-52-17 for employment with any of the three eligible employers under this subdivision, with service credit not to exceed one month in any month when combined with the service credit earned in the alternate retirement system.

The boardoffice shall calculate benefits for an employee under this subsection by using only those years of service credit earned under this chapter.

2. a. If an employee who is eligible to participate in the public employees retirement system is also employed in any position when membership in an alternate retirement system is required, then, for

purposes of current participation, the employee is a member of each applicable retirement system. The employer shall pay over to each retirement system the member assessment and employer contributions at the rates currently existing for that retirement system.

- b. If an employee described in subdivision a was employed prior to August 1, 2003, and has dual membership rights, the employee may elect to begin participation in the alternate plan pursuant to the plan provisions on August 1, 2003, or may continue participation according to the plan provisions in effect on July 31, 2003. An employee's election under this subdivision is ineffective unless delivered to the public employees retirement system administrative offices by five p.m. on October 31, 2003. If an election is not received by the public employees retirement system, the participation and benefit calculation requirements in effect on July 31, 2003, apply to that employee.

**SECTION 47. AMENDMENT.** Section 54-52-17.3 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.3. Purchase of legislative service credit.**

A member may purchase service credit for the time during each legislative session spent serving as a member of the legislative assembly while holding eligible employment under this chapter. The member shall pay for this service credit an amount equal to the required member assessments and employer contributions plus interest as established by the ~~board~~ office. Service credit for legislative sessions prior to July 1, 1985, must be purchased before January 1, 1986. Service credit for each later legislative session must be purchased within one year after the adjournment of that legislative session.

**SECTION 48. AMENDMENT.** Section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.4. Purchase of additional credit.**

1. A participating member may elect to purchase credit for years of service and prior service for which the participating member is not presently receiving credit. A participating member is entitled to purchase additional credit under this section for the following service or prior service, except this service is not eligible for credit if the years claimed also qualify for retirement benefits from another retirement system:
  - a. Active prior employment in the armed forces of the United States, except as provided in section 54-52-17.14, for up to four years of credit.
  - b. Employment as a permanent employee by a public employer either within or outside the state of North Dakota.
  - c. Employment as a permanent employee by a political subdivision participating in the public employees retirement system which did not pay the cost of past service benefits under section 54-52-02.1.
  - d. Service the participating member did not elect to repurchase upon re-employment under section 54-52-02.6.
  - e. Service of an eligible employee, who exercised the privilege to withdraw from the predecessor plan to the public employees retirement system under subsection 10 of section 54-52-17 as created by section 13 of chapter 499 of the 1977 Session Laws.
  - f. Employment as a permanent employee by the federal government.

2. A participating member may elect to purchase credit for the following absences for which the participating member is not receiving service credit:
  - a. Employer-approved leave of absence; or
  - b. Months away from work while participating as a seasonal employee.
3. Supreme and district court judges under the public employees retirement system may elect to purchase credit for the following years of service:
  - a. Except as provided in section 54-52-17.14, for up to four years of credit for active employment in the armed forces of the United States.
  - b. As a county judge in a county or counties that did not participate in the public employees retirement system under this chapter.
  - c. Participation in the public employees retirement system as a county judge may be converted to credit in the judges' retirement system.
4. The participating member may purchase credit under this section, or the participating member's employer may purchase for the participating member, by paying to the board office an amount equal to the actuarial cost to the fund of providing the credit. If the participating member purchases credit pursuant to subdivision d of subsection 1, the participating member must pay to the board office an amount equal to the greater of the actuarial cost to the fund of providing the credit, or the amount the participating member received upon taking a refund of the participating member's account balance, plus interest at the actuarial rate of return from the time the participating member was issued the refund. If the participating member is not repurchasing all of the credit originally refunded, the participating member must pay a pro rata amount of the refunded amount determined by dividing the refunded amount by the number of months of credit refunded, multiplying that amount times the number of months of credit the participating member seeks to repurchase, and adding interest at the actuarial rate of return. The participating member or the participating member's employer shall also pay to the retiree health benefits fund established under section 54-52.1-03.2 an amount equal to the actuarial cost to that fund for the additional credit. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. The board office shall adopt rules governing the purchase of additional credit under this section.
5. Pursuant to rules adopted by the board office, the board office may allow a participating member to purchase service credit with either pretax or aftertax moneys, at the board's discretion of the office. If the participating member elects to purchase service credit using pretax moneys, the requirements and restrictions in subsection 3 of section 54-52-05 apply to the purchase arrangement.
6. In addition to service credit identified in this section, a vested participating member may purchase up to five years of service credit unrelated to any other eligible service.

**SECTION 49. AMENDMENT.** Section 54-52-17.6 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.6. Benefit payments to alternate payee under qualified domestic relations order.**

1. The board office shall pay retirement benefits in accordance with the applicable requirements of any qualified domestic relations order. The board office shall review a domestic relations order submitted to it to determine if the domestic relations order is qualified under this section

and under rules established by the ~~board~~office for determining the qualified status of domestic relations orders and administering distributions under the qualified orders. Upon determination that a domestic relations order is qualified, the ~~board~~office shall notify the participating member and the named alternate payee of its receipt of the qualified domestic relations order.

2. A "qualified domestic relations order" for purposes of this section means any judgment, decree, or order, including approval of a property settlement agreement, which relates to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or other dependent of a participating member, is made pursuant to a North Dakota domestic relations law, and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a part of the benefits payable to the participating member. A qualified domestic relations order may not require the ~~board~~office to provide any type or form of benefit, or any option, not otherwise provided under the public employees retirement system, or to provide increased benefits as determined on the basis of actuarial value. However, a qualified domestic relations order may require the payment of benefits at the early retirement date notwithstanding that the participating member has not terminated eligible employment. A qualified domestic relations order must specify:
  - a. The name and the last-known mailing address of the participating member and the name and mailing address of each alternate payee covered by the order;
  - b. The amount or percentage of the participating member's benefits to be paid by the plan to each alternate payee;
  - c. The number of payments or period to which the order applies; and
  - d. Each retirement plan to which the order applies.

**SECTION 50. AMENDMENT.** Section 54-52-17.11 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.11. Judges postretirement adjustments.**

A supreme or district court judge or that person's beneficiary who, on December 31, 2007, is receiving retirement benefits under subdivision b of subsection 4 of section 54-52-17, is entitled to receive an increase in benefits equal to two percent of the individual's present benefits with the increase payable beginning January 1, 2008. A supreme or district court judge or that person's beneficiary who, on December 31, 2008, is receiving retirement benefits under subdivision b of subsection 4 of section 54-52-17, is entitled to receive an increase in benefits equal to two percent of the individual's present benefits with the increase payable beginning January 1, 2009. The increases allowed by this section may only be given if the ~~public employees retirement board~~office determines there is actuarial margin sufficient to pay the increases.

**SECTION 51. AMENDMENT.** Section 54-52-17.13 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-17.13. Supplemental retiree benefit payment.**

If the ~~board~~office determines that the fund has obtained a total return on investments of nine and six hundredths percent or higher for the fiscal year ending June 30, 2007, or June 30, 2008, the ~~board~~office shall authorize an additional payment equal to seventy-five percent of the January retirement allowance following the fiscal yearend to each eligible retiree in pay status as of that January, excluding judicial retirees and beneficiaries, but including joint and survivor and term certain beneficiaries, under this chapter. The ~~board~~office may only make one payment to each retiree under this section.

**SECTION 52. AMENDMENT.** Section 54-52-23 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-23. Savings clause - Plan modifications.**

If the ~~board~~office determines that any section of this chapter does not comply with applicable federal statutes or rules, the ~~board~~office shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules, subject to the approval of the employee benefits programs committee. Any plan modifications made by the ~~board~~office pursuant to this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

**SECTION 53. AMENDMENT.** Section 54-52-26 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-26. Confidentiality of records.**

All records relating to the retirement benefits of a member or a beneficiary under this chapter, chapter 54-52.2, and chapter 54-52.6 are confidential and are not public records. Information and records may be disclosed, under rules adopted by the ~~board~~office, only to:

1. A person to whom the member has given written consent to have the information disclosed.
2. A person legally representing the member, upon proper proof of representation, and unless the member specifically withholds consent.
3. A person authorized by a court order.
4. A member's participating employer, limited to information concerning the member's years of service credit and years of age. The ~~board~~office may share other types of information as needed by the employer to validate the employer's compliance with existing state or federal laws. Any information provided to the member's participating employer under this subsection must remain confidential except as provided under subsection 6.
5. The administrative staff of the retirement and investment office for purposes relating to membership and benefits determination.
6. State or federal agencies for purposes of reporting on a service provider's provision of services or when the employer must supply information to an agency to validate the employer's compliance with existing state or federal laws.
7. Member interest groups approved by the ~~board~~office on a third-party blind list basis, limited to information concerning the member's participation, name, and address.
8. The member's spouse or former spouse, that individual's legal representative, and the judge presiding over the member's dissolution proceeding for purposes of aiding the parties in drafting a qualified domestic relations order under section 54-52-17.6. The information disclosed under this subsection must be limited to information necessary for drafting the order.
9. Beneficiaries designated by a participating member or a former participating member to receive benefits after the member's death, but only after the member's death. Information relating to beneficiaries may be disclosed to other beneficiaries of the same member.

10. The general public, but only after the ~~board~~office has been unable to locate the member for a period in excess of two years, and limited to the member's name and the fact that the ~~board~~office has been unable to locate the member.
11. Any person if the ~~board~~office determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.
12. A government child support enforcement agency for purposes of establishing paternity or establishing, modifying, or enforcing a child support obligation of the member.
13. A person if the information relates to an employer service purchase, but the information must be limited to the member's name and employer, the retirement program in which the member participates, the amount of service credit purchased by the employer, and the total amount expended by the employer for that service credit purchase, and that information may only be obtained from the member's employer.

**SECTION 54. AMENDMENT.** Section 54-52-28 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-28. Internal Revenue Code compliance.**

The ~~board~~office shall administer the plan in compliance with the following sections of the Internal Revenue Code, as amended, as it applies for governmental plans.

1. Section 415, including the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code.
  - a. The defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as approved by the legislative assembly, must be adjusted under section 415(d) of the Internal Revenue Code, effective January first of each year following a regular legislative session. The adjustment of the defined benefit dollar limitation under section 415(d) applies to participating members who have had a separation from employment, but that member's benefit payments may not reflect the adjusted limit prior to January first of the calendar year in which the adjustment applies.
  - b. If a participating member's benefit is increased by plan amendment after the commencement of benefit payments, the member's annual benefit may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as adjusted under section 415(d) for the calendar year in which the increased benefit is payable.
  - c. If a participating member is, or ever has been, a participant in another defined benefit plan maintained by the employer, the sum of the participant's annual benefits from all the plans may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code. If the participating member's employer-provided benefits under all such defined benefit plans would exceed the defined benefit dollar limitation, the benefit must be reduced to comply with section 415 of the Internal Revenue Code. The reduction must be made pro rata between the plans, in proportion to the participating member's service in each plan.
2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code, including the incidental death benefit requirements under section 401(a)(9)(G), and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's

required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. A member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment.

3. The annual compensation limitation under section 401(a)(17) of the Internal Revenue Code, as adjusted for cost-of-living increases under section 401(a)(17)(B).
4. The rollover rules under section 401(a)(31) of the Internal Revenue Code. Accordingly, a distributee may elect to have an eligible rollover distribution, as defined in section 402(c)(4) of the Internal Revenue Code, paid in a direct rollover to an eligible retirement plan, as defined in section 402(c)(8)(B) of the Internal Revenue Code, specified by the distributee.
5. If the plan of retirement benefits set forth in this chapter is terminated or discontinued, the rights of all affected participating members to accrued retirement benefits under this chapter as of the date of termination or discontinuance is nonforfeitable, to the extent then funded.

**SECTION 55. AMENDMENT.** Section 54-52-29 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-29. Employer service purchases.**

A participating employer may purchase additional service credit on behalf of a member under the following conditions:

1. The member may not be given the option to choose between an employer service purchase and an equivalent amount paid in cash.
2. The member must meet one of the following conditions at the time the purchase is made:
  - a. The member's age plus service credit must be equal to or greater than seventy-five; or
  - b. The member's age must be at least fifty-five and the member must have at least three years of service credit.
3. The ~~board~~office must determine the purchase price on an actuarially equivalent basis, taking into account the contributions necessary for both the retirement program and the retiree health benefits fund.
4. The purchase must be completed before the member's retirement.
5. The employer may purchase a maximum of five years of service credit on behalf of the member.
6. The employer must pay the purchase price for the service credit purchased under this section in a lump sum.

**SECTION 56. AMENDMENT.** Section 54-52.1-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-01. Definitions.**

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

1. "~~Board~~" means ~~the public employees retirement board~~.
2. "Carrier" means:

- a. For the hospital benefits coverage, an insurance company authorized to do business in the state, or a nonprofit hospital service association, or a prepaid group practice hospital care plan authorized to do business in the state, or the state if a self-insurance plan is used for providing hospital benefits coverage.
  - b. For the medical benefits coverage, an insurance company authorized to do business in the state, or a nonprofit medical service association, or a prepaid group practice medical care plan authorized to do business in the state, or the state if a self-insurance plan is used for providing medical benefits coverage.
  - c. For the life insurance benefits coverage, an insurance company authorized to do business in the state.
- ~~3-2.~~ "Department, board, or agency" means the departments, boards, agencies, or associations of this state, and includes the state's charitable, penal, and higher educational institutions; the Bank of North Dakota; the state mill and elevator association; and counties, cities, district health units, and school districts.
3. "Director" means the executive director of the public employees retirement system office.
4. "Eligible employee" means every permanent employee who is employed by a governmental unit, as that term is defined in section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of state or political subdivision boards, commissions, or associations, full-time employees of political subdivisions, elective state officers as defined by subsection 2 of section 54-06-01, and disabled permanent employees who are receiving compensation from the North Dakota workforce safety and insurance fund. As used in this subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employed at least seventeen and one-half hours per week and at least five months each year or for those first employed after August 1, 2003, is employed at least twenty hours per week and at least twenty weeks each year of employment. For purposes of sections 54-52.1-04.1, 54-52.1-04.7, 54-52.1-04.8, and 54-52.1-11, "eligible employee" includes retired and terminated employees who remain eligible to participate in the uniform group insurance program pursuant to applicable state or federal law.
5. "Health maintenance organization" means an organization certified to establish and operate a health maintenance organization in compliance with chapter 26.1-18.1.
6. "Hospital benefits coverage" means a plan which either provides coverage for, or pays, or reimburses expenses for hospital services incurred in accordance with the uniform contract.
7. "Life insurance benefits coverage" means a plan which provides both term life insurance and accidental death and dismemberment insurance in amounts determined by the ~~board~~office, with a minimum of one thousand dollars provided for the term life insurance portion of the coverage.
8. "Medical benefits coverage" means a plan which either provides coverage for, or pays, or reimburses expenses for medical services in accordance with the uniform contract.
9. "Member contribution" means the payment by the member into the retiree health benefits fund pursuant to sections 54-52-02.9 and 54-52-17.4.

10. "Member's account balance" means the member's contributions plus interest at the rate set by the ~~board~~office.
11. "Office" means the public employees retirement system office.
12. "Temporary employee" means a governmental unit employee who is not filling an approved and regularly funded position in an eligible governmental unit and whose services may or may not be limited in duration.

**SECTION 57. AMENDMENT.** Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-02. Uniform group insurance program created - Formation into subgroups.**

In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade individuals to enter and remain in the service of state employment, there is created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the ~~board~~office:

1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for medicare, except for employees who first retire after the effective date of this section and are not eligible for medicare on their retirement. In determining premiums for coverage under this subsection for retired employees not eligible for medicare, the rate for a non-medicare retiree single plan is one hundred fifty percent of the active member single plan rate, the rate for a non-medicare retiree family plan of two people is twice the non-medicare retiree single plan rate, and the rate for a non-medicare retiree family plan of three or more persons is two and one-half times the non-medicare retiree single plan rate.
2. In addition to the coverage provided in subsection 1, another coverage option may be provided for retired employees not eligible for medicare, except for employees who first retire after the effective date of this section and are not eligible for medicare on their retirement, provided the option does not increase the implicit subsidy as determined by the governmental accounting standards board's other postemployment benefit reporting procedure. In offering this additional option, the ~~board~~office may have an open enrollment but thereafter enrollment for this option must be as specified in section 54-52.1-03.
3. Retired medicare-eligible employee group medical and hospital benefits coverage.
4. Active eligible employee life insurance benefits coverage.
5. Retired employee life insurance benefits coverage.
6. Terminated employee continuation group medical and hospital benefits coverage.
7. Terminated employee conversion group medical and hospital benefits coverage.
8. Dental benefits coverage.
9. Vision benefits coverage.
10. Long-term care benefits coverage.

11. Employee assistance benefits coverage.
12. Prescription drug coverage.

**SECTION 58. AMENDMENT.** Section 54-52.1-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03. Employee participation in plan - Employee to furnish information - Benefits to continue upon retirement or termination.**

1. Any eligible employee may be enrolled in the uniform group insurance program created by this chapter by requesting enrollment with the employing department. If an eligible employee does not enroll in the uniform group insurance program at the time of beginning employment, in order to enroll at a later time the eligible employee must meet minimum requirements established by the board office. An employing department may not require an active eligible employee to request coverage under the uniform group insurance program as a prerequisite to receive the minimum employer-paid life insurance benefits coverage or employee assistance program benefits coverage.
2. Within five days after the expiration of the payroll period during which enrollment was requested, the employing department shall enroll the employee with the board office. The employee's insurance coverage becomes effective on the date of enrollment.
3. A retiree who has accepted a periodic distribution from the defined contribution retirement plan pursuant to section 54-52.6-13 who the board office determines is eligible for participation in the uniform group insurance program or has accepted a retirement allowance from the public employees retirement system, the highway patrolmen's retirement system, the teachers' insurance and annuity association of America - college retirement equities fund for service credit earned while employed by North Dakota institutions of higher education, the retirement system established by job service North Dakota under section 52-11-01, the judges' retirement system established under chapter 27-17, or the teachers' fund for retirement may elect to participate in the uniform group under this chapter without meeting minimum requirements at age sixty-five, when the member's spouse reaches age sixty-five, upon the receipt of a benefit, or when the spouse terminates employment. If a retiree or surviving spouse does not elect to participate at the times specified in this subsection, the retiree or surviving spouse must meet the minimum requirements established by the board office. Subject to sections 54-52.1-03.2 and 54-52.1-03.3, each retiree or surviving spouse shall pay directly to the board office the premiums in effect for the coverage then being provided. A retiree or surviving spouse who has met the initial eligibility requirements of this subsection to begin participation in the uniform group insurance program remains eligible as long as the retiree maintains the retiree's participation in the program by paying the required premium pursuant to rules adopted by the board office.
4. Upon the termination of employment when the employee is not eligible to participate under subsection 3 or 5 or applicable federal law, that employee cannot continue as a member of the uniform group.
5. A member or former member of the legislative assembly or that person's surviving spouse may elect to continue membership in the uniform group within the applicable time limitations after either termination of eligible employment as a member of the legislative assembly or termination of other eligible employment or, for a surviving spouse, upon the death of the member or former member of the legislative assembly. The member or former member of the legislative assembly or that person's surviving spouse shall pay the premiums in effect for the coverage provided directly to the board office.

6. Each eligible employee requesting enrollment shall furnish the appropriate person in the employing department, board, or agency with such information and in such form as prescribed by the boardoffice to enable the enrollment of the employee, or employee and dependents, in the uniform group insurance program created by this chapter.
7. If the participating employee is a faculty member in a state charitable, penal, or educational institution who receives a salary or wages on less than a twelve-month basis and has signed a contract to teach for the next ensuing school year, the agency shall make arrangements to include that employee in the insurance program on a twelve-month basis and make the contribution authorized by this section for each month of the twelve-month period.

**SECTION 59. AMENDMENT.** Section 54-52.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03.1. Certain political subdivisions authorized to join uniform group insurance program - Employer contribution.**

If eligible under federal law, a political subdivision may extend the benefits of the uniform group insurance program under this chapter to its permanent employees, subject to minimum requirements established by the boardoffice and a minimum period of participation of sixty months. If the political subdivision withdraws from participation in the uniform group insurance program, before completing sixty months of participation, unless federal or state laws or rules are modified or interpreted in a way that makes participation by the political subdivision in the uniform group insurance program no longer allowable or appropriate, the political subdivision shall make payment to the boardoffice in an amount equal to any expenses incurred in the uniform group insurance program that exceed income received on behalf of the political subdivision's employees as determined under rules adopted by the boardoffice. The Garrison Diversion Conservancy District, and district health units required to participate in the public employees retirement system under section 54-52-02, shall participate in the uniform group insurance program under the same terms and conditions as state agencies. A retiree who has accepted a retirement allowance from a participating political subdivision's retirement plan may elect to participate in the uniform group under this chapter without meeting minimum requirements at age sixty-five, when the employee's spouse reaches age sixty-five, upon the receipt of a benefit, when the political subdivision joins the uniform group insurance plan if the retiree was a member of the former plan, or when the spouse terminates employment. If a retiree or surviving spouse does not elect to participate at the times specified in this section, the retiree or surviving spouse must meet the minimum requirements established by the boardoffice. Each retiree or surviving spouse shall pay directly to the boardoffice the premiums in effect for the coverage then being provided. The boardoffice may require documentation that the retiree has accepted a retirement allowance from an eligible retirement plan other than the public employees retirement system.

**SECTION 60. AMENDMENT.** Section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03.2. Retiree health benefits fund - Appropriation.**

1. The boardoffice shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen hundredths percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one and fourteen hundredths percent of the monthly salaries of all supreme

or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen hundredths percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13 and employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and twenty-four hundredths percent of the monthly salaries or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 54-52-02.13 and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one and fourteen hundredths percent of the monthly salary or wages of those nonteaching employee members. For employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14, the state board for career and technical education shall contribute monthly to the retiree health benefits fund an amount equal to two and ninety-nine hundredths percent of the monthly salary or wages of those employee members, beginning on the first of the month following the transfer under section 54-52-02.14 and continuing thereafter for a period of eight years, after which time the state board for career and technical education shall contribute one and fourteen hundredths percent of the monthly salary or wages of those employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one and fourteen hundredths percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The ~~board~~office, as trustee of the fund and in exclusive control of its administration, shall:

- a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.
  - b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.
2. All moneys deposited in the fund established under subsection 1, not otherwise appropriated, are hereby appropriated to the ~~board~~office for the purpose of making investments for the fund and to make contributions toward hospital and medical benefits coverage and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under the uniform group insurance program for eligible retired employees or surviving spouses of eligible retired employees and their dependents as elected.
  3. If a member terminates employment because of death, permanent and total disability, or any voluntary or involuntary reason prior to retirement, the member or the member's designated beneficiary is entitled to the member's account balance at termination. If a member's account balance

is withdrawn, the member relinquishes all rights to benefits under the retiree health benefits fund.

**SECTION 61. AMENDMENT.** Section 54-52.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03.3. Eligibility for retiree health benefits - Fixed contribution and reduction factors.**

1. The following persons are entitled to receive credit for hospital and medical benefits coverage and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under the uniform group insurance program under subsection 2:
  - a. A member or surviving spouse of the highway patrolmen's retirement system is eligible for the credit beginning on the date retirement benefits are effective unless the premium is billed to the employer.
  - b. A member or surviving spouse of the public employees retirement system is eligible for the credit beginning on the date retirement benefits are effective unless the premium is billed to the employer.
  - c. A member or surviving spouse of the retirement program established by job service North Dakota under section 52-11-01 receiving retirement benefits is eligible for the credit beginning on the date retirement benefits are effective unless the premium is billed to the employer.
  - d. A retired judge or surviving spouse receiving retirement benefits under the retirement program established under chapter 27-17 is eligible for the credit beginning on the date retirement benefits are effective unless the premium is billed to the employer.
  - e. A former participating member of the defined contribution retirement plan receiving retirement benefits, or the surviving spouse of a former participating member of that retirement plan who was eligible to receive or was receiving benefits, under section 54-52.6-13, is eligible as determined by the ~~board~~office pursuant to its rules.
2. The ~~board~~office shall calculate the allowable monthly credit toward hospital and medical benefits coverage and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under the uniform group insurance program for a person eligible under subsection 1 in an amount equal to five dollars multiplied by the member's or deceased member's number of years of credited service under the highway patrolmen's retirement system, the public employees retirement system, the retirement program established by job service North Dakota under section 52-11-01, or the judges' retirement program established under chapter 27-17. For a member of the public employees retirement system receiving an early retirement benefit or the surviving spouse of that member, or a former participating member of the defined contribution retirement plan who is receiving a periodic distribution and would not meet the normal retirement provisions of the public employees retirement system, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent shall apply for each year the member terminates employment prior to attaining the age of sixty-four. For a member of the highway patrolmen's retirement system receiving an early retirement benefit or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of fifty-five and an additional reduction factor of six percent shall apply for each year the member terminates employment prior to attaining the age

of fifty-four. For a member of the retirement program established by job service North Dakota under section 52-11-01 receiving an early retirement benefit or a discontinued service annuity under the plan provisions of that retirement program or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent applies for each year the member terminates employment prior to attaining the age of sixty-four.

3. The boardoffice shall apply the credit allowable under subsection 2 as elected by the eligible participant to the payment of monthly premiums required of each person eligible under subsection 1 for hospital benefits coverage and medical benefits coverage and prescription drug coverage under any health insurance program and dental, vision, and long-term care benefits coverage under the uniform group insurance program. The boardoffice shall allow spouses who each have credit under subsection 2 to combine their credits and shall apply the combined credit to the required monthly premiums as elected pursuant to this subsection. However, if the allowable credit under any circumstance exceeds the monthly premium in effect for selected coverage, that amount of the credit which exceeds the premium is forfeited and may not be used for any other purpose.
4. The boardoffice may, as an alternative to the calculation of the allowable monthly credit under subsection 2, provide actuarially reduced benefit options for the member and the member's surviving spouse, including a one hundred percent joint and survivor option or a fifty percent joint and survivor option.

**SECTION 62. AMENDMENT.** Section 54-52.1-03.4 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-03.4. Temporary employees and employees on unpaid leave of absence.**

A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program if such election is made before January 1, 2015, and if the temporary employee is participating in the uniform group insurance program on January 1, 2015. In order for a temporary employee employed after July 31, 2007, to qualify to participate in the uniform group insurance program, the employee must be employed at least twenty hours per week; must be employed at least twenty weeks each year of employment; must make the election to participate before January 1, 2015; and must be participating in the uniform group insurance program as of January 1, 2015. To be eligible to participate in the uniform group insurance program, a temporary employee first employed after December 31, 2014, or any temporary employee not participating in the uniform group insurance program as of January 1, 2015, must meet the definition of a full-time employee under section 4980H(c)(4) of the Internal Revenue Code [26 U.S.C. 4980H(c)(4)]. Monthly, the temporary employee or the temporary employee's employer shall pay to the boardoffice the premiums in effect for the coverage being provided. In the case of a temporary employee who is an applicable taxpayer as defined in section 36B(c)(1)(A) of the Internal Revenue Code [26 U.S.C. 36B(c)(1)(A)], the temporary employee's required contribution for medical and hospital benefits self-only coverage may not exceed the maximum employee required contribution specified under section 36B(c)(2)(C) of the Internal Revenue Code [26 U.S.C. 36B(c)(2)(C)], and the employer shall pay any difference between the maximum employee required contribution for medical and hospital benefits self-only coverage and the cost of the premiums in effect for this coverage. An employer may pay health or life insurance premiums for a permanent employee on an unpaid leave of absence. A political subdivision, department, board, or agency may make a contribution for coverage under this section.

**SECTION 63. AMENDMENT.** Section 54-52.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04. BoardOffice to contract for insurance.**

The boardoffice shall receive bids for the providing of hospital benefits coverage, medical benefits coverage, life insurance benefits coverage for a specified term, and employee assistance program services; may receive bids separately for prescription drug coverage; and shall accept one or more bids of and contract with the carriers that in the judgment of the boardoffice best serves the interests of the state and its eligible employees. Solicitations must be made not later than ninety days before the expiration of an existing uniform group insurance contract. Bids must be solicited by advertisement in a manner selected by the boardoffice that will provide reasonable notice to prospective bidders. In preparing bid proposals and evaluating bids, the boardoffice may utilize the services of consultants on a contract basis in order that the bids received may be uniformly compared and properly evaluated. In determining which bid, if any, will best serve the interests of eligible employees and the state, the boardoffice shall give adequate consideration to the following factors:

1. The economy to be effected.
2. The ease of administration.
3. The adequacy of the coverages.
4. The financial position of the carrier, with special emphasis as to its solvency.
5. The reputation of the carrier and any other information that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

The boardoffice may reject any or all bids and, in the event it does so, shall again solicit bids as provided in this section. The boardoffice may establish a plan of self-insurance for providing health insurance benefits coverage only under an administrative services only (ASO) contract or a third-party administrator (TPA) contract.

**SECTION 64. AMENDMENT.** Section 54-52.1-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.1. Health maintenance organization contract - Membership option.**

Notwithstanding the provisions of section 54-52.1-04, the boardoffice may contract with one or more health maintenance organizations to provide eligible employees the option of membership in a health maintenance organization. If it makes such a contract, the boardoffice may not require that the health maintenance organization be federally qualified if the health maintenance organization has a certificate of authority issued by the North Dakota insurance commissioner. The contract or contracts must be included in the uniform group insurance program.

**SECTION 65. AMENDMENT.** Section 54-52.1-04.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.2. Self-insurance plan for hospital and medical benefits coverage.**

1. The boardoffice may establish a self-insurance plan for providing:
  - a. Health insurance benefits coverage;
  - b. Health insurance benefits coverage excluding all or part of prescription drug coverage; or

- c. All or part of prescription drug coverage.
2. Any self-insurance plan under this section must be provided under an administrative services only (ASO) contract or a third-party administrator (TPA) contract under the uniform group insurance program, and may be established only if it is determined by the ~~board~~office that an administrative services only or third-party administrator plan is less costly than the lowest bid submitted by a carrier for underwriting the plan with equivalent contract benefits. Upon establishing a self-insurance plan, the ~~board~~office shall solicit bids for an administrative services only or third-party administrator contract only every other biennium, and the ~~board~~office is authorized to renegotiate an existing administrative services only or third-party administrator contract during the interim. In addition, individual stop-loss coverage insured by a carrier authorized to do business in this state must be made part of any self-insured plan. All bids under this section are due no later than January first, and must be awarded no later than March first, preceding the end of each biennium. All bids under this section must be opened at a public meeting of the ~~board~~.

**SECTION 66. AMENDMENT.** Section 54-52.1-04.3 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.3. Contingency reserve fund - Continuing appropriation.**

The ~~board~~office shall establish under a self-insurance plan a contingency reserve fund to provide for adverse fluctuations in future charges, claims, costs, or expenses of the uniform group insurance program. The ~~board~~office shall determine the amount necessary to provide a balance in the contingency reserve fund between one and one-half months and three months of claims paid based on the average monthly claims paid during the twelve-month period immediately preceding March first of each year. The ~~board~~office also shall determine the amount necessary to provide an additional balance in the contingency reserve fund between one month and one and one-half months for claims incurred but not yet reported. The ~~board~~office may arrange for the services of an actuarial consultant to assist the ~~board~~office in making these determinations. Upon the initial changeover from a contract for insurance pursuant to section 54-52.1-04 to a self-insurance plan pursuant to section 54-52.1-04.2, the ~~board~~office must have a plan in place which is reasonably calculated to meet the funding requirements of this chapter within sixty months. All moneys in the contingency reserve fund, not otherwise appropriated, are appropriated for the payment of claims and other costs of the uniform group insurance program during periods of adverse claims or cost fluctuations.

**SECTION 67. AMENDMENT.** Section 54-52.1-04.4 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.4. Insurance to cover mammogram examinations.**

The ~~board~~office shall provide medical benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2 for:

1. One baseline mammogram examination for each woman who is at least thirty-five but less than forty years of age.
2. One mammogram examination every year, or more frequently if ordered by a physician, for each woman who is at least forty years of age.

**SECTION 68. AMENDMENT.** Section 54-52.1-04.6 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.6. Coverage for treatment of certain disorders.**

The ~~board~~office shall provide coverage under either a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section

54-52.1-04.2 for coverage for surgical and nonsurgical treatment of temporomandibular joint disorder and craniomandibular disorder. Coverage must be the same as that for treatment to any other joint in the body, and applies if the treatment is administered or prescribed by a physician or a dentist. Benefits for the coverage may be limited to a lifetime maximum of ten thousand dollars per person for surgery, and two thousand five hundred dollars for nonsurgical treatment.

**SECTION 69. AMENDMENT.** Section 54-52.1-04.7 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.7. Uniform group insurance program - Vision and dental plans.**

The boardoffice may establish a dental plan, a vision plan, or both, for eligible employees. The boardoffice shall receive bids for the plan or plans pursuant to section 54-52.1-04. The boardoffice may reject any or all bids and provide a plan of self-insurance. Premiums for this coverage must be paid by the eligible employee. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium must be credited as provided by section 54-52.1-06.

**SECTION 70. AMENDMENT.** Section 54-52.1-04.8 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.8. Uniform group insurance program - Long-term care plan.**

The boardoffice may establish a long-term care plan for eligible employees. The boardoffice shall receive bids for the plan under section 54-52.1-04. The boardoffice may reject any or all bids and provide a plan of self-insurance. Premiums for this plan must be paid by the eligible employee. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium must be credited as provided by section 54-52.1-06.

**SECTION 71. AMENDMENT.** Section 54-52.1-04.9 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.9. Uniform group insurance program - Employee assistance program.**

The boardoffice shall establish an employee assistance program available to persons in the medical and hospital benefits coverage group. The premium for this coverage must be paid as provided by section 54-52.1-06. The boardoffice shall receive bids for this program under section 54-52.1-04. Each department, board, or agency shall obtain employee assistance program services through the boardoffice for eligible employees and may not enter into any agreement to obtain employee assistance program services with a third-party provider except that a department, board, or agency may use its own employee assistance program services to the extent such services are provided by personnel of that department, board, or agency. As used in this section, "employee assistance program" means an employer-sponsored service for employees under which a professional employee assistance program staff assists employees and their families in finding help for emotional, drug, alcohol, family, health, and other personal or job-related problems that may be affecting their work performance.

**SECTION 72. AMENDMENT.** Section 54-52.1-04.10 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.10. Insurance to cover dental anesthesia and hospitalization.**

The boardoffice shall provide medical benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2 for dental anesthesia and hospitalization in the same manner as provided under section 26.1-36-09.9.

**SECTION 73. AMENDMENT.** Section 54-52.1-04.11 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.11. Insurance to cover foods and food products for inherited metabolic diseases.**

The board office shall provide medical benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2 for foods and food products for inherited metabolic diseases in the same manner as provided for under section 26.1-36-09.7.

**SECTION 74. AMENDMENT.** Section 54-52.1-04.12 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.12. Insurance to cover medical services related to intoxication.**

The board office shall provide medical benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.04.2 for medical services related to intoxication in the same manner as provided for under subsection 15 of section 26.1-36-05 and section 26.1-36-09.13.

**SECTION 75. AMENDMENT.** Section 54-52.1-04.13 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.13. (Effective through July 31, 2017) Insurance coverage of telehealth services.**

1. As used in this section:
  - a. "Distant site" means a site at which a health care provider or health care facility is located while providing medical services by means of telehealth.
  - b. "Health care facility" means any office or institution at which health services are provided. The term includes hospitals; clinics; ambulatory surgery centers; outpatient care facilities; nursing homes; nursing, basic, long-term, or assisted living facilities; laboratories; and offices of any health care provider.
  - c. "Health care provider" includes an individual licensed under chapter 43-05, 43-06, 43-12.1 as a registered nurse or as an advanced practice registered nurse, 43-13, 43-15, 43-17, 43-26.1, 43-28, 43-32, 43-37, 43-40, 43-41, 43-42, 43-44, 43-45, 43-47, 43-58, or 43-60.
  - d. "Originating site" means a site at which a patient is located at the time health services are provided to the patient by means of telehealth.
  - e. "Policy" means health benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2.
  - f. "Store-and-forward technology" means electronic information, imaging, and communication that is transferred, recorded, or otherwise stored in order to be reviewed at a distant site at a later date by a health care provider or health care facility without the patient present in real time. The term includes telehome monitoring and interactive audio, video, and data communication.
  - g. "Telehealth":
    - (1) Means the use of interactive audio, video, or other telecommunications technology that is used by a health care provider or health care facility at a distant site to deliver health services at an originating site; and that is delivered over a

secure connection that complies with the requirements of state and federal laws.

- (2) Includes the use of electronic media for consultation relating to the health care diagnosis or treatment of a patient in real time or through the use of store-and-forward technology.
  - (3) Does not include the use of audio-only telephone, electronic mail, or facsimile transmissions.
2. For all policies that become effective after June 30, 2015, and which do not extend past June 30, 2017, the ~~board~~office shall provide health benefits coverage under a policy that provides coverage for health services delivered by means of telehealth which is the same as the coverage for health services delivered by in-person means.
  3. Payment or reimbursement of expenses for covered health services delivered by means of telehealth under this section may be established through negotiations conducted by the ~~board~~office or the ~~board's~~office's contractor with the health services providers in the same manner as the ~~board~~office establishes payment or reimbursement of expenses for covered health services that are delivered by in-person means.
  4. Coverage under this section may be subject to deductible, coinsurance, and copayment provisions.
  5. This section does not require:
    - a. A policy to provide coverage for health services that are not medically necessary, subject to the terms and conditions of the policy;
    - b. A policy to provide coverage for health services delivered by means of telehealth if the policy would not provide coverage for the health services if delivered by in-person means;
    - c. A policy to reimburse a health care provider or health care facility for expenses for health services delivered by means of telehealth if the policy would not reimburse that health care provider or health care facility if the health services had been delivered by in-person means; or
    - d. A health care provider to be physically present with a patient at the originating site unless the health care provider who is delivering health services by means of telehealth determines the presence of a health care provider is necessary.

**SECTION 76. AMENDMENT.** Section 54-52.1-04.14 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-04.14. Coverage of cancer treatment medications.**

The ~~board~~office shall provide medical benefits coverage under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2 which provides coverage of cancer treatment medications in the same manner as provided under section 26.1-36-09.14.

**SECTION 77. AMENDMENT.** Section 54-52.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-05. Provisions of contract - Term of contract.**

1. Each uniform group insurance contract entered by the ~~board~~office must be consistent with the provisions of this chapter, must be signed for the

state of North Dakota by the ~~chairman of the board~~director, and must include the following:

- a. As many optional coverages as deemed feasible and advantageous by the ~~board~~office.
  - b. A detailed statement of benefits offered, including maximum limitations and exclusions, and such other provisions as the ~~board~~office may deem necessary or desirable.
2. The initial term or the renewal term of a fully insured uniform group insurance contract for hospital benefits coverage, medical benefits coverage, or prescription drug coverage may not exceed two years.
- a. The ~~board~~office may renew a contract subject to this subsection without soliciting a bid under section 54-52.1-04 if the ~~board~~office determines the carrier's performance under the existing contract meets the ~~board's~~ of the office expectations and the proposed premium renewal amount does not exceed the ~~board's~~ of the office expectations.
  - b. In making a determination under this subsection, the ~~board~~office shall:
    - (1) Use the services of a consultant to concurrently and independently prepare a renewal estimate the ~~board~~office shall consider in determining the reasonableness of the proposed premium renewal amount.
    - (2) Review the carrier's performance measures, including payment accuracy, claim processing time, member service center metrics, wellness or other special program participation levels, and any other measures the ~~board~~office determines relevant to making the determination and shall consider these measures in determining the ~~board's~~ of the office satisfaction with the carrier's performance.
    - (3) Consider any additional information the ~~board~~office determines relevant to making the determination.
  - c. If the ~~board~~office determines the carrier's performance under the existing contract does not meet the ~~board's~~ of the office expectations or the proposed premium renewal amount exceeds the ~~board's~~ of the office expectations and the ~~board~~office determines to solicit a bid under section 54-52.1-04, the ~~board~~office shall specify its reasons for the determination to solicit a bid.

**SECTION 78. AMENDMENT.** Section 54-52.1-05.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-05.1. Health insurance benefits coverage - Insured and provider data disclosure.**

Except as necessary for treatment, payment, or health care operations, a carrier providing health insurance benefits coverage under this chapter may not disclose identifiable or unidentifiable insured or provider data or information to a related or unrelated health care delivery entity. The ~~board~~office may establish exceptions to the disclosure limitations under this section for the limited purpose of addressing public interest and benefit activities or for the limited purpose of addressing research, public health, or health care operations. An exception established by the ~~board~~office under this section may not be more permissive than allowed under state and federal privacy laws.

**SECTION 79. AMENDMENT.** Section 54-52.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-06. State contribution.**

Each department, board, or agency shall pay to the ~~board~~office each month from its funds appropriated for payroll and salary amounts a state contribution in the amount as determined by the primary carrier of the group contract for the full single rate monthly premium for each of its eligible employees enrolled in the uniform group insurance program and the full rate monthly premium, in an amount equal to that contributed under the alternate family contract, including major medical coverage, for hospital and medical benefits coverage for spouses and dependent children of its eligible employees enrolled in the uniform group insurance program pursuant to section 54-52.1-07. The ~~board~~office shall then pay the necessary and proper premium amount for the uniform group insurance program to the proper carrier or carriers on a monthly basis. Any refund, rebate, dividend, experience rating allowance, discount, or other reduction of premium amount must be credited at least annually to a separate fund of the uniform group insurance program to be used by the ~~board~~office to reimburse the administrative expense and benefit fund of the public employees retirement program for the costs of administration of the uniform group insurance program. In the event an enrolled eligible employee is not entitled to receive salary, wages, or other compensation for a particular calendar month, that employee may make direct payment of the required premium to the ~~board~~office to continue the employee's coverage, and the employing department, board, or agency shall provide for the giving of a timely notice to the employee of that person's right to make such payment at the time the right arises.

**SECTION 80. AMENDMENT.** Section 54-52.1-06.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-06.1. Uniform group insurance program benefits - Continuing appropriation.**

The funds necessary to pay the consulting fees and health insurance benefits related to the uniform group insurance program are hereby appropriated from insurance premiums received by the ~~board~~office.

**SECTION 81. AMENDMENT.** Section 54-52.1-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-08. Administration - ~~Board to promulgate rules~~Rules and regulations.**

~~It is the responsibility of the board to~~The office shall account for and disburse premium payments, maintain records, prepare reports, and to perform such other functions as may be necessary to carry out the provisions of this chapter. The ~~board~~office may ~~promulgate such~~adopt rules and regulations as may be necessary to carry out the provisions of this chapter.

**SECTION 82. AMENDMENT.** Section 54-52.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-08.1. Administrative - Nondiscrimination testing for health and life insurance programs.**

The ~~board shall be~~office is responsible for the nondiscrimination testing required under section 89 of the Internal Revenue Code. The ~~board~~office may engage the services of a consultant to assist the ~~board~~office in its administration of this section. The various state departments, boards, agencies, and commissions shall provide the ~~board~~office with requested information so the ~~board~~office may carry out its duties under this section.

**SECTION 83. AMENDMENT.** Section 54-52.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-08.2. Uniform group insurance program - Compliance with federal requirements - Group purchasing arrangements.**

If the boardoffice determines that any section or the phraseology of any section of this chapter does not comply with applicable federal statutes or rules, the boardoffice shall adopt appropriate terminology with respect to that section to comply with the federal statutes or rules, subject to the approval of the legislative management's employee benefits programs committee. The boardoffice may assume responsibility for group purchasing arrangements as provided by federal law. Any plan modifications made by the boardoffice under this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

**SECTION 84. AMENDMENT.** Section 54-52.1-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-09. Reports.**

Each department, board, or agency shall keep such records, make such certifications, and furnish the boardoffice or carriers with such information and reports as may be necessary to enable the boardoffice or carriers to carry out their functions under the provisions of this chapter. Carriers that have entered into a contract with the boardoffice are required to furnish such reasonable reports as the boardoffice determines to be necessary, and to permit the boardoffice to examine those records that relate to the uniform group insurance program.

**SECTION 85. AMENDMENT.** Section 54-52.1-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-11. Confidentiality of employee records.**

Information pertaining to an eligible employee's group medical records for claims, employee premium payments made, salary reduction amounts taken, history of any available insurance coverage purchased, and amounts and types of insurance applied for under the supplemental life insurance coverage under this chapter is confidential and is not a public record. The information and records may be disclosed, under rules adopted by the boardoffice, only to:

1. A person to whom the eligible employee has given written authorization to have the information disclosed.
2. A person legally representing the eligible employee, upon proper proof of representation, and unless the eligible employee specifically withholds authorization.
3. A person authorized by a court order.
4. A person or entity to which the boardoffice is required to disclose information pursuant to federal or state statutes or regulations.
5. Any person or entity if the purpose of the disclosure is for treatment, payment, or health care operations.

**SECTION 86. AMENDMENT.** Section 54-52.1-12 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-12. Ownership and confidentiality of the uniform group health insurance medical records of employees, retirees, and dependents.**

The medical records and related data of the employees, retirees, and dependents, obtained as the result of enrollment in the uniform group insurance program, are the property of the public employees retirement system. The records and data are confidential and are not public records. However, the boardoffice may allow administrators of administrative services only contracts or third-party

administrators contracts access to the records and data where it is required in the performance of the administrator's duties pursuant to the contract. No administrator may be held liable for furnishing to the ~~board~~office information with respect to any patient, or any physician, hospital, or other health care provider.

**SECTION 87. AMENDMENT.** Section 54-52.1-13 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-13. Uniform prescription drug cards.**

The ~~board~~office shall provide for issuance of uniform prescription drug cards under a contract for insurance pursuant to section 54-52.1-04 or under a self-insurance plan pursuant to section 54-52.1-04.2 in the same manner as provided under section 26.1-36-43.

**SECTION 88. AMENDMENT.** Section 54-52.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-14. Wellness program.**

The ~~board~~office shall develop an employer-based wellness program. The program must encourage employers to adopt a ~~board-developed~~an office-developed wellness program by either charging extra health insurance premium to nonparticipating employers or reducing premium for participating employers.

**SECTION 89. AMENDMENT.** Section 54-52.1-15 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-15. Acceptance and expenditure of third-party payments - Continuing appropriation.**

The ~~board~~office may receive moneys from third parties, including the federal government, pursuant to one or more federal programs. Any money received from a third party by the ~~board~~office is appropriated to the ~~board~~office on a continuing basis for the ~~board's~~ use of the office in paying benefits, premiums, or administrative expenses under the uniform group insurance program.

**SECTION 90. AMENDMENT.** Section 54-52.1-16 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-16. Uniform group insurance program - Collaborative drug therapy program - Continuing appropriation.**

1. The ~~board~~office may establish a collaborative drug therapy program available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals in identified health populations and to manage health care expenditures.
2. Under the program, the ~~board~~office may involve physicians, pharmacists, and other health professionals to coordinate health care for individuals in identified health populations in order to improve health outcomes and reduce spending on care for the identified health problem. Under the program, pharmacists and other health professionals may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals in the identified health population. To encourage enrollment in the plan, the ~~board~~office may provide incentives to covered individuals in the identified health population which may include waived or reduced copayment for related treatment drugs and supplies.
3. The ~~board~~office may request the assistance of the North Dakota pharmacists association or a specified delegate to implement a formalized disease management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize chronic disease care and improve patient

outcomes. This program must facilitate enrollment procedures, provide standards of care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.

4. The boardoffice may seek and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources for a collaborative drug therapy program for identified health populations. Any funds that may become available through contributions, gifts, grants-in-aid, or other sources to the boardoffice for a collaborative drug therapy program are appropriated to the boardoffice on a continuing basis.

**SECTION 91. AMENDMENT.** Section 54-52.1-17 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-17. Uniform group insurance program - Collaborative drug therapy program - Funding.**

1. The boardoffice shall establish a collaborative drug therapy program that is to be available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals with diabetes and to manage health care expenditures.
2. The boardoffice shall involve physicians, pharmacists, and certified diabetes educators to coordinate health care for covered individuals with diabetes in order to improve health outcomes and reduce spending on diabetes care. Under the program, pharmacists and certified diabetes educators may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals with diabetes. To encourage enrollment in the plan, the boardoffice shall provide incentives to covered individuals who have diabetes which may include waived or reduced copayment for diabetes treatment drugs and supplies.
3. The North Dakota pharmacists association or a specified delegate shall implement a formalized diabetes management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize diabetes care and improve patient outcomes. This program must facilitate enrollment procedures, provide standards of diabetes care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.
4. The boardoffice shall fund the program from any available funds in the uniform group insurance program and if necessary the fund may add up to a two dollar per month charge on the policy premium for medical and hospital benefits coverage. A state agency shall pay any additional premium from the agency's existing appropriation.

**SECTION 92. AMENDMENT.** Section 54-52.1-18 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-18. High-deductible health plan alternative with health savings account option.**

1. The boardoffice shall develop and implement a high-deductible health plan as an alternative to the plan under section 54-52.1-02. The high-deductible health plan alternative with a health savings account must be made available to state employees by January 1, 2012. After June 30, 2015, at the board's discretion of the office, the high-deductible health plan alternative may be offered to political subdivisions for coverage of political subdivision employees. If a political subdivision elects this high-deductible option the political subdivision may not offer the plan under section 54-52.1-02.

2. Health savings account fees for participating state employees must be paid by the employer.
  - a. Except as provided in subdivision b, subject to the limits of section 223(b) of the Internal Revenue Code [26 U.S.C. 233(b)], the difference between the cost of the single and family premium for eligible state employees under section 54-52.1-06 and the premium for those employees electing to participate under the high-deductible health plan under this section must be deposited in a health savings account for the benefit of each participating employee.
  - b. If the public employees retirement system is unable to establish a health savings account due to the employee's ineligibility under federal or state law or due to failure of the employee to provide necessary information in order to establish the account, the system is not responsible for depositing the health savings account contribution. The member will remain a participant in the high-deductible health plan regardless of whether a health savings account is established.
3. Each new state employee must be provided the opportunity to elect the high-deductible health plan alternative. At least once each biennium, the ~~board~~office shall provide an open enrollment period allowing existing state employees or a political subdivision to change their coverage.

**SECTION 93. AMENDMENT.** Section 54-52.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.2-01. Deferred compensation program for public employees - Contract.**

The state or any county, city, or other political subdivision may, by contract, agree with any employee to defer, in whole or in part, any portion of that employee's compensation and may subsequently, with the consent of the employee, fund a deferred compensation program for the employee. The deferred compensation program may consist of a contract, purchase, or investment in a fixed or variable life insurance or annuity contract from any life underwriter duly licensed by this state who represents an insurance company licensed to contract business in this state, a savings account at a federally insured financial institution or the Bank of North Dakota, an account with or managed by a dealer registered under chapter 10-04, or any combination of contracts or accounts authorized by this section, as specified by the employee. The ~~public employees retirement board~~office shall specify methods of payment of deferred compensation funds to be selected by individual employees. ~~That board~~The office shall determine the number of employees participating in a deferred compensation program necessary to qualify for automatic payroll deduction.

**SECTION 94. AMENDMENT.** Section 54-52.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.2-02. Deferred employee's compensation - Agreements.**

The public employees retirement ~~board~~system office, acting on behalf of each state agency, department, board, commission, or institution, may enter into contractual agreements with employees of a state agency, department, board, commission, or institution on behalf of the state to defer any portion of that employee's compensation allowed under section 457 of the Internal Revenue Code [26 U.S.C. 457].

**SECTION 95. AMENDMENT.** Section 54-52.2-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.2-03. Deferred compensation program - Administration - Contract for services.**

The administration of the deferred compensation program for each state agency, department, board, commission, or institution is under the direction of the public employees retirement ~~board~~system office. Each county, city, or other political subdivision shall designate an officer to administer the deferred compensation program or appoint the public employees retirement ~~board~~system office to administer the program on its behalf. Payroll reductions must be made in each instance by the appropriate payroll officer. The public employees retirement ~~board~~system office shall administer the deferred compensation program based on one or more plans in compliance with the appropriate provisions of the Internal Revenue Code and regulations adopted under those provisions. Not later than January 1, 1999, all plan assets and income must be held in trust, custodial accounts, or contracts as described in section 401(f) of the Internal Revenue Code [26 U.S.C. 401(f)] for the exclusive benefit of participants and their beneficiaries as required by section 457 of the Internal Revenue Code [26 U.S.C. 457]. Once the trust, custodial account, or contract is established as required by this section, the ~~board~~office shall act as fiduciary of the plan to the extent required by section 457 of the Internal Revenue Code [26 U.S.C. 457] and the ~~board~~office is authorized to do all things necessary for the proper administration of the plan to ensure that the plan maintains its qualified status.

**SECTION 96. AMENDMENT.** Section 54-52.2-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.2-03.2. Deferred compensation program - ~~Board authority~~Authority - Provider information.**

1. The ~~board~~public employees retirement system office shall adopt rules necessary to implement this chapter and to manage the deferred compensation plan subject to the limitations of this chapter.
2. The ~~board~~office shall do all things necessary to preserve the tax-exempt status of the plan.
3. All providers must be authorized to do business in this state and all agents of providers must be licensed by the appropriate licensing authority or authorities in this state.
4. To continue to participate in the program, each provider must report annually, in a form and manner specified by the ~~board~~office, information related to their products, administrative and management fees, contract and maintenance charges, withdrawal penalties, market rating, and such other information the ~~board~~office may require.
5. The ~~board~~office may suspend participation of any provider that does not meet the requirements of this chapter or the rules adopted by the ~~board~~office.
6. ~~The board has the authority to~~public employees retirement system office executive director may establish a deferred compensation advisory committee, which ~~shall~~must include active providers who have signed a provider administrative agreement with the state of North Dakota deferred compensation plan.

**SECTION 97. AMENDMENT.** Section 54-52.2-03.3 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.2-03.3. Benefit payments to alternate payee under qualified domestic relations order.**

1. The ~~board~~public employees retirement system office or a vendor contracted for by the ~~board~~office shall apportion a participating member's account in the deferred compensation plan under this chapter in

accordance with the applicable requirements of any qualified domestic relations order. The ~~board~~office shall review a domestic relations order submitted to the ~~board~~office to determine if the domestic relations order is qualified under this section and pursuant to the plan document established by the ~~board~~office for determining the qualified status of domestic relations orders and administering distributions under the qualified orders.

2. A "qualified domestic relations order" for purposes of this section means any judgment, decree, or order, including approval of a property settlement agreement, which relates to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or other dependent of a participating member, is made pursuant to a North Dakota domestic relations law, and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to, receive all or a part of the benefits payable to the participating member. A qualified domestic relations order may not require the ~~board~~office to provide any type or form of benefit, or any option, not otherwise provided under this chapter, or to provide increased benefits. A qualified domestic relations order must specify:
  - a. The name and the last-known mailing address of the participating member and the name and mailing address of each alternate payee covered by the order;
  - b. The amount or percentage of the participating member's benefits to be paid by the plan to each alternate payee;
  - c. That the alternate payee must take a lump sum payment of the benefits allocated to the alternate payee within one hundred twenty days of the later of the ~~board's~~office's acceptance of the qualified domestic relations order or the entry of the order by the court; and
  - d. Each plan to which the order applies.

**SECTION 98. AMENDMENT.** Section 54-52.3-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-01. Pretax benefits program for public employees.**

The public employees retirement system ~~board~~office may establish a pretax benefits program for all state employees and employees of district health units, including members of the legislative assembly, under which an employee may reduce the employee's salary and elect benefits to the extent of the reduction. A participating district health unit shall comply with the program conditions and pay all fees established by the ~~board~~office.

**SECTION 99. AMENDMENT.** Section 54-52.3-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-02. Authority of board.**

The ~~board~~public employees retirement system office shall determine benefits to be offered under the pretax benefits program, accept proposals from qualified providers, retain consultants, and do all things necessary to administer the pretax benefits program and preserve its tax-exempt status.

**SECTION 100. AMENDMENT.** Section 54-52.3-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-03. Employer savings used to defray expenses of administering program - Continuing appropriation.**

The office of management and budget shall transfer funds from the savings accruing to the agencies' salaries and wages line item, as a result of the diminution

of the state's employer contribution for the Federal Insurance Contribution Act tax, to a payroll clearing account. The office of management and budget shall transfer funds from the payroll clearing account to the ~~board~~public employees retirement system office as necessary to defray the reasonable expenses of administering the pretax benefits program established under this chapter, including expenses associated with the program's medical spending account. Any revenue collected by the ~~board~~office from participating district health units must be used, and is hereby appropriated, to defray the expenses of administering the program. The amount necessary to pay consultants retained by the ~~board~~office, vendors retained by the ~~board~~office to provide claims administration services, any insurance costs associated with the medical spending account, and medical reimbursements for the medical spending account if funds are insufficient to pay claims are hereby appropriated from the savings and revenue generated by the program. All other expenses of administering the program must be paid in accordance with the agency's appropriation authority as established by the legislative assembly. The director of the office of management and budget may decrease or suspend the transfer of the savings accruing to the agencies' salaries and wages line item to the payroll clearing account upon determination that the funds deposited under this section are sufficient to offset anticipated obligations. Notwithstanding other provisions in this section, the public employees retirement system ~~board~~office, or any successor state agency, may not establish, enroll, or administer any pretax benefits program for a political subdivision or any other public or private business or entity, except for any program established specifically for employees of the state and employees of district health units.

**SECTION 101. AMENDMENT.** Section 54-52.3-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-05. Confidentiality of program records.**

Any records and information pertaining to a public employee's medical and dependent care reimbursement under the pretax benefits program are confidential and are not public records subject to section 44-04-18 and section 6 of article XI of the Constitution of North Dakota. The records and information may be disclosed, under rules adopted by the ~~board~~public employees retirement system office, only to:

1. A person to whom the employee has given written authorization to have the information disclosed.
2. A person legally representing the employee, upon proper proof of representation.
3. A person authorized by a court order.
4. A person or entity to which the ~~board~~office is required to disclose information pursuant to federal or state statutes or regulations.
5. Any person or entity if the purpose of the disclosure is for health care treatment, payment, or operations.

**SECTION 102. AMENDMENT.** Section 54-52.3-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.3-06. Deposit of program moneys - Appropriation.**

All moneys collected pursuant to elections made by public employees under the pretax benefits program for the medical spending account and the dependent care account must be deposited in an account with the Bank of North Dakota. All moneys deposited in the account, not otherwise appropriated, are hereby appropriated for the purpose of making payments to employees participating in the program. The ~~board~~public employees retirement system office shall transfer any surplus in the pretax benefits account at the end of the plan year to the payroll clearing account.

**SECTION 103. AMENDMENT.** Section 54-52.6-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-01. (Effective through July 31, 2017) Definition of terms.**

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

1. ~~"Board" means the public employees retirement system board.~~
2. "Deferred member" means a person who elected to receive deferred vested retirement benefits under chapter 54-52.
- ~~3-2.~~ "Eligible employee" means a permanent state employee who elects to participate in the retirement plan under this chapter.
- ~~4-3.~~ "Employee" means any person employed by the state, whose compensation is paid out of state funds, or funds controlled or administered by the state or paid by the federal government through any of its executive or administrative officials.
- ~~5-4.~~ "Employer" means the state of North Dakota.
5. ~~"Office" means the public employees retirement system office.~~
6. "Participating member" means an eligible employee who elects to participate in the defined contribution retirement plan established under this chapter.
7. "Permanent employee" means a state employee whose services are not limited in duration and who is filling an approved and regularly funded position and is employed twenty hours or more per week and at least five months each year.
8. "Wages" and "salaries" means earnings in eligible employment under this chapter reported as salary on a federal income tax withholding statement plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement, incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between an employee and a participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the ~~board~~office.

**(Effective after July 31, 2017) Definition of terms.** As used in this chapter, unless the context otherwise requires:

1. ~~"Board" means the public employees retirement system board.~~
2. "Deferred member" means a person who elected to receive deferred vested retirement benefits under chapter 54-52.
- ~~3-2.~~ "Eligible employee" means a permanent state employee, except an employee of the judicial branch or an employee of the board of higher education and state institutions under the jurisdiction of the board, who is eighteen years or more of age and who is in a position not classified by North Dakota human resource management services. If a participating member loses permanent employee status and becomes a temporary employee, the member may still participate in the defined contribution retirement plan.
- ~~4-3.~~ "Employee" means any person employed by the state, whose compensation is paid out of state funds, or funds controlled or administered by the state or paid by the federal government through any of its executive or administrative officials.

- ~~5.4.~~ "Employer" means the state of North Dakota.
5. "Office" means the public employees retirement system office.
6. "Participating member" means an eligible employee who elects to participate in the defined contribution retirement plan established under this chapter.
7. "Permanent employee" means a state employee whose services are not limited in duration and who is filling an approved and regularly funded position and is employed twenty hours or more per week and at least five months each year.
8. "Wages" and "salaries" means earnings in eligible employment under this chapter reported as salary on a federal income tax withholding statement plus any salary reduction or salary deferral amounts under 26 U.S.C. 125, 401(k), 403(b), 414(h), or 457. "Salary" does not include fringe benefits such as payments for unused sick leave, personal leave, vacation leave paid in a lump sum, overtime, housing allowances, transportation expenses, early retirement, incentive pay, severance pay, medical insurance, workforce safety and insurance benefits, disability insurance premiums or benefits, or salary received by a member in lieu of previously employer-provided fringe benefits under an agreement between an employee and a participating employer. Bonuses may be considered as salary under this section if reported and annualized pursuant to rules adopted by the board office.

**SECTION 104. AMENDMENT.** Section 54-52.6-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-02. (Effective through July 31, 2017) Election.**

1. The board office shall provide an opportunity for eligible employees who are new members of the public employees retirement system under chapter 54-52 to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board office. An election made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable. For an individual who elects to transfer membership from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board office shall transfer a lump sum amount from the public employees retirement system fund to the participating member's account in the defined contribution retirement plan under this chapter. However, if the individual terminates employment prior to receiving the lump sum transfer under this section, the election made is ineffective and the individual remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1.
2. If the board office receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
3. A participating member who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board office within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount

equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and with an additional increase of two percent, beginning with the monthly reporting period of January 2013, and with an additional increase of two percent, beginning with the monthly reporting period of January 2014. The temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.

4. A former participating member who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.

**(Effective after July 31, 2017) Election.**

1. The board office shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board office shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect a person's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and entered upon the payroll of that person's employer after September 30, 2001, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board office, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board office may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.
2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed and by virtue

of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The boardoffice shall accept written elections under this section from a deferred member during the period beginning on the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the boardoffice, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the boardoffice may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.

3. An eligible employee who elects to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the boardoffice, the member may transfer any available balance as determined by the

provisions of the alternate retirement plan into the member's account under this chapter.

4. After consultation with its actuary, the boardoffice shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the boardoffice may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
5. If the boardoffice receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
6. A participating member who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the boardoffice within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee. The temporary employee electing to participate in the defined contribution retirement plan shall pay monthly to the fund an amount equal to eight and twelve-hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by two percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January 2012, and with an additional increase of two percent, beginning with the monthly reporting period of January 2013, and with an additional increase of two percent, beginning with the monthly reporting period of January 2014. The temporary employee shall also pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
7. A former participating member who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.

**SECTION 105. AMENDMENT.** Section 54-52.6-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-03. (Suspended from October 1, 2013, through July 31, 2017)  
Transfer of accumulated fund balances.**

For an individual who elects to terminate membership in the public employees retirement system under chapter 54-52, the boardoffice shall transfer a lump sum amount from the retirement fund to the participating member's account in the defined contribution retirement plan under this chapter. However, if the individual terminates employment prior to receiving the lump sum transfer under this section, the election made under section 54-52.6-02 is ineffective and the individual remains

a member of the public employees retirement system under chapter 54-52 and retains all the rights and benefits provided under that chapter. The ~~board~~office shall calculate the amount to be transferred for persons employed before October 1, 2001, using the two following formulas, and shall transfer the greater of the two amounts obtained:

1. The actuarial present value of the individual's accumulated benefit obligation under the public employees retirement system based on the assumption that the individual will retire under the earliest applicable normal retirement age, plus interest from January 1, 2001, to the date of transfer, at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election; or
2. The actual employer contribution made, less vested employer contributions made pursuant to section 54-52-11.1, plus compound interest at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election plus the employee account balance.

The ~~board~~office shall calculate the amount to be transferred for persons employed after September 30, 2001, using only the formula contained in subsection 2.

**SECTION 106. AMENDMENT.** Section 54-52.6-03.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-03.1. Changes to election.**

1. In this section the term "participating member" is limited in application to a participating member who elected to participate in the defined contribution retirement plan established under this chapter as an active employee of a participating employer, is an actively participating member of the defined contribution plan as of July 1, 2015, and is an active employee with a participating employer on the date an election is made under this section. The term does not include a participant who is not actively employed with a participating employer on the date of transfer of the funds under this section, has taken a distribution from the defined contribution plan, is retired, is no longer actively employed with a participating employer, or who is a member who has a qualified domestic relations order or other court order on the member's account.
2. Notwithstanding any other provision of law, the ~~board~~office shall provide an opportunity for each participating member to elect in writing to terminate membership in the defined contribution retirement plan under this chapter and to elect to become a participating member in the public employees retirement system under chapter 54-52.
3. The ~~board~~office shall establish a three-calendar-month election period beginning not later than February 1, 2016. A participating member who does not make a written election or who does not file the election with the North Dakota public employees retirement system office during the period specified in this section continues to be a member of the defined contribution plan. A participating member who makes and files a written election with the North Dakota public employees retirement system office under this section ceases to be a member of the defined contribution plan upon receipt by the public employees retirement system of the accumulated fund balance of the member's defined contribution plan under this chapter and waives all rights to that employee's accumulated fund balance under the defined contribution plan. If the executive director of the North Dakota public employees retirement system determines a participating member was not adequately notified of the option to make an election under this section, the executive director may provide that participating member a reasonable time, not to exceed three months, within which to make that election.

4. The public employees retirement system shall credit the transferring employee with the service credit and salary history reflected on the public employees retirement system's electronic database.
5. The boardoffice shall determine the method by which a participating member may make a written election under this section. If the participating member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the executive director of the North Dakota public employees retirement system may waive this spousal signature requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
6. For a participating member who elects to terminate membership in the defined contribution plan under this section, the boardoffice shall transfer that member's accumulated fund balance, less any rollovers from other plans made into the defined contribution plan, to the public employees retirement system under chapter 54-52. If funds are transferred from the defined contribution plan to the defined benefit plan under an election made under this section, the boardoffice shall record this transfer to the defined benefit plan as employee and employer contributions in the same manner as transferred by the defined contribution provider. If a participating member has a separate account attributable to rollover contributions to the defined contribution plan pursuant to section 54-52.6-09.1, the participating member shall make an election to receive a distribution of the entire amount held in the rollover account at the time of transfer.
7. A participating member who elects a transfer under this section is entitled to vested employer contribution amounts under section 54-52-11.1 prospectively from the date of transfer. A participating member who elects a transfer under this section must be assessed and required to pay monthly to the defined benefit plan an additional employee contribution of an additional two percent of the monthly salary or wages paid to the member.

**SECTION 107. AMENDMENT.** Section 54-52.6-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-04. Administration.**

The boardoffice shall administer the defined contribution retirement plan established under this chapter and the boardoffice or vendors contracted for by the boardoffice shall invest the assets of the plan. The boardoffice is the fiduciary and the trustee of the plan. The boardoffice has the exclusive authority and responsibility to employ or contract with personnel and for services that the boardoffice determines necessary for the proper administration of and investment of assets of the plan, including managerial, professional, legal, clerical, technical, and administrative personnel or services.

**SECTION 108. AMENDMENT.** Section 54-52.6-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-05. Direction of investments.**

Each participating member shall direct the investment of the individual's accumulated employer and employee contributions and earnings to one or more investment choices within available categories of investment provided by the boardoffice.

**SECTION 109. AMENDMENT.** Section 54-52.6-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-06. Administrative expenses - Continuing appropriation.**

The administrative expenses of the plan must be paid by the participating members in a manner determined by the boardoffice. The boardoffice or vendors contracted for by the boardoffice may charge reasonable administrative expenses and deduct those expenses from a participating member's account in the defined contribution retirement plan established under this chapter. The boardoffice shall place any money deducted in an administrative expenses account with the state treasurer. The boardoffice may also use funds from the payroll clearing account established pursuant to section 54-52.3-03 to pay for consulting expenses. All moneys in the payroll clearing account, not otherwise appropriated, or so much of the moneys as may be necessary, are appropriated to the boardoffice on a continuing basis for the purpose of retaining a consultant as required for the administration of this chapter.

**SECTION 110. AMENDMENT.** Section 54-52.6-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-08. Credit of transfers.**

The boardoffice shall promptly credit the plan account of a participating member who makes an election under this chapter to terminate membership in the public employees retirement system under chapter 54-52 with any amount transferred from the public employees retirement system.

**SECTION 111. AMENDMENT.** Section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-09. Contributions - Penalty.**

1. Each participating member shall contribute monthly four percent of the monthly salary or wage paid to the participant, and this assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter. Participating member contributions increase by one percent of the monthly salary or wage paid to the participant beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014.
2. The employer shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. Employer contributions increase by one percent of the monthly salary or wage of a participating member beginning with the monthly reporting period of January 2012, and with an additional increase of one percent, beginning with the monthly reporting period of January 2013, and with an additional increase of one percent, beginning with the monthly reporting period of January 2014. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.
3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by

the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the boardoffice in writing.

**SECTION 112. AMENDMENT.** Section 54-52.6-09.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-09.1. Acceptance of rollovers.**

The plan may allow a participating member to transfer or rollover funds from other qualified plans into the member's account under rules adopted by the boardoffice.

**SECTION 113. AMENDMENT.** Section 54-52.6-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-11. Refund beneficiaries.**

A participating or former participating member may nominate one or more individuals as a refund beneficiary by filing written notice of nomination with the boardoffice. If the participating member or former participating member is married at the time of the nomination and the participant's spouse is not the refund beneficiary for one hundred percent of the account, the nomination is not effective unless the nomination is signed by the participant's spouse. However, the boardoffice may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.

**SECTION 114. AMENDMENT.** Section 54-52.6-12 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-12. Qualified domestic relations orders.**

1. The boardoffice or a vendor contracted for by the boardoffice shall apportion a participating member's account in the defined contribution retirement plan under this chapter in accordance with the applicable requirements of any qualified domestic relations order. The boardoffice shall review a domestic relations order submitted to it to determine if the domestic relations order is qualified under this section and under rules adopted by the boardoffice for determining the qualified status of domestic relations orders, administering distributions, and apportioning accounts under the qualified orders. Upon determination of the domestic relations order as qualified, the boardoffice shall notify the participating member, the named alternate payee, and the vendor, if applicable, of its receipt of the qualified domestic relations order.
2. A "qualified domestic relations order" for purposes of this section means any judgment, decree, or order, including approval of a property settlement agreement, which relates to the provision of child support, spousal support, or marital property rights to a spouse, former spouse, child, or other dependent of a participating member, is made pursuant to a North Dakota domestic relations law, which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate

payee the right to, receive all or a part of a participating member's account in the defined contribution retirement plan under this chapter. A qualified domestic relations order may not require the ~~board~~office to provide any type or form of benefit, or any option, not otherwise allowed under this chapter. However, a qualified domestic relations order may require distribution from an account in the defined contribution retirement plan under this chapter notwithstanding that the participating member has not terminated eligible employment. A qualified domestic relations order must specify:

- a. The name and last-known mailing address of the participating member and the name and the mailing address of each alternate payee covered by the order;
- b. The amount or percentage of the participating member's account to be paid to each alternate payee;
- c. The number of payments or period to which the order applies; and
- d. Each retirement plan to which the order applies.

**SECTION 115. AMENDMENT.** Section 54-52.6-13 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-13. Distributions.**

1. A participating member is eligible to receive distribution of that person's accumulated balance in the plan upon becoming a former participating member.
2. Upon the death of a participating member or former participating member, the ~~board~~office shall pay the accumulated account balance of that deceased participant to the deceased participant's refund beneficiary, if any, as provided in this subsection. If the deceased participant designated an alternate refund beneficiary with the surviving spouse's written consent, the ~~board~~office shall distribute the accumulated balance to the named beneficiary. If the deceased participant named more than one primary beneficiary with the surviving spouse's written consent, the ~~board~~office shall pay the accumulated account balance to the named primary beneficiaries in the percentages designated by the deceased participant or, if the deceased participant had not designated a percentage for the beneficiaries, in equal percentages. If one or more of the primary beneficiaries has predeceased the deceased participant, the ~~board~~office shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If any beneficiary survives the deceased participant, yet dies before distribution of the beneficiary's share, the beneficiary must be treated as if the beneficiary predeceased the deceased participant. If there is no remaining primary beneficiary, the ~~board~~office shall pay the accumulated account balance of that deceased participant to the contingent beneficiaries in the same manner. If there is no remaining designated beneficiary, the ~~board~~office shall pay the accumulated account balance of that deceased participant to the deceased participant's estate. If the deceased participant had not designated an alternate refund beneficiary or the surviving spouse is the refund beneficiary, the surviving spouse of the deceased participant may select a form of payment as provided in subdivision d of subsection 3.
3. A former participating member may elect one or a combination of several of the following methods of distribution of the accumulated balance:
  - a. A lump sum distribution to the recipient.
  - b. A lump sum direct rollover to another qualified plan, to the extent allowed by federal law.

- c. Periodic distributions, as authorized by the boardoffice.
- d. No current distribution, in which case the accumulated balance must remain in the plan until the former participating member or refund beneficiary elects a method or methods of distribution under this section, to the extent allowed by federal law.

A surviving spouse beneficiary may elect one or a combination of several of the methods of distribution provided in subdivisions a, b, or c if the surviving spouse is the sole refund beneficiary. If the surviving spouse is not the sole refund beneficiary, the refund beneficiary may only choose a lump sum distribution of the accumulated balance.

4. If the former participating member's vested account balance is less than one thousand dollars, the boardoffice shall automatically refund the member's vested account balance upon termination of employment. The member may waive the refund if the member submits a written statement to the boardoffice, within one hundred twenty days after termination, requesting that the member's vested account balance remain in the plan.

**SECTION 116. AMENDMENT.** Section 54-52.6-14 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-14. Disability benefits.**

The boardoffice shall allow distribution of the participating member's vested account balance if the boardoffice determines that the participating member has become totally and permanently disabled. If approved, the disabled member has the same distribution options as provided in subdivisions a and c of subsection 3 of section 54-52.6-13. However, if the member chooses the periodic distribution option, the member may only receive distributions for as long as the disability continues and the member submits the necessary documentation and undergoes medical testing required by the boardoffice, or for as long as the member participates in a rehabilitation program required by the boardoffice, or both. If the boardoffice determines that a member no longer meets the eligibility definition, the boardoffice shall discontinue the disability retirement benefit.

**SECTION 117. AMENDMENT.** Section 54-52.6-15 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-15. ~~Board to provide information~~ Information provided.**

The boardoffice shall provide information to employees who are eligible to elect to become participating members under this chapter. The information must include at a minimum the employee's current account balance, the assumption of investment risk under a defined contribution retirement plan, administrative and investment costs, coordination of benefits information, and a comparison of projected retirement benefits under the public employees retirement system under chapter 54-52 and the retirement plan established under this chapter. Notwithstanding any other provision of law, the boardoffice is not liable for any election or investment decision made by an employee based upon information provided to an employee under this chapter.

**SECTION 118. AMENDMENT.** Section 54-52.6-18 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-18. Savings clause.**

If the boardoffice determines that any section of this chapter does not comply with applicable federal statutes or rules, the boardoffice shall adopt appropriate terminology with respect to that section as will comply with those federal statutes or rules. Any plan modifications made by the boardoffice pursuant to this section are effective until the effective date of any measure enacted by the legislative assembly providing the necessary amendments to this chapter to ensure compliance with the federal statutes or rules.

**SECTION 119. AMENDMENT.** Section 54-52.6-19 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-19. Overpayments.**

The ~~board~~office has the right of setoff to recover overpayments made under this chapter and to satisfy any claims arising from embezzlement or fraud committed by a participating member, deferred member, refund beneficiary, or other person who has a claim to a distribution or any other benefit from a plan governed by this chapter.

**SECTION 120. AMENDMENT.** Section 54-52.6-20 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-20. Correction of records.**

The ~~board~~office shall correct errors in the records and actions in plans under this chapter and shall seek to recover overpayments and shall seek to collect underpayments.

**SECTION 121. AMENDMENT.** Section 54-52.6-21 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.6-21. Internal Revenue Code compliance.**

The ~~board~~office shall administer the plan in compliance with the following sections of the Internal Revenue Code, as amended, as they apply to governmental plans:

1. Section 415, including the defined contribution limitations under section 415(c)(1)(A) and (B) of the Internal Revenue Code and the Treasury Regulations thereunder, which are incorporated herein by reference.
  - a. In accordance with the defined contribution limitations under section 415(c) of the Internal Revenue Code, annual additions (as defined in section 415(c)(2) of the Internal Revenue Code) under this plan may not exceed the limitations set forth in section 415(c)(1)(A) and (B), as adjusted under section 415(d) of the Internal Revenue Code, effective January first of each year following a regular legislative session.
  - b. If a participating member's aggregate annual additions exceed the defined contribution limitations under section 415(c) of the Internal Revenue Code, the member's annual additions must be reduced to the extent necessary to comply with section 415(c) of the Internal Revenue Code and the Treasury Regulations thereunder.
2. The minimum distribution rules under section 401(a)(9) of the Internal Revenue Code and the regulations issued under that provision to the extent applicable to governmental plans. Accordingly, benefits must be distributed or begin to be distributed no later than a member's required beginning date, and the required minimum distribution rules override any inconsistent provision of this chapter. A member's required beginning date is April first of the calendar year following the later of the calendar year in which the member attains age seventy and one-half or terminates employment.
3. The annual compensation limitation under section 401(a)(17) of the Internal Revenue Code, as adjusted for cost-of-living increases under section 401(a)(17)(B).
4. The rollover rules under section 401(a)(31) of the Internal Revenue Code. Accordingly, a distributee may elect to have an eligible rollover distribution, as defined in section 402(c)(4) of the Internal Revenue Code, paid in a direct rollover to an eligible retirement plan, as defined in

section 402(c)(8)(B) of the Internal Revenue Code, specified by the distributee.

5. If the plan of retirement benefits set forth in this chapter is terminated or discontinued, the rights of all affected participating members to accrued retirement benefits under this chapter as of the date of termination or discontinuance is nonforfeitable, to the extent then funded.

**SECTION 122. LEGISLATIVE INTENT - ELECTRONIC DISTRIBUTION OF MATERIALS.** It is the intent of the sixty-fifth legislative assembly that the public employees retirement system office create operating efficiencies when feasible by discontinuing the distribution of paper materials, including newsletters and benefit statements. It is further the intent of the sixty-fifth legislative assembly that the public employees retirement system office develop procedures to electronically distribute materials or provide access to materials through member self-service website applications."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1023 - Public Employees Retirement System - House Action**

	Base Budget	House Changes	House Version
Salaries and wages	\$6,315,360	\$8,263	\$6,323,623
Operating expenses	2,753,643	(132,844)	2,620,799
Contingencies	250,000		250,000
Total all funds	\$9,319,003	(\$124,581)	\$9,194,422
Less estimated income	9,319,003	(124,581)	9,194,422
General fund	\$0	\$0	\$0
FTE	34.50	(1.00)	33.50

**Department No. 192 - Public Employees Retirement System - Detail of House Changes**

	Adjusts Funding for Base Payroll Changes <sup>1</sup>	Adds Funding for Health Insurance Increases <sup>2</sup>	Removes FTE Position <sup>3</sup>	Adjusts Funding for Operating Expenses <sup>4</sup>	Total House Changes
Salaries and wages	\$55,378	\$102,885	(\$150,000)		\$8,263
Operating expenses				(132,844)	(132,844)
Contingencies					
Total all funds	\$55,378	\$102,885	(\$150,000)	(\$132,844)	(\$124,581)
Less estimated income	55,378	102,885	(150,000)	(132,844)	(124,581)
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	0.00	(1.00)

<sup>1</sup> Funding is added for cost-to-continue 2015-17 biennium salaries and benefit increases and for other base payroll changes.

<sup>2</sup> Funding is added for increases in employee health insurance premiums from \$1,130 to \$1,249 per month.

<sup>3</sup> One FTE position and related funding is removed.

<sup>4</sup> Funding for operating expenses is adjusted as follows:

	Other Funds
Printing and postage costs for newsletters	(\$59,504)
Printing and postage costs for annual benefit statements	(66,440)
Other postage, printing, and supplies	(16,900)

Mobile app hosting costs	(43,000)
Office remodeling	30,000
Other operating adjustments	23,000
Total	(\$132,844)

This amendment also:

- Adds a section detailing the amount of funding provided to the agency for health insurance premium increases.
- Adds a section to limit the use of funding in the health insurance reserve fund for reducing health insurance premium amounts.
- Amends various sections of North Dakota Century Code to provide for the Director of the Public Employees Retirement System to be appointed by the Governor, to remove the Public Employees Retirement System Board, and to adjust the membership and duties of the Employee Benefits Programs Committee.
- Adds a section of legislative intent regarding the electronic distribution of materials by the Public Employees Retirement System office.

#### REPORT OF STANDING COMMITTEE

**HB 1169: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1169 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new subdivision to subsection 2 of section 62.1-03-01 of the North Dakota Century Code, relating to carrying a handgun; to amend and reenact sections 62.1-04-02 and 62.1-04-04 of the North Dakota Century Code, relating to carrying concealed firearms or dangerous weapons; and to provide a penalty.

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

**SECTION 1.** A new subdivision to subsection 2 of section 62.1-03-01 of the North Dakota Century Code is created and enacted as follows:

An individual who is not otherwise precluded from possessing a class 2 firearm and dangerous weapon license under chapter 62.1-04 and has possessed for at least one year a valid driver's license or nondriver identification card issued by the department of transportation.

**SECTION 2. AMENDMENT.** Section 62.1-04-02 of the North Dakota Century Code is amended and reenacted as follows:

#### **62.1-04-02. Carrying concealed firearms or dangerous weapons prohibited.**

1. An individual, other than a law enforcement officer, may not carry any firearm or dangerous weapon concealed unless the individual is licensed to do so or exempted under this chapter.
2. An individual who is not otherwise precluded from possessing a class 2 firearm and dangerous weapon license under this chapter and who has possessed for at least one year a valid driver's license or nondriver identification card issued by the department of transportation may carry a firearm concealed under this chapter.

**SECTION 3. AMENDMENT.** Section 62.1-04-04 of the North Dakota Century Code is amended and reenacted as follows:

**62.1-04-04. Producing license on demand.**

1. Every ~~person~~individual while carrying a concealed firearm or dangerous weapon, for which a license to carry concealed is required, shall have on one's person the license issued by this or another state and shall give it to any law enforcement officer for an inspection upon demand by the officer. The failure of any ~~person~~individual to give the license to the officer is prima facie evidence ~~that the person~~that the individual is illegally carrying a firearm or dangerous weapon concealed.
2. Every individual carrying a concealed firearm under the authority granted in subsection 2 of section 62.1-04-02 shall inform a law enforcement officer of the individual's possession of a concealed weapon upon the initiation of a traffic stop or any other in-person contact initiated by a law enforcement officer.
3. Every individual carrying a concealed firearm under the authority granted in subsection 2 of section 62.1-04-02 must have on one's person a valid driver's license or nondriver identification card or a digital image of one's valid driver's license or nondriver identification card on a mobile device and shall provide the license or card to any law enforcement officer for inspection upon demand by the officer."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1232: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1232 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1244: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1244 was placed on the Sixth order on the calendar.

Page 1, line 23, after "appropriated" insert "directly to the district by Congress or the legislative assembly"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1273: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). HB 1273 was placed on the Sixth order on the calendar.

Page 1, line 10, remove the overstrike over "a-church;"

Page 2, line 5, remove "and"

Page 2, line 6, remove the overstrike over "~~An individual possessing a valid concealed weapons license from this state or~~"

Page 2, remove the overstrike over lines 7 through 10

Page 2, line 11, remove the overstrike over "~~worship or the governing body of the church or other place of worship~~"

Page 2, line 13, remove the overstrike over the overstruck semicolon

Page 2, remove the overstrike over line 14

Page 2, line 15, remove the overstrike over "m."

Page 2, line 25, remove "A church may:"

Page 2, remove lines 26 through 31

Page 3, replace lines 1 through 9 with "Notwithstanding any other provision of law, a church or place of worship may not be held liable for any injury or death or damage to property caused by an individual permitted to carry a dangerous weapon concealed under this section."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1278: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **DO NOT PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HB 1278 was placed on the Eleventh order on the calendar.

#### REPORT OF STANDING COMMITTEE

**HB 1282: Agriculture Committee (Rep. D. Johnson, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1282 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for reports to the legislative management; and to provide for a legislative management study regarding agricultural commodity groups.

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

**SECTION 1. REPORTS TO THE LEGISLATIVE MANAGEMENT - COMMODITY GROUPS.** Before January 1, 2018, each commodity group shall report to the legislative management regarding the organizational structure and operations of the commodity group. Each report must include a description of:

1. The structure and staff of the organization and how the commodity group performs its responsibilities. The description must include the use of classified and unclassified state employees, temporary employees, contractors, paid and unpaid labor by the group, and hiring practices.
2. The major challenges currently facing the commodity group, including organizational structure challenges.
3. Any administrative rules, policies, procedures, guidelines, manuals, or other directives developed by the commodity group to implement statutes and govern group operations.
4. The relationship between the board and the producer organizations, including any commercial business endeavors.
5. The process used to determine the use of monies raised by or appropriated to the commodity group.
6. Contracts entered by the commodity group, including the procurement of goods and services, partnership agreements, grants, and sponsorships.
7. Historical commodity group fiscal year cash flow and revenue trends.

**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - COMMODITY GROUPS.** During the 2017-18 interim, the legislative management shall consider studying commodity groups. The study must include a review of the commodity group reports under section 2 of this Act and the legislative history of each commodity group. The study must include receipt of input from the commodity groups, growers' associations, agriculture commissioner, attorney general's office, and the office of management and budget. The study must include a review of attorney general opinions related to commodity groups. The study may include a review of the structure of commodity groups in other states. The legislative

management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

#### REPORT OF STANDING COMMITTEE

**HB 1310: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (10 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). HB 1310 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 62.1-02 of the North Dakota Century Code, relating to the creation of a pilot program to allow the carrying of a concealed firearm on school property by qualified individuals; to amend and reenact subsection 2 of section 62.1-02-05 of the North Dakota Century Code, relating to an exception to the prohibition against possessing a firearm at a public gathering; to provide for a report to the legislative management; and to provide an expiration date.

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

**SECTION 1.** A new section to chapter 62.1-02 of the North Dakota Century Code is created and enacted as follows:

#### Possession of a concealed weapon - First armed responder in schools - Pilot program - Reports to legislative management.

1. The superintendent of public instruction shall adopt rules to administer this section and develop criteria for the submission, approval, and evaluation of the proposals and plans under this section.
2. The superintendent of public instruction may accept a proposal from the first ten public or nonpublic schools, upon approval by the school board or governing board, indicating the intention by the school to participate in a first armed responder pilot program during the 2017-19 biennium. Within ninety days of informing the superintendent of public instruction of the intent to participate in the program, the school shall:
  - a. Identify the individual selected by the school to participate in the program and attend training to become the school's first armed responder;
  - b. Submit a plan to the superintendent of public instruction specifying how the school will implement the program; and
  - c. Participate with the superintendent of public instruction in a comprehensive emergency operations assessment for the purpose of identifying school crisis and emergency threats and risks.
3. The plan submitted by the school to the superintendent of public instruction must require the selected individual to complete training equivalent to the South Dakota school sentinel program.
4. An individual selected to become a first armed responder for a school participating in the pilot program:
  - a. Must be a retired law enforcement officer or meet the requirements of subsection 3;
  - b. Must be a citizen of the United States;
  - c. Must be at least twenty-one years old;

- d. Shall successfully complete a criminal background check and must be approved by the local law enforcement agencies with jurisdiction over the school premises at which the individual will be a first armed responder;
  - e. Must be a high school graduate or meet equivalency standards;
  - f. Shall successfully complete a physical performed by a licensed physician or an advanced practice registered nurse and a mental evaluation by a qualified mental health provider who certifies the individual capable of performing the duties of a first armed responder;
  - g. Shall successfully complete a faculty and administrator safety training and emergency response program in addition to the requirements under subsection 3;
  - h. Must be approved by the school board or governing board to carry a firearm concealed on school property; and
  - i. Shall possess a valid class 1 concealed weapons license from this state.
5. An individual selected to become a first armed responder at a school participating in the pilot program shall agree to cooperate in training with local law enforcement for school emergencies to provide a coordinated response to building lockdown and active killer events. The individual shall attend annual training and recertification courses consisting of a minimum of ten hours of instruction and a skills evaluation assessment. A firearm carried by an authorized individual on school premises must remain concealed and under the direct control of the certified individual. The school board or governing board of any school participating in the program shall inform local law enforcement, in writing, of the name of the individual authorized by the school to participate in the program.
6. An individual selected as a first armed responder may not carry a firearm concealed or a dangerous weapon on school premises unless:
- a. The individual has been approved by the school board or governing body under subsection 4;
  - b. The individual has completed the first armed responder curriculum requirements under subsections 3 and 4; and
  - c. The individual completes the first armed responder recertification course requirements every twelve months.
7. The school board or governing board shall approve a post-traumatic stress disorder treatment program for armed first responders.
8. The school board or governing board may withdraw a school from participation in the program at anytime.
9. A school participating in the program shall provide program evaluation data to the superintendent of public instruction at the time and in the manner requested by the superintendent of public instruction. The superintendent of public instruction shall provide periodic reports to the legislative management regarding the implementation and progress of the pilot program by the participating schools.

**SECTION 2. AMENDMENT.** Subsection 2 of section 62.1-02-05 of the North Dakota Century Code is amended and reenacted as follows:

2. This section does not apply to:

- a. A law enforcement officer;
- b. A member of the armed forces of the United States or national guard, organized reserves, state defense forces, or state guard organizations, when on duty;
- c. A competitor participating in an organized sport shooting event;
- d. A gun or antique show;
- e. A participant using a blank cartridge firearm at a sporting or theatrical event;
- f. A firearm or dangerous weapon carried in a temporary residence or motor vehicle;
- g. A student and an instructor at a hunter safety class;
- h. Private security personnel while on duty;
- i. A state or federal park;
- j. An instructor, a test administrator, an official, or a participant in educational, training, cultural, or competitive events involving the authorized use of a dangerous weapon if the event occurs with permission of the person or entity with authority over the function or premises in question;
- k. An individual in a publicly owned or operated rest area or restroom;
- l. An individual possessing a valid concealed weapons license from this state or who has reciprocity under section 62.1-04-03.1 authorizing the individual to carry a dangerous weapon concealed if the individual is in a church building or other place of worship and has the approval to carry in the church building or other place of worship by a primary religious leader of the church or other place of worship or the governing body of the church or other place of worship. If a church or other place of worship authorizes an individual to carry a concealed weapon, local law enforcement must be informed of the name of the authorized individual; ~~and~~
- m. A municipal court judge, a district court judge, a staff member of the office of attorney general, and a retired North Dakota law enforcement officer, if the individual maintains the same level of firearms proficiency as is required by the peace officer standards and training board for law enforcement officers. A local law enforcement agency shall issue a certificate of compliance under this section to an individual who is proficient; and
- n. An individual authorized to carry a concealed weapon on school property under section 1 of this Act.

**SECTION 3. EXPIRATION DATE.** This Act is effective through July 31, 2019, and after that date is ineffective."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1336: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING). HB 1336 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for limitations of penalties for environmental audits.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:****SECTION 1.****Environmental audits - Violations.**

1. As used in this section:
  - a. "Environmental audit" means a voluntary, internal, and comprehensive evaluation of a facility or activity which is intended to prevent noncompliance with environmental laws, rules, or permits enforced by a regulatory agency under chapter 23-25, 23-20.3, 23-29, 38-08, or 61-28. An environmental audit may be conducted by an owner, operator, or prospective owner or operator. An employee or independent contractor may conduct an environmental audit on behalf of the owner, operator, or prospective owner or operator.
  - b. "Environmental audit report" means a set of documents labeled "Environmental Audit Report: Privileged Document" prepared as a result of an environmental audit which must include a description of the scope of the audit; the information gained in the audit and findings, conclusions, and recommendations; and exhibits and appendices. The exhibits and appendices to the environmental audit report may include interviews with current or former employees, field notes and records of observations, findings, opinions, suggestions, conclusions, guidance, notes, drafts, memoranda, legal analyses, drawings, photographs, laboratory analyses and other analytical data, computer-generated or electronically recorded information, maps, charts, graphs, and surveys and other communications associated with an environmental audit.
  - c. "Regulatory agency" means the agency with regulatory authority over the facility or activity.
  - d. "Willfully" has the same meaning as provided under section 12.1-02-02.
2. A regulatory agency may not pursue civil penalties for a violation found during an environmental audit which the regulated entity discloses to the regulatory agency in writing within forty-five days after the violation is found, unless:
  - a. The violation caused imminent or substantial harm to human health or the environment;
  - b. The violation is found by the regulatory agency before the regulated entity discloses the violation in writing to the regulatory agency;
  - c. The regulated entity does not correct the violation within sixty days of discovery or, if correction within sixty days is not possible, within a reasonable period as agreed upon in writing by the regulatory agency, but not to exceed three hundred sixty-five days;
  - d. The regulated entity established a pattern of repeated violations of environmental law, rule, permit, or order by committing the same or similar violation that resulted in the imposition of a penalty by a regulatory agency more than once within two years before the date of the disclosure;
  - e. The regulated entity willfully violated a state or federal environmental law, rule, or permit;
  - f. The violation is a result of gross negligence, as defined under section 1-01-17; or



**REPORT OF STANDING COMMITTEE**

**HB 1410: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **DO NOT PASS** (11 YEAS, 2 NAYS, 1 ABSENT AND NOT VOTING). HB 1410 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1411: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **DO NOT PASS** (12 YEAS, 1 NAYS, 1 ABSENT AND NOT VOTING). HB 1411 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1417: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **DO NOT PASS** (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). HB 1417 was placed on the Eleventh order on the calendar.

**REPORT OF STANDING COMMITTEE**

**HB 1431: Government and Veterans Affairs Committee (Rep. Kasper, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1431 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "; and to provide for a legislative management study"

Page 1, remove lines 12 through 17

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1435: Political Subdivisions Committee (Rep. Klemin, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 4 NAYS, 5 ABSENT AND NOT VOTING). HB 1435 was placed on the Sixth order on the calendar.

Page 1, line 22, remove "If the matter to be placed before the electors involves a school bond issue, the"

Page 1, replace line 23 with "A school board may call a special election for a school bond issue no more than two times in an odd-numbered year, and a school bond issue placed on the ballot in an even-numbered year must be placed on the ballot at a statewide primary or general election."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2302, as engrossed: Judiciary Committee (Rep. K. Koppelman, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2302 was placed on the Sixth order on the calendar.

Page 1, line 6, remove the second "and"

Page 1, line 7, after "penalty" insert "; and to declare an emergency"

Page 3, after line 17, insert:

**"SECTION 7. EMERGENCY.** This Act is declared to be an emergency measure."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HCR 3011: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE PLACED ON THE CONSENT CALENDAR** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). HCR 3011 was placed on the Sixth order on the

calendar.

Page 1, line 1, replace "urging" with "extending appreciation to"

Page 1, line 1, remove "and the United States Army"

Page 1, line 2, replace "Corps of Engineers to expeditiously approve" with "for expediting the approval of"

Page 1, line 3, after "Pipeline" insert ", and requesting the federal government reimburse the state of North Dakota for all expenses incurred as a result of the Dakota Access Pipeline protests and permitting delays"

Page 1, line 4, after the first comma insert: "the granting of the easement to complete the Dakota Access Pipeline has eased costs associated with pipeline protests; and

**WHEREAS**, the costs associated with the protests have resulted in over \$28 million in loans to the Adjutant General; and

**WHEREAS**,

Page 1, remove lines 12 and 13

Page 1, remove line 25

Page 2, remove lines 1 and 2

Page 2, line 5, replace "urges" with "extends appreciation to"

Page 2, line 5, remove "and the"

Page 2, line 6, replace "United States Army Corps of Engineers to expeditiously approve" with "for expediting the approval of"

Page 2, line 7, after "Pipeline" insert ", and requests the federal government reimburse the state of North Dakota for all expenses incurred as a result of the Dakota Access Pipeline protests and permitting delays"

Renumber accordingly

#### **FIRST READING OF SENATE BILLS**

**SB 2033:** A BILL for an Act to amend and reenact subsection 4 of section 43-41-04, section 43-47-06, and subsection 7 of section 43-53-01 of the North Dakota Century Code, relating to licensure requirements for behavioral health professionals; and to provide for a report to the legislative management.

Was read the first time and referred to the **Human Services Committee**.

**SB 2038:** A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to the establishment of a task force on children's behavioral health; to amend and reenact section 15.1-07-34, subsection 1 of section 25-03.1-11, and sections 25-03.1-26 and 50-11.1-02.3 of the North Dakota Century Code, relating to behavioral health training for educators and early childhood service providers and to emergency hold limitations for mental health examinations; to provide for a report to the governor and the legislative management; and to repeal sections 15.1-19-19 and 15.1-19-24 of the North Dakota Century Code, relating to professional development training regarding the prevention of bullying and youth suicide.

Was read the first time and referred to the **Human Services Committee**.

**SB 2088:** A BILL for an Act to create and enact a new section to chapter 43-45 of the North Dakota Century Code, relating to licensed clinical addiction counselors; and to amend and reenact sections 43-45-01, 43-45-02, 43-45-03, 43-45-04, 43-45-05, 43-45-05.1, 43-45-05.2, 43-45-05.3, 43-45-05.4, 43-45-06, 43-45-07, 43-45-07.1, 43-45-07.2, and 43-45-07.3 of the North Dakota Century Code, relating to the scope of practice for addiction counselors and the licensure authority of the board of

addiction counseling examiners.

Was read the first time and referred to the **Human Services Committee**.

**SB 2131:** A BILL for an Act to create and enact a new subdivision to subsection 12-20-24 and a new section to chapter 43-26.1 of the North Dakota Century Code, relating to criminal history record checks by the North Dakota board of physical therapy for physical therapist and physical therapist assistant applicants and licensees.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2139:** A BILL for an Act to amend and reenact section 62.1-04-04 of the North Dakota Century Code, relating to producing a concealed weapon license upon request.

Was read the first time and referred to the **Energy and Natural Resources Committee**.

**SB 2141:** A BILL for an Act to amend and reenact sections 43-32-01, 43-32-02, 43-32-05, 43-32-06.1, 43-32-07, 43-32-08.1, 43-32-12, 43-32-13, 43-32-14, 43-32-16, 42-32-17, 43-32-19.1, 43-32-20, 43-32-20.1, 43-32-24, 43-32-26, 43-32-27, 43-32-27.1, and 43-32-30 of the North Dakota Century Code, relating to regulation by the state board of psychologist examiners; and to repeal sections 43-32-33 and 43-32-34 of the North Dakota Century Code, relating to applied behavior analysis.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2145:** A BILL for an Act to amend and reenact section 54-03-33 of the North Dakota Century Code, relating to certification of delegates to the United States convention of the states.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

**SB 2151:** A BILL for an Act to amend and reenact section 23-06.5-17 of the North Dakota Century Code, relating to health care directives.

Was read the first time and referred to the **Energy and Natural Resources Committee**.

**SB 2152:** A BILL for an Act to create and enact a new section to chapter 44-04 of the North Dakota Century Code, relating to public employment hiring practices and confidentiality of some applications.

Was read the first time and referred to the **Political Subdivisions Committee**.

**SB 2161:** A BILL for an Act to amend and reenact subsection 1 of section 14-07.1-18 of the North Dakota Century Code, relating to domestic violence program records.

Was read the first time and referred to the **Human Services Committee**.

**SB 2162:** A BILL for an Act to create and enact a new section to chapter 15-10 of the North Dakota Century Code, relating to professional student exchange programs; to amend and reenact sections 43-28.1-01 and 43-28.1-03 of the North Dakota Century Code, relating to the dental student loan repayment program; to provide for a legislative management study; and to provide for application.

Was read the first time and referred to the **Human Services Committee**.

**SB 2163:** A BILL for an Act to create and enact a new section to chapter 50-25.2 of the North Dakota Century Code, relating to the financial exploitation of vulnerable adults; to amend and reenact subsection 7 of section 50-25.2-01 of the North Dakota Century Code, relating to the definition of financial exploitation; and to provide a penalty.

Was read the first time and referred to the **Human Services Committee**.

**SB 2165:** A BILL for an Act to amend and reenact section 44-02-02 of the North Dakota Century Code, relating to resignations from elected positions.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

**SB 2169:** A BILL for an Act to create and enact chapter 28-20.3 of the North Dakota Century Code, relating to recognition of foreign-country money judgments; and to repeal chapter 28-20.2 of the North Dakota Century Code, relating to foreign money judgments.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2170:** A BILL for an Act to create and enact a new chapter to title 14 of the North Dakota Century Code, relating to the Uniform Recognition and Enforcement of Canadian Protection Orders Act; to provide a penalty; and to provide for application.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2172:** A BILL for an Act to create and enact a new section to chapter 43-37 of the North Dakota Century Code, relating to licensure of speech-language pathology assistants; to amend and reenact sections 43-37-02, 43-37-03, 43-37-04, 43-37-04.1, 43-37-05, 43-37-06, 43-37-08, 43-37-09, 43-37-13, and 43-37-18 of the North Dakota Century Code, relating to the state board of examiners on audiology and speech-language pathology and the regulation of speech-language pathology assistants; to repeal section 43-37-01 of the North Dakota Century Code, relating to legislative intent; to provide a penalty; and to provide an effective date.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2173:** A BILL for an Act to repeal section 23-01-03.2 of the North Dakota Century Code, relating to duties of the health council.

Was read the first time and referred to the **Human Services Committee**.

**SB 2176:** A BILL for an Act to amend and reenact subdivision e of subsection 1 of section 39-08-01, subsection 3 of section 39-08-01.2, sections 39-20-03.1 and 39-20-03.2, subsection 2 of section 39-20-05, and subsection 3 of section 39-20-14 of the North Dakota Century Code, relating to driving under the influence; and to repeal section 39-20-03 of the North Dakota Century Code, relating to driving under the influence.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2181:** A BILL for an Act to amend and reenact section 53-06.1-10.1 of the North Dakota Century Code, relating to conducting a raffle using a random number generator.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2182:** A BILL for an Act to amend and reenact section 15.1-09-34 of the North Dakota Century Code, relating to required bidding for certain school board purchases.

Was read the first time and referred to the **Education Committee**.

**SB 2183:** A BILL for an Act to create and enact a new section to chapter 37-18 of the North Dakota Century Code, relating to the conferment of a veterans commemorative memorial coin; to provide an appropriation to the department of veterans' affairs; and to provide for retroactive application.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

**SB 2187:** A BILL for an Act to amend and reenact section 50-06-37 of the North Dakota Century Code, relating to developmental disability reimbursements; to provide for a report to the legislative management; and to provide a contingent effective date.

Was read the first time and referred to the **Human Services Committee**.

**SB 2189:** A BILL for an Act to create and enact a new section to chapter 50-25.1 of the North Dakota Century Code, relating to the confidentiality of children's advocacy center records; and to amend and reenact subsection 3 of section 12.1-34-07 and subsection 1 of section 27-20-51 of the North Dakota Century Code, relating to reimbursement of the cost of forensic interviews and confidentiality of juvenile court records and children's advocacy center records.

Was read the first time and referred to the **Human Services Committee**.

**SB 2191:** A BILL for an Act to provide an appropriation to the attorney general for grants.

Was read the first time and referred to the **Appropriations Committee**.

**SB 2195:** A BILL for an Act to amend and reenact section 44-04-18.15 of the North Dakota Century Code, relating to exempting donor records from public disclosure under open records laws.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2201:** A BILL for an Act to amend and reenact sections 15-10-55 and 15.1-19-25 of the North Dakota Century Code, relating to the freedom of expression of student journalists.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2202:** A BILL for an Act to amend and reenact section 43-48-03 and subsection 2 of section 43-48-05 of the North Dakota Century Code, relating to clinical laboratory

practice exemptions and board membership.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2210:** A BILL for an Act to amend and reenact section 53-01-07 of the North Dakota Century Code, relating to the commissioner of combative sports.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2215:** A BILL for an Act to create and enact chapter 23-49 of the North Dakota Century Code, relating to hospital discharge policies.

Was read the first time and referred to the **Human Services Committee**.

**SB 2216:** A BILL for an Act to amend and reenact subsection 1 of section 12.1-17-11 of the North Dakota Century Code, relating to contact by bodily fluids or excrement; and to provide a penalty.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2224:** A BILL for an Act to provide appropriations to the office of management and budget for community service supervision grants; and to provide legislative intent.

Was read the first time and referred to the **Appropriations Committee**.

**SB 2230:** A BILL for an Act to provide for a legislative management study of providing an income tax credit for premiums for hybrid long-term care partnership plan insurance coverage.

Was read the first time and referred to the **Finance and Taxation Committee**.

**SB 2231:** A BILL for an Act to create and enact three new sections to chapter 26.1-47 of the North Dakota Century Code, relating to preferred provider arrangement requirements for insurance prior authorization for air ambulance services; to amend and reenact section 26.1-47-01, subsection 6 of section 26.1-47-02, and section 26.1-47-07 of the North Dakota Century Code, relating to preferred provider organizations; to provide an effective date; and to provide a contingent effective date.

Was read the first time and referred to the **Human Services Committee**.

**SB 2235:** A BILL for an Act to create and enact a new chapter to title 43 of the North Dakota Century Code, relating to the interstate medical licensure compact.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2240:** A BILL for an Act to create and enact a new section to chapter 43-53 of the North Dakota Century Code, relating to temporary emergency suspension of marriage and family therapists; and to amend and reenact section 43-53-03 of the North Dakota Century Code, relating to exceptions from licensure for marriage and family therapists.

Was read the first time and referred to the **Human Services Committee**.

**SB 2248:** A BILL for an Act to create and enact a new subsection to section 14-15-19 of the North Dakota Century Code, relating to relinquishment and termination of parent and child relationship.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2249:** A BILL for an Act to create and enact a new section to chapter 15.1-09 of the North Dakota Century Code, relating to prohibiting participation in extracurricular activities by students who have committed a criminal offense.

Was read the first time and referred to the **Education Committee**.

**SB 2251:** A BILL for an Act to create and enact two new sections to chapter 50-25.1 of the North Dakota Century Code, relating to substance exposed newborns; and to amend and reenact sections 50-25.1-02, 50-25.1-05, 50-25.1-06.1, and 50-25.1-09 of the North Dakota Century Code, relating to substance exposed newborns.

Was read the first time and referred to the **Human Services Committee**.

**SB 2256:** A BILL for an Act to provide for a legislative management study regarding the regulation of midwifery.

Was read the first time and referred to the **Human Services Committee**.

**SB 2264:** A BILL for an Act to amend and reenact subsection 2 of section 23-01-05.5 of the North Dakota Century Code, relating to providing notification of the report of death to the next of kin of the deceased.

Was read the first time and referred to the **Political Subdivisions Committee**.

**SB 2265:** A BILL for an Act to create and enact section 43-19.1-16.2 of the North Dakota Century Code, relating to qualifications of land surveyor interns; to amend and reenact sections 43-19.1-16 and 43-19.1-16.1 of the North Dakota Century Code, relating to regulation of land surveyors and land surveyor interns; to repeal section 43-19.1-16.1 of the North Dakota Century Code, relating to qualifications of land surveyor interns; and to provide an effective date.

Was read the first time and referred to the **Political Subdivisions Committee**.

**SB 2266:** A BILL for an Act to provide for a study by the department of financial institutions and securities department and a report to the legislative management.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2267:** A BILL for an Act to amend and reenact section 26.1-36-41 of the North Dakota Century Code, relating to the authority of the insurance commissioner to investigate health insurers.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

**SB 2268:** A BILL for an Act to amend and reenact sections 24-12-04.1 and 24-12-05 of the North Dakota Century Code, relating to injuries to highways; and to provide a penalty.

Was read the first time and referred to the **Transportation Committee**.

**SB 2276:** A BILL for an Act to amend and reenact subsection 7 of section 10-33-21, section 10-33-100, subsection 4 of section 10-33-108, and section 29-27-02 of the North Dakota Century Code, relating to the prohibition of the diversion of restricted assets, the priority of those assets in a dissolution, and judgments imposing fines or assessing costs.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2277:** A BILL for an Act to create and enact a new section to chapter 14-09 of the North Dakota Century Code, relating to child support obligations of incarcerated parents.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2281:** A BILL for an Act to create and enact a new subsection to section 50-09-08.6 of the North Dakota Century Code, relating to notice of a motor vehicle operator's license restriction for nonpayment of child support.

Was read the first time and referred to the **Transportation Committee**.

**SB 2290:** A BILL for an Act to amend and reenact section 54-12-33 of the North Dakota Century Code, relating to the authority of the human trafficking commission.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2293:** A BILL for an Act to create and enact sections 43-41-15, 43-41-16, 43-41-17, 43-41-18, 43-41-19, 43-41-20, 43-41-21, and 43-41-22 of the North Dakota Century Code, relating to the regulation of social work; to amend and reenact sections 43-41-01, 43-41-02, 43-41-03, 43-41-04, 43-41-07, 43-41-08, 43-41-09, 43-41-10, 43-41-12, and 43-14-14 of the North Dakota Century Code, relating to the regulation of social work; to repeal section 43-41-05 of the North Dakota Century Code, relating to private practice of social work; and to provide a penalty.

Was read the first time and referred to the **Human Services Committee**.

**SB 2299:** A BILL for an Act to amend and reenact section 15-52-03 of the North Dakota Century Code, relating to the members of the university of North Dakota school of medicine and health sciences advisory council.

Was read the first time and referred to the **Political Subdivisions Committee**.

**SB 2300:** A BILL for an Act to amend and reenact section 12.1-17-02 of the North Dakota Century Code, relating to aggravated assault of a peace officer; and to provide a penalty.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2303:** A BILL for an Act to amend and reenact subsections 2 and 7 of section 12.1-32-15 of the North Dakota Century Code, relating to registration requirements for sexual offenders.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2309:** A BILL for an Act to create and enact a new section to chapter 14-07.1 of the North Dakota Century Code, relating to the establishment of a domestic violence court pilot project; and to amend and reenact section 12-60-23, subsection 9 of section 12.1-31.2-01, subsections 1 and 3 of section 12.1-31.2-02, section 14-07.1-02, and subsections 4 and 5 of section 14-07.1-03 of the North Dakota Century Code, relating to the issuance, transmittal, and registry of protection orders and orders prohibiting contact.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2312:** A BILL for an Act to amend and reenact subsection 5 of section 23-27-02 and section 23-27-04.4 of the North Dakota Century Code, relating to emergency medical services professionals.

Was read the first time and referred to the **Human Services Committee**.

**SB 2322:** A BILL for an Act to create and enact a new section to chapter 10-04 of the North Dakota Century Code, relating to the financial exploitation of vulnerable adults.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2325:** A BILL for an Act to create and enact a new subsection to section 54-07-01 of the North Dakota Century Code, relating to collaboration between agencies to coordinate early intervention services; and to provide for a legislative management study.

Was read the first time and referred to the **Human Services Committee**.

**SB 2328:** A BILL for an Act to amend and reenact subsection 1 of section 12.1-31-03, subsection 9 of section 12.1-31-03, subsection 3 of section 12.1-31-03.2, and sections 57-36-01, 57-36-02, 57-36-04, and 57-36-05 of the North Dakota Century Code, relating to sale of tobacco to minors and licensure of persons in the business of selling tobacco products; and to provide a penalty.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2329:** A BILL for an Act to amend and reenact section 43-30-04 of the North Dakota Century Code, relating to private investigative services by armed personnel.

Was read the first time and referred to the **Judiciary Committee**.

**SB 2334:** A BILL for an Act to create and enact a new section to chapter 48-08 of the North Dakota Century Code, relating to the designation of memorial hall.

Was read the first time and referred to the **Political Subdivisions Committee**.

**SB 2335:** A BILL for an Act to amend and reenact subsection 7 of section 6-08.1-03, sections 12.1-31-07, 12.1-31-07.1, and 12.1-31-07.2, and subdivision f of subsection 1 of section 19-03.1-22.2 of the North Dakota Century Code, relating to the definition and endangerment or exploitation of an eligible adult; and to provide a penalty.

Was read the first time and referred to the **Judiciary Committee**.

#### **FIRST READING OF SENATE CONCURRENT RESOLUTIONS**

**SCR 4003:** A concurrent resolution requesting the Legislative Management to study the current juvenile justice process, levels of collaboration among various service systems, implementation of dispositional alternatives, and methods for improving outcomes for juveniles involved in the process.

Was read the first time and referred to the **Judiciary Committee**.

**SCR 4006:** A concurrent resolution making a formal application to Congress to call a countermand amendment convention for the sole purpose of proposing an amendment to the United States Constitution to provide states a process to collectively countermand or repeal any federal law or ruling.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

The House stood adjourned pursuant to Representative Vigesaa's motion.

**Buell J. Reich, Chief Clerk**

