JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

* * * * *

Bismarck, April 4, 2017

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

The prayer was offered by Pastor Craig Schweitzer, Good Shepherd Lutheran Church, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

MOTION

SEN. KLEIN MOVED that the Senate resolve itself into a Confirmation Session, which motion prevailed.

REPORT OF SELECT COMMITTEE

MR. PRESIDENT: Your **Select Committee (Sen. G. Lee, Chairman)** appointed to consider the nomination to the Board of Higher Education, do advise and consent to the appointment of Dr. Casey Ryan.

MOTION

SEN. HOGUE MOVED that the report be adopted.

ROLL CALL

The question being, "will the Senate advise and consent to the appointment of Dr. Casey Ryan to the Board of Higher Education," the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

The Senate advises and consents to the appointment of Dr. Casey Ryan to the Board of Higher Education.

REPORT OF SELECT COMMITTEE

MR. PRESIDENT: Your **Select Committee (Sen. G. Lee, Chairman)** appointed to consider the nomination to the Board of Higher Education, do advise and consent to the appointment of Kathleen Neset.

MOTION

SEN. ROBINSON MOVED that the report be adopted.

ROLL CALL

The question being, "will the Senate advise and consent to the appointment of Kathleen Neset to the Board of Higher Education," the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

The Senate advises and consents to the appointment of Kathleen Neset to the Board of Higher Education.

MOTION

SEN. KLEIN MOVED that the Confirmation Session be dissolved, which motion prevailed.

MOTION

SEN. KLEIN MOVED that HB 1300, which is on the Sixth order, be laid over one legislative day, and that SB 2276, which is on the Twelfth order, be laid over one legislative day, which motion prevailed.

MOTION

SEN. KLEIN MOVED that Engrossed HB 1178 be rereferred to the **Finance and Taxation Committee**, which motion prevailed. Pursuant to Sen. Klein's motion, Engrossed HB 1178 was rereferred.

CONSIDERATION OF AMENDMENTS

HB 1216, as engrossed: SEN. NELSON (Judiciary Committee) MOVED that the amendments on SJ pages 1086-1090 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1216: A BILL for an Act to amend and reenact section 53-06.1-01, subsection 4 of section 53-06.1-01.1, subsection 1 of section 53-06.1-06, subsection 5 of section 53-06.1-11, and section 53-06.1-14 of the North Dakota Century Code, relating to the use of electronic pull tabs and electronic pull tab devices.

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 35 YEAS, 12 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Davison; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Klein; Krebsbach; Kreun; Laffen; Lee, J.; Luick; Marcellais; Mathern; Meyer; Nelson; Oban; Osland; Poolman; Roers; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Clemens; Dever; Kannianen; Kilzer; Larsen, O.; Larson, D.; Lee, G.; Myrdal; Oehlke; Piepkorn; Robinson; Rust

Engrossed HB 1216, as amended, passed.

****

CONSIDERATION OF AMENDMENTS

HB 1025, as engrossed: SEN. ROERS (Energy and Natural Resources Committee) MOVED that the amendments on SJ pages 1085-1086 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1025: A BILL for an Act to create and enact section 20.1-04-07.1 and chapter 20.1-05.1 of the North Dakota Century Code, relating to wild turkey hunting licenses for veterans receiving hunting expeditions from a nonprofit organization and authorization for issuance of special allocation hunting licenses; to amend and reenact sections 20.1-02-04, 20.1-04-07, 20.1-08-04.1, 20.1-08-04.2, and 20.1-08-04.6 of the North Dakota Century Code, relating to authorization for issuance of special allocation hunting licenses; to repeal sections 20.1-08-04.8, 20.1-08-04.12, and 20.1-08-04.13 of the North Dakota Century Code, relating to authorization for issuance of special allocation hunting licenses; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1025, as amended, passed and the emergency clause was declared carried.

****

CONSIDERATION OF AMENDMENTS

HB 1390, as engrossed: SEN. LUICK (Agriculture Committee) MOVED that the amendments on SJ pages 1094-1097 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1390: A BILL for an Act to amend and reenact sections 61-16-08 and 61-32-03.1 of the North Dakota Century Code, relating to water resource board members and subsurface water management system permits; to provide for a legislative management study; to provide for a penalty; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Luick; Marcellais; Meyer; Myrdal; Nelson; Oehlke; Osland; Poolman; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Lee, J.; Mathern; Oban; Piepkorn; Robinson

Engrossed HB 1390, as amended, passed and the emergency clause was declared carried.

****

CONSIDERATION OF AMENDMENTS

HB 1343, as engrossed: SEN. POOLMAN (Industry, Business and Labor Committee) MOVED that the amendments on SJ pages 1092-1093 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1343: A BILL for an Act to amend and reenact section 5-01-17 of the North Dakota Century Code, relating to domestic winery ingredient utilization requirements and special event permits.

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 3 YEAS, 44 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Larsen, O.; Mathern

NAYS: Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1343, as amended, failed.

****

CONSIDERATION OF AMENDMENTS

HB 1378, as engrossed: SEN. ROERS (Energy and Natural Resources Committee) MOVED that the amendments on SJ pages 1093-1094 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1378: A BILL for an Act to create and enact a new section to chapter 49-22 of the North Dakota Century Code, relating to light-mitigating technology systems on wind energy conversion facilities.

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 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Piepkorn

Engrossed HB 1378, as amended, passed.

****

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. LEE MOVED that the Senate do concur in the House amendments to Engrossed SB 2088 as printed on SJ pages 1080-1081, which motion prevailed on a voice vote.

Engrossed SB 2088, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

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.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2088 passed.

****

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. POOLMAN MOVED that the Senate do concur in the House amendments to Engrossed SB 2329 as printed on SJ page 1056, which motion prevailed on a voice vote.

Engrossed SB 2329, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

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 security officers; and to provide for a legislative management study.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2329 passed.

****

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. LEE MOVED that the Senate do concur in the House amendments to Engrossed SB 2038 as printed on SJ page 1054, which motion prevailed on a voice vote.

Engrossed SB 2038, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

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 section 25-03.1-26 of the North Dakota Century Code, relating 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.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2038 passed.

****

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do concur in the House amendments to Engrossed SB 2271 as printed on SJ pages 1024-1025, which motion prevailed on a voice vote.

Engrossed SB 2271, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2271: A BILL for an Act to amend and reenact section 48-05-10, 48-05-11, and 48-05-12 of the North Dakota Century Code, relating to energy conservation measures.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2271 passed.

****

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2037, in the House amendments to Engrossed SB 2042, in the House amendments to SB 2045, in the House amendments to Reengrossed SB 2243, in the House amendments to Engrossed SB 2273, in the House amendments to Engrossed SB 2316, and in the House amendments to SB 2321 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:
Engrossed SB 2037: Sens. Rust, Vedaa, Davison.
Engrossed SB 2042: Sens. J. Lee, Anderson, Heckaman.
SB 2045: Sens. Campbell, Casper, Laffen.
Reengrossed SB 2243: Sens. Schaible, Rust, Oban.
Engrossed SB 2273: Sens. Bekkedahl, Meyer, Dotzenrod.
Engrossed SB 2316: Sens. Burckhard, Kannianen, Dotzenrod.
SB 2321: Sens. Rust, Vedaa, Schaible.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on HB 1037, Reengrossed HB 1085, Engrossed HB 1120, Engrossed HB 1365, Reengrossed HB 1389, and HCR 3019, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

HB 1037: Sens. Davison, Schaible, Vedaa
Reengrossed HB 1085: Sens. O. Larsen, Kreun, Anderson
Engrossed HB 1120: Sens. Anderson, J. Lee, Clemens
Engrossed HB 1365: Sens. J. Lee, Anderson, Kreun
Reengrossed HB 1389: Sens. Schaible, Kannianen, Oban
HCR 3019: Sens. Kreun, Cook, Unruh

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KLEIN MOVED that the conference committee report on SB 2188 as printed on SJ pages 1097-1098 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2188: A BILL for an Act to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to the authority of the department of commerce to provide boundary geography data to the United States census bureau.

ROLL CALL

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

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.;

Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed SB 2188 passed.

****

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1216, HB 1378.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1025, HB 1390.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently failed to pass: HB 1343.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2006, SB 2025, SB 2139, SB 2156, SB 2191, SB 2224, SB 2231, SB 2298, SB 2343.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2006

Page 1, replace line 12 with:

"Salaries and wages	$1,447,637	($16,415)	$1,431,222"

Page 1, replace lines 15 through 17 with:

"Grants	7,434,500	(284,500)	7,150,000
Total all funds	$11,242,517	($357,105)	$10,885,412
Less estimated income	10,308,017	(322,605)	9,985,412"

Page 1, after line 19, insert:

"**SECTION 2. HEALTH INSURANCE INCREASE.** The salaries and wages line item in section 1 of this Act includes the sum of $18,583 from other funds for increases in employee health insurance premiums from $1,130 to $1,241 per month."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2006 - Aeronautics Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	$1,447,637	$1,432,674	($1,452)	$1,431,222
Operating expenses	2,060,380	2,204,190		2,204,190
Capital assets	300,000	100,000		100,000
Grants	7,434,500	7,000,000	150,000	7,150,000
Total all funds	$11,242,517	$10,736,864	$148,548	$10,885,412
Less estimated income	10,308,017	9,836,864	148,548	9,985,412
General fund	$934,500	$900,000	$0	$900,000
FTE	7.00	7.00	0.00	7.00

Department No. 412 - Aeronautics Commission - Detail of House Changes

	Adjusts Funding for Health Insurance Increases[1]	Adds Funding for Grants[2]	Total House Changes
Salaries and wages	($1,452)		($1,452)

Operating expenses			
Capital assets			
Grants		150,000	150,000
Total all funds	($1,452)	$150,000	$148,548
Less estimated income	(1,452)	150,000	148,548
General fund	$0	$0	$0
FTE	0.00	0.00	0.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month.

[2] Special funds spending authority is increased by $150,000 as a result of House Bill No. 1217. House Bill No. 1217 removes a discount of up to 50 percent on aircraft registration fees.

A section is added identifying the cost of the health insurance premium increase.

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2025

Page 1, replace lines 12 through 19 with:

"Veterans' affairs	$1,379,982	($211,967)	$1,168,015
Agent orange	50,000	(50,000)	0
State approving agency	288,018	(16,020)	271,998
Grants - transportation program	0	1,719,520	1,719,520
Transport vans	0	37,200	37,200
Total all funds	$1,718,000	$1,478,733	$3,196,733
Less estimated income	288,018	1,803,553	2,091,571
Total general fund	$1,429,982	($324,820)	$1,105,162
Full-time equivalent positions	9.00	(2.00)	7.00

SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of $18,581, of which $15,431 is from the general fund, for increases in employee health insurance premiums from $1,130 to $1,241 per month."

Page 1, remove line 23

Page 2, replace lines 1 and 2 with:

"Service dogs	$50,000	$0
Desktop support hardware	26,895	0
Transport vans	0	18,600
Total general fund	$76,895	$18,600

The 2017-19 one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of veterans' affairs shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 5, replace "$50,000" with "$25,000"

Page 2, line 6, replace "four" with "two"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2025 - Department of Veterans' Affairs - House Action

	Base Budget	Senate Version	House Changes	House Version
Veterans' affairs	$1,379,982	$1,314,224	($146,209)	$1,168,015
State approving agency	288,018	272,240	(242)	271,998
Agent orange	50,000			
Grants - transportation program		1,719,520		1,719,520
Service Dogs		50,000	(25,000)	25,000
Transport vans			37,200	37,200
Total all funds	$1,718,000	$3,355,984	($134,251)	$3,221,733
Less estimated income	288,018	2,091,817	(246)	2,091,571
General fund	$1,429,982	$1,264,167	($134,005)	$1,130,162
FTE	9.00	8.00	(1.00)	7.00

Department No. 321 - Department of Veterans' Affairs - Detail of House Changes

	Adjusts Funding for Health Insurance Increases[1]	Removes 1 FTE Position[2]	Adjusts Funding for Service Dogs[3]	Adjusts Funding for Transport Vans[4]	Adds One-Time Funding for Transport Vans[5]	Total House Changes
Veterans' affairs	($1,209)	($130,000)		($15,000)		($146,209)
State approving agency	(242)					(242)
Agent orange						
Grants - transportation program						
Service Dogs			(25,000)			(25,000)
Transport vans				18,600	18,600	37,200
Total all funds	($1,451)	($130,000)	($25,000)	$3,600	$18,600	($134,251)
Less estimated income	(246)	0	0	0	0	(246)
General fund	($1,205)	($130,000)	($25,000)	$3,600	$18,600	($134,005)
FTE	0.00	(1.00)	0.00	0.00	0.00	(1.00)

[1] Funding for employee health insurance in adjusted to reflect the updated premium amount of $1,241 per month.

[2] Funding for 1 FTE position and related funding is removed. The Senate also removed 1 FTE position, resulting in a total of 2 FTE positions removed from the base budget.

[3] Funding for service dogs training is reduced by $25,000 from the general fund, to provide a total of $25,000 for training up to two service dogs to assist North Dakota veterans with posttraumatic stress disorder. The Senate provided $50,000 to train up to four service dogs. Section 4 is also adjusted to reflect this revised amount.

[4] Funding of $15,000 from the general fund is moved from the veterans' affairs line item to a transport vans line item. An additional $3,600 is also added from the general fund to the transport vans line item.

[5] One-time funding of $18,600 is added from the general fund for transport vans, resulting in total funding of $37,200 for transport vans. The cost to purchase a transport van is approximately $18,600. As amended by the House, the Department of Veterans' Affairs would have authority to purchase two transport vans during the 2017-19 biennium, using $18,600 of ongoing funding and $18,600 of one-time funding. The Senate approved funding of $15,000 for transport vans.

This amendment also adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2139

Page 1, line 1, after "reenact" insert "subdivision m of subsection 2 of section 62.1-02-05 and"

Page 1, line 2, after "to" insert "possession of a firearm at a public gathering and"

Page 1, after line 3, insert:

"**SECTION 1. AMENDMENT.** Subdivision m of subsection 2 of section 62.1-02-05 of the North Dakota Century Code is amended and reenacted as follows:

m. A municipal court judge, a district court judge, a staff member of the office of attorney general, an elected official, 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, and possesses a current class 2 concealed weapons permit. A local law enforcement agency shall issue a certificate of compliance under this section to an individual who is proficient."

Renumber accordingly

HOUSE AMENDMENTS TO SENATE BILL NO. 2156

Page 1, line 1, replace "section" with "sections 23-20.2-02, 23-20.2-04, and"

Page 1, line 2, after "to" insert "definitions, permitting required for underground storage and retrieval or waste disposal facilities, and the"

Page 1, line 2, after "material" insert "; and to provide for a legislative management study"

Page 1, after line 3, insert:

"**SECTION 1. AMENDMENT.** Section 23-20.2-02 of the North Dakota Century Code is amended and reenacted as follows:

23-20.2-02. Definitions.

As used in this chapter:

1. "Commission" means the industrial commission of North Dakota.

2. "High-level radioactive waste material" means the highly radioactive material resulting from the reprocessing of spent nuclear fuel, and other highly radioactive material, which contains fission products in sufficient concentrations to require permanent isolation under federal law, including liquid waste produced directly in reprocessing and any solid material derived from the liquid waste.

3. "Person" includes any natural person, corporation, limited liability company, association, partnership, receiver, trustee, executor, administrator, guardian, fiduciary, or other representative of any kind, and includes any department, agency, or instrumentality of the state or of any governmental subdivision thereof.

~~3.~~4. "Underground disposal facility" means any drilled, bored, or excavated device or installation to provide for the subsurface disposal of waste. The term does not include a solid waste management facility authorized under chapter 23-29.

~~4.~~5. "Underground storage and retrieval facility" means any drilled, bored, or excavated device or installation to provide for the subsurface emplacement and recovery of materials.

~~5.~~6. "Waste" includes liquid wastes, gaseous wastes, and solid wastes ~~as defined in section 23-29-03 and all unusable industrial material including spent nuclear fuels and other unusable radioactive material not brought into this state for disposal~~.

SECTION 2. AMENDMENT. Section 23-20.2-04 of the North Dakota Century Code is amended and reenacted as follows:

23-20.2-04. Permit required - Denial of permit - Review.

It is unlawful to commence any operations for the testing, exploration, excavating, drilling, boring, or construction of an underground storage and retrieval facility; an underground waste disposal facility; or the conversion of any existing facility for use in any activity regulated by this chapter, without first securing a permit from the commission. A permit may not be issued until after notice and hearing, and payment of a fee for each permit in an amount to be prescribed by the commission, but not in excess of one thousand dollars. Each permit application must include:

1. A general discussion or description of the activity to be permitted.

2. A detailed description and discussion of the nature of the material to be stored, retrieved, or disposed of.

3. A detailed description and discussion of the mechanical construction and operating procedures of the facility.

4. A justification for the need for the facility to be permitted.

5. A detailed discussion and description of the subsurface geology and hydrology of the area to be affected by the construction and operation of the facility to be permitted.

6. A detailed description and discussion of a monitoring system to be used to ascertain the integrity of the facility and to ensure compliance with the provisions of this chapter.

7. A detailed description and discussion of a reclamation program for the restoration of the surface as nearly as possible to its original condition and productivity upon expiration of the permit or termination of any activities regulated by this chapter.

8. Any other information required by the commission.

The commission may, following the hearing required herein, deny an application and refund the license fee. A person denied a permit may appeal such denial in accordance with the provisions of sections 28-32-42 through 28-32-49. All fees collected pursuant to this section, or penalties collected pursuant to section 23-20.2-06, must be deposited in the general fund in the state treasury. The permit required by this chapter is in addition to all other permits required by law."

Page 1, line 6, after "**of**" insert "**high-level**"

Page 1, line 6, after "**Legislative**" insert "**and local zoning**"

Page 1, line 6, remove "**-** "

Page 1, line 7, remove "**County and water resource district approval required**"

Page 1, line 9, after "any" insert "high-level"

Page 1, line 11, remove "and prior"

Page 1, remove line 12

Page 1, line 13, remove "within the county in which the radioactive waste is proposed to be deposited"

Page 1, remove lines 14 through 17

Page 1, line 18, remove "3."

Page 1, line 18, remove "For purposes of this section, "radioactive"

Page 1, line 18, overstrike "waste material"

Page 1, line 18, remove the underscored quotation

Page 1, line 18, overstrike "means waste"

Page 1, overstrike lines 19 through 21 and insert immediately thereafter "A county's zoning approval may not preclude the disposal development if approved by the legislative assembly, but may regulate the size, scope, and location.

2. A person may not conduct any testing or exploration for the development of a storage or disposal facility for high-level radioactive waste material to be brought into the state unless prior approval has been granted by concurrent resolution passed by the legislative assembly.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY. During the 2017-18 interim, the legislative management shall consider studying, in consultation with the geological division of the department of mineral resources and the environmental health section of the state department of health, whether state and local level regulation of high-level radioactive waste disposal is consistent with applicable federal regulations; how to ensure the state has proper input into the federal location selection process for high-level radioactive waste material deposits; the mechanisms for calling a special session to approve the depositing of high-level radioactive waste material in the state and the notice of disapproval requirements under federal law; special laws, local laws, and existing code regarding the potential existence of a legislative veto over executive branch authority to determine the size, scope, and location of high-level radioactive waste material deposits in the state and any existing conflicts with the commerce clause; and the feasibility and desirability of developing new statutes and regulations for subsurface disposal of waste and the storage and retrieval of material. 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

HOUSE AMENDMENTS TO SENATE BILL NO. 2191

Page 1, line 5, replace "$250,000" with "$150,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the appropriation for grants to community-based or hospital-based sexual assault examiner programs from $250,000 to $150,000.

HOUSE AMENDMENTS TO SENATE BILL NO. 2224

Page 1, line 6, replace "$500,000" with "$300,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2224 - Office of Management and Budget - House Action

	Base Budget	Senate Version	House Changes	House Version
Community service supervision grants		$500,000	($200,000)	$300,000
Total all funds	$0	$500,000	($200,000)	$300,000
Less estimated income	0	0	0	0
General fund	$0	$500,000	($200,000)	$300,000

FTE	0.00	0.00	0.00	0.00

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

	Reduces Funding for Community Service Supervision Grants[1]	Total House Changes
Community service supervision grants	($200,000)	($200,000)
Total all funds	($200,000)	($200,000)
Less estimated income	0	0
General fund	($200,000)	($200,000)
FTE	0.00	0.00

[1] Funding is reduced by $200,000 from the general fund for community service supervision grants, to provide a total of $300,000 from the general fund.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2231

Page 1, line 1, replace "three" with "a new section to chapter 23-16 and four"

Page 1, line 2, after "to" insert "informed decisionmaking for choosing air ambulance service providers,"

Page 1, line 3, after "services" insert ", and air ambulance subscriptions"

Page 1, after line 7, insert:

"**SECTION 1.** A new section to chapter 23-16 of the North Dakota Century Code is created and enacted as follows:

Air ambulances - Informed Decisions - Publication.

1. Before a hospital refers a patient to an air ambulance service provider or initiates contact with an air ambulance service provider for air transport of the patient, the hospital shall inform the patient, or the patient's representative, of the air ambulance service provider's health insurance network status for the purpose of allowing the patient or the patient's representative to make an informed decision on choosing an air ambulance service provider or form of transportation.

2. A hospital is presumed in compliance with subsection 1 if the hospital provides the patient, or the patient's representative, the health insurance network status published by the insurance department under subsection 4.

3. A hospital is exempt from complying with this section if the hospital determines and documents that due to emergency circumstances, compliance might jeopardize the health or safety of the patient.

4. At least quarterly, the insurance department shall publish on the insurance department's website data regarding the health insurance network status of each air ambulance service provider authorized to operate in the state."

Page 4, line 30, remove "providers is two hundred percent"

Page 4, remove line 31

Page 5, remove lines 1 and 2

Page 5, line 3, replace "2." with "provider services is equal to the average of the insurer's in-network rates for air ambulance providers in the state.

2. An insurer may not use the average of an insurer's in-network rates for air ambulance providers in the state in order to decrease current or future contractual rates between an insurer and an air ambulance provider.

3. For purposes of settling a claim made by the insured for air ambulance services, a payment made by an insurer under the plan in compliance with this section is deemed to be the same as an in-network payment and is considered a full and final payment by the insured for out-of-network air ambulance services billed to the insured.

4."

Page 8, line 14, replace "pre-empt" with "preempt"

Page 9, after line 10, insert:

"**SECTION 9.** A new section to chapter 26.1-47 of the North Dakota Century Code is created and enacted as follows:

Air ambulance subscription agreements - Prohibition.

An air ambulance provider, or an agent of an air ambulance provider, may not sell, solicit, or negotiate a subscription agreement or contract relating to services or the billing of services provided by an air ambulance provider. An air ambulance provider, or agent of an air ambulance provider, which violates this section is subject to a civil fine in an amount not to exceed ten thousand dollars for each violation. The fine may be collected and recovered in an action brought in the name of the state."

Page 9, line 11, remove "1, 3, 4, and"

Page 9, line 12, replace the first "5" with "2, 4, 5, and 6"

Page 9, line 12, replace the second "5" with "6"

Page 9, line 13, replace "2, 6, and 7" with "3, 7, and 8"

Page 9, line 14, replace "5" with "6"

Renumber accordingly

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2298

Page 2, replace lines 9 and 10 with:

"**SECTION 3. CONTINGENT EFFECTIVE DATE.** This Act becomes effective on the date the United States Supreme Court issues an opinion overturning Quill v. North Dakota, 504 U.S. 298 (1992), or otherwise confirming a state may constitutionally impose its sales or use tax upon an out-of-state seller in circumstances similar to those specified in section 1 of this Act."

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2343

Page 1, line 1, replace "three" with "four"

Page 1, line 3, replace the first "section" with "sections"

Page 1, line 3, remove "subsections 6 and 7 of section"

Page 1, line 4, remove "sections"

Page 1, line 4, replace "and" with ", 16.1-08.1-03.2,"

Page 1, line 4, after the second comma insert "and 16.1-08.1-03.5,"

Page 1, line 7, remove "16.1-08.1-03.1,"

Page 1, line 9, remove "and"

Page 1, line 9, after "penalty" insert "; to provide for application; and to provide an effective date"

Page 3, line 8, remove the overstrike over "~~A loan of money from a bank or other lending institution made in the regular~~"

Page 3, remove the overstrike over line 9

Page 3, line 10, remove the overstrike over "~~b.~~"

Page 3, line 12, replace "b." with "c."

Page 3, line 15, replace "c." with "d."

Page 3, line 19, replace "d." with "e."

Page 3, line 21, replace "e." with "f."

Page 3, line 22, replace "f." with "g."

Page 3, after line 23 insert:

"h. In-kind contributions from a candidate to the candidate's campaign."

Page 4, line 17, remove "Consulting;"

Page 4, line 18, remove "d."

Page 4, remove lines 19 and 20

Page 4, line 21, replace "g." with "d."

Page 4, line 22, replace "h." with "e."

Page 5, line 10, after "committee" insert "not connected to another organization and free to solicit funds from the general public"

Page 5, line 10, after the first comma insert "or"

Page 5, line 22, after the comma insert "including a caucus,"

Page 6, replace lines 21 through 26 with:

"**SECTION 2. AMENDMENT.** Section 16.1-08.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-02.1. State political party convention revenue and expense statement required.

1. State political parties shall establish separate and segregated accounts for the management of state nominating conventions. All revenue obtained and expenditures made for the planning and running of a state convention must be accounted for in these accounts.

2. A postconvention statement must be filed with the secretary of state sixty days after the close of the state nominating convention. The reporting period for the postconvention statement begins on the first day of

January of the reporting year and ends thirty days after the close of the state nominating convention.

3. A year-end statement covering the entire calendar year must be filed with the secretary of state ~~no later than the thirty-first day of January~~before February first of the following year even if no convention revenue was received or expenditures made within the calendar year.

4. The statement filed according to this section must show the following:

   a. The ~~cash on hand in~~balance of the filer's convention accounts at the start and close of the reporting period;

   b. The ~~gross~~ total of all revenue received and expenditures made of two hundred dollars, or less;

   c. The ~~gross~~ total of all revenue received and expenditures made in excess of two hundred dollars;

   d. ~~The~~For each aggregated ~~totals of all~~ revenue received from a ~~single~~ person ~~or entity~~ in excess of two hundred dollars~~, the~~:

      (1) The name of each person ~~or entity, the~~;

      (2) The mailing address of each person ~~or entity, the~~;

      (3) The date of the most recent receipt of revenue from each person ~~or entity, and the~~; and

      (4) The purpose or purposes for which the aggregated revenue total was received from each person ~~or entity~~;

   e. ~~The aggregated totals of all expenditures~~For each aggregated expenditure made to a ~~single~~ person ~~or entity~~ in excess of two hundred dollars~~, the~~:

      (1) The name of each person or entity~~, the~~;

      (2) The mailing address of each person or entity~~, the~~;

      (3) The date of the most recent expense made to each person or entity~~, and the~~; and

      (4) The purpose or purposes for which the aggregated expenditure total was disbursed to each person or entity; and

   f. ~~A political party shall report~~For each aggregated revenue from an individual which totals five thousand dollars or more during the reporting period, the occupation, employer, and principal place of business of ~~each person from whom five thousand dollars or more of revenue was received in the aggregate during the reporting period~~the individual must be disclosed.

5. ~~For the purposes of this section, the term entity is defined as any group consisting of or representing more than one person.~~

~~6.~~ If a net gain from the convention is transferred to the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as a contribution in the statements required by section ~~16.1-08.1-03~~5 of this Act.

~~7.~~6. If a net loss from the convention is covered by a transfer from the accounts established for the support of the nomination or election of candidates, the total transferred must be reported as an expenditure in the statements required by section ~~16.1-08.1-03~~5 of this Act.

SECTION 3. A new section to chapter 16.1-08.1 of the North Dakota Century Code is created and enacted as follows:

State political party building fund statement required.

A state political party or nonprofit entity affiliated with or under the control of a state political party which receives a donation for purchasing, maintaining, or renovating a building shall file a statement with the secretary of state before February first of each calendar year. Any income or financial gain generated from a building purchased, maintained, or renovated from donations must be deposited in the building fund and must be disclosed when the political party or nonprofit entity files the statement required under this section. Money in the fund may be used only by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building including the purchase of fixtures for the building. The statement may be submitted for filing beginning on January first and must include:

1. The balance of the building fund on January first;
2. The name and mailing address of each donor;
3. The amount of each donation;
4. The date each donation was received;
5. The name and mailing address of each recipient of an expenditure;
6. The amount of each expenditure;
7. The date each expenditure was made; and
8. The balance of the fund on December thirty-first."

Page 6, remove lines 27 through 30

Page 7, remove lines 1 and 2

Page 7, line 6, replace "**political action**" with "**multicandidate**"

Page 7, line 10, remove "a political action committee,"

Page 7, line 27, replace "and" with an underscored comma

Page 7, line 28, after the underscored comma insert "and a statewide multicandidate committee,"

Page 7, line 31, replace "report" with "statement"

Page 8, line 8, remove "a political action committee,"

Page 8, line 8, after the first "or" insert "a"

Page 8, line 13, replace "and" with an underscored comma

Page 8, line 14, after the underscored comma insert "and a statewide multicandidate committee,"

Page 8, line 24, after the underscored semicolon insert "and"

Page 8, line 25, remove "The aggregate total of all expenditures from campaign funds of two hundred"

Page 8, remove lines 26 and 27

Page 8, line 28, remove "f."

Page 8, line 30, replace "report" with "statement"

Page 8, line 30, replace "subsection 1 or subsection 3" with "this section"

Page 9, line 3, after "contributions" insert "from individuals"

Page 9, line 3, replace "report" with "statement"

Page 9, line 3, remove the underscored colon

Page 9, line 4, replace "a. The" with "the"

Page 9, line 5, remove "; or"

Page 9, remove line 6

Page 9, line 7, remove "address of the contributor"

Page 9, after line 17, insert:

"8. To ensure accurate reporting and avoid commingling of campaign and personal funds, candidates shall use dedicated campaign accounts that are separate from any personal accounts."

Page 9, line 21, remove "**certain**"

Page 9, line 21, after "**and**" insert "**certain**"

Page 10, line 13, replace "received by" with "made to"

Page 11, line 15, replace "received by" with "made to"

Page 11, line 22, replace the first "report" with "statement"

Page 11, line 22, replace "subsection 1 or subsection 3" with "this section"

Page 11, line 22, replace the second "report" with "disclose"

Page 11, line 24, after "contributions" insert "from individuals"

Page 11, line 24, replace "report" with "statement"

Page 11, line 24, remove the underscored colon

Page 11, line 25, replace "a. The" with "the"

Page 11, line 26, remove "; or"

Page 11, remove line 27

Page 11, line 28, remove "address of the contributor"

Page 13, line 19, after "contribution" insert "and expenditure"

Page 13, line 19, replace "4" with "5"

Page 14, after line 10, insert:

"**SECTION 7. AMENDMENT.** Section 16.1-08.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.2. Political committee and candidate registration.

1. A political committee as defined in section 16.1-08.1-01 shall register its name and contact information, its agent's name and contact information,

and a designation as to whether the committee is incorporated solely for the purpose of liability protection, with the secretary of state. A candidate who does not have a candidate committee shall register the candidate's name and contact information and, if the candidate has an agent, the agent's name and contact information with the secretary of state. The registration required under this section for a candidate or political committee that has not previously registered with the secretary of state must be submitted within fifteen business days of the receipt of any contribution or expenditure made.

2. A candidate or political committee required to be registered under this section must register with the secretary of state each year during which the candidate holds public office or during which the political committee receives contributions ~~or~~, makes expenditures for political purposes, or has a balance in the campaign account. An individual who no longer holds public office or an individual who no longer seeks public office must register with the secretary of state each year in which contributions are received ~~or~~, expenditures are made for political purposes, or has a balance in the campaign account.

3. A political committee that organizes and registers according to federal law and makes an independent expenditure or makes a disbursement in excess of two hundred dollars to a nonfederal candidate seeking public office, a political party, or political committee in this state is not required to register as a political committee according to this section if the political committee reports according to section 16.1-08.1-03.7.

4. ~~An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization.~~

~~5.~~ Registration by a political committee under this section does not reserve the name for exclusive use nor does it constitute registration of a trade name under chapter 47-25."

Page 14, line 14, after "**companies**" insert "**, affiliates, subsidiaries**"

Page 14, line 16, after the third comma insert "affiliate, subsidiary,"

Page 14, line 19, after the comma insert "affiliate, subsidiary,"

Page 15, line 9, after the second comma, insert "affiliate, subsidiary,"

Page 16, line 20, after the second comma insert "affiliate, subsidiary,"

Page 16, line 22, after the first comma insert "affiliate, subsidiary,"

Page 16, line 24, after the comma insert "affiliate, subsidiary,"

Page 16, line 29, after the second comma insert "affiliate, subsidiary,"

Page 17, line 3, after the third comma insert "affiliate, subsidiary,"

Page 17, after line 4, insert:

"**SECTION 9. AMENDMENT.** Section 16.1-08.1-03.5 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.5. Corporate contributions and expenditures - ~~Report~~Statement required.

1. Corporations, cooperative corporations, limited liability companies, affiliates, subsidiaries, and associations may make expenditures and contributions for promoting any general political philosophy or belief

deemed in the best interest of the employees, stockholders, patrons, or members of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association other than a "political purpose" as defined by this chapter. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may not make a contribution for a political purpose.

2. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make a donation of property or money to a state political party or nonprofit entity affiliated with or under the control of a state political party for deposit in a separate and segregated building fund. ~~Money in the fund must be used exclusively by the state political party or nonprofit entity affiliated with or under the control of a state political party for purchasing, maintaining, or renovating a building and for the purchase of fixtures for the building. A state political party or nonprofit entity affiliated with or under the control of a state political party receiving a donation under this subsection shall file a statement with the secretary of state no later than the thirty-first day of January of each calendar year. The statement must include the name and mailing address of each donor, the amount of each donation, the date each donation was received, all expenditures made from the fund during the previous calendar year, and cash on hand in the fund at the start and close of the reporting period. Any income and financial gain generated from a building purchased, maintained, or renovated from donations authorized under this subsection and not otherwise authorized by law must be deposited in the building fund and must be reported when the political party or nonprofit entity files the statement required under this subsection.~~

3. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an expenditure to a measure committee as described in section 16.1-08.1-01 for the purpose of promoting the passage or defeat of an initiated or referred measure or petition or make an expenditure to any other person that makes an independent expenditure. A corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association may make an independent expenditure for a political purpose, including political advertising in support of or opposition to a candidate, political committee, or a political party, or for the purpose of promoting passage or defeat of initiated or referred measures or petitions. The corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association shall file a statement disclosing any expenditure made under this subsection with the secretary of state within forty-eight hours after making the expenditure. The statement must include:

   a. The full name of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;

   b. The complete address of the corporation, cooperative corporation, limited liability company, affiliate, subsidiary, or association;

   c. The name of the recipient of the expenditure;

   d. If the expenditure is related to a measure or petition, the title of the measure or petition and whether the expenditure is made in support of or opposition to the measure or petition;

   e. If the expenditure is related to a measure, the election date on which the measure either will appear or did appear on the ballot;

   f. The amount of the expenditure;

   g. The cumulative total amount of expenditures since the beginning of the calendar year which are required to be reported under this subsection;

h. The telephone number and the printed name and signature of the individual completing the statement, attesting to the statement being true, complete, and correct; and

i. The date on which the statement was signed."

Page 17, line 26, remove "under section"

Page 17, line 27, overstrike "16.1-08.1-03.11"

Page 17, line 27, remove "or to statements filed"

Page 17, line 27, remove "for county office"

Page 17, line 27, remove the second "by"

Page 17, line 28, replace "office" with "or city offices"

Page 18, line 4, overstrike "When the candidate files a"

Page 18, overstrike line 5

Page 18, line 6, overstrike "section"

Page 18, line 6, remove "4 of this Act"

Page 18, line 6, overstrike "complete through the day of the filing of the"

Page 18, overstrike line 7

Page 18, line 8, remove "16.1-08.1-03.1,"

Page 18, after line 10, insert:

"**SECTION 14. EFFECTIVE DATE.** This Act becomes effective on February 1, 2018.

SECTION 15. APPLICATION. The provisions of this Act apply for campaign years that begin after December 31, 2017."

Renumber accordingly

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2144.

HOUSE AMENDMENTS TO SENATE BILL NO. 2144

In lieu of the amendments adopted by the House as printed on page 1010 of the House Journal, Senate Bill No. 2144 is amended as follows:

Page 2, line 20, after "**APPROPRIATION**" insert "**- STUDENT LOAN TRUST FUND**"

Page 2, line 20, replace "general" with "student loan trust"

Page 2, line 21, replace "$1,500,000" with "$500,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment reduces the appropriation for tribal college workforce grants to $500,000 and changes the funding source of the appropriation from the general fund to the student loan trust fund.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2272.

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2272

Page 4, line 30, after "The" insert "minimum loan amount is two hundred fifty thousand dollars and the"

Page 9, line 12, after "cost" insert "up to a maximum loan amount of eight million dollars"

Page 13, line 17, after "loans" insert "and cash"

Renumber accordingly

HOUSE AMENDMENTS TO REENGROSSED SENATE BILL NO. 2272

In addition to the amendments adopted by the House as printed on page 1016 of the House Journal, Reengrossed Senate Bill No. 2272 is further amended as follows:

Page 14, line 4, replace "$10,000,000" with "$6,000,000"

Page 14, line 11, remove "as follows:"

Page 14, line 12, replace "a. For Tier 1 funding, the" with ". The"

Page 14, line 13, remove "; or"

Page 14, remove line 14

Page 14, line 15, remove "students and must be at least ten students"

Page 14, line 22, remove the colon

Page 14, line 23, remove "(1)"

Page 14, line 23, remove "for Tier 1 funding; or"

Page 14, line 24, remove "(2) $2,000 for Tier 2 funding"

Page 15, line 6, replace "$1,000,000" with "$500,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment provides for the following:

- Reduces funding from the foundation aid stabilization fund for rapid enrollment grants from $10 million to $6 million and removes Tier 2 schools from being eligible to receive a grant.
- Reduces funding from the foundation aid stabilization fund for English language learner grants from $1 million to $500,000.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2344.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2344

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 19-24.1 of the North Dakota Century Code, relating to medical marijuana; to amend and reenact section 54-60-03, paragraph 3 of subdivision a of subsection 15 of section 57-02-08, and paragraph 2 of subdivision b of subsection

15 of section 57-02-08 of the North Dakota Century Code, relating to primary sector business certification and property tax exemptions for farm buildings and residences; to repeal chapter 19-24 of the North Dakota Century Code, relating to medical marijuana; to provide a statement of legislative intent; to provide for a report; to provide a penalty; to provide a continuing appropriation; and to declare an emergency..

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 19-24.1 of the North Dakota Century Code is created and enacted as follows:

19-24.1-01. Definitions.

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

1. "Advanced practice registered nurse" means an advanced practice registered nurse as defined under section 43-12.1-02.

2. "Allowable amount of usable marijuana" means the amount of usable marijuana a registered qualifying patient or registered designated caregiver may purchase in a thirty-day period under this chapter.

   a. During a thirty-day period, a registered qualifying patient may not purchase or have purchased by a registered designated caregiver more than two and one-half ounces [70.87 grams] of dried leaves or flowers of the plant of genus cannabis in a combustible delivery form. At any time a registered qualifying patient, or a registered designated caregiver on behalf of a registered qualifying patient, may not possess more than three ounces [85.05 grams] of dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form.

   b. A registered qualifying patient may not purchase or have purchased by a registered designated caregiver more than the maximum concentration or amount of tetrahydrocannabinol permitted in a thirty-day period. The maximum concentration or amount of tetrahydrocannabinol permitted in a thirty-day period for a cannabinoid concentrate or medical cannabinoid product, or the cumulative total of both, is two thousand milligrams.

3. "Bona fide provider-patient relationship" means a treatment or counseling relationship between a health care provider and patient in which all the following are present:

   a. The health care provider has reviewed the patient's relevant medical records and completed a full assessment of the patient's medical history and current medical condition, including a relevant, in-person, medical evaluation of the patient.

   b. The health care provider has created and maintained records of the patient's condition in accordance with medically accepted standards.

   c. The patient is under the health care provider's continued care for the debilitating medical condition that qualifies the patient for the medical use of marijuana.

   d. The health care provider has a reasonable expectation that provider will continue to provide followup care to the patient to monitor the medical use of marijuana as a treatment of the patient's debilitating medical condition.

   e. The relationship is not for the sole purpose of providing written certification for the medical use of marijuana.

4. "Cannabinoid" means a chemical compound that is one of the active constituents of marijuana.

5. "Cannabinoid capsule" means a small, soluble container, usually made of gelatin, which encloses a dose of a cannabinoid product or a cannabinoid concentrate intended for consumption. The maximum concentration of amount of tetrahhydrocannabinol permitted in a serving of a cannabinoid capsule is fifty milligrams.

6. "Cannabinoid concentrate" means a concentrate or extract obtained by separating cannabinoids from marijuana by a mechanical, chemical, or other process.

7. "Cannabinoid edible product" means a food or potable liquid into which a cannabinoid concentrate or the dried leaves or flowers of the plant of the genus cannabis is incorporated.

8. "Cannabinoid tincture" means a solution of alcohol, cannabinoid concentrate, and other ingredients intended for consumption.

9. "Cannabinoid topical" means a cannabinoid product intended to be applied to the skin or hair. The maximum concentration or amount of tetrahydrocannabinol permitted in a cannabinoid topical is six percent.

10. "Cannabinoid transdermal patch" means an adhesive substance applied to the skin which contains a cannabinoid product or cannabinoid concentrate for absorption into the bloodstream. The maximum concentration or amount of tetrahydrocannabinol permitted in a serving of a cannabinoid transdermal patch is fifty milligrams.

11. "Cardholder" means a qualifying patient, designated caregiver, or compassion center agent who has been issued and possesses a valid registry identification card.

12. "Compassion center" means a manufacturing facility or dispensary.

13. "Compassion center agent" means a principal officer, board member, member, manager, governor, employee, volunteer, or agent of a compassion center.

14. "Contaminated" means made impure or inferior by extraneous substances.

15. "Debilitating medical condition" means one of the following:

a. Cancer;

b. Positive status for human immunodeficiency virus;

c. Acquired immune deficiency syndrome;

d. Decompensated cirrhosis caused by hepatitis C;

e. Amyotrophic lateral sclerosis;

f. Posttraumatic stress disorder;

g. Agitation of Alzheimer's disease or related dementia;

h. Crohn's disease;

i. Fibromyalgia;

j. Spinal stenosis or chronic back pain, including neuropathy or damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity;

k. Glaucoma;

l. Epilepsy;

m. A terminal illness; and

n. A chronic or debilitating disease or medical condition or treatment for such disease or medical condition that produces one or more of the following:

(1) Cachexia or wasting syndrome;

(2) Severe debilitating pain that has not responded to previously prescribed medication or surgical measures for more than three months or for which other treatment options produced serious side effects;

(3) Intractable nausea;

(4) Seizures; or

(5) Severe and persistent muscle spasms, including those characteristic of multiple sclerosis.

16. "Department" means the state department of health.

17. "Designated caregiver" means an individual who agrees to manage the well-being of a registered qualifying patient with respect to the qualifying patient's medical use of marijuana.

18. "Dispensary" means an entity registered by the department as a compassion center authorized to dispense usable marijuana to a registered qualifying patient and a registered designated caregiver.

19. "Enclosed, locked facility" means a closet, room, greenhouse, building, or other enclosed area equipped with locks or other security devices that permit access limited to individuals authorized under this chapter or rules adopted under this chapter.

20. "Health care provider" means a physician or an advanced practice registered nurse.

21. "Manufacturing facility" means an entity registered by the department as a compassion center authorized to produce and process and to sell usable marijuana to a dispensary.

22. "Marijuana" means all parts of the plant of the genus cannabis; the seeds of the plant; the resin extracted from any part of the plant; and every compound, manufacture, salt, derivative, mixture, or preparation of the plant, the seeds of the plant, or the resin extracted from any part of the plant.

23. "Maximum concentration or amount of tetrahydrocannabinol" means the total amount of tetrahydrocannabinol and tetrahydrocannabinolic acid in a medical cannabinoid product or a cannabinoid concentrate.

24. "Medical cannabinoid product" means a product intended for human consumption or use which contains cannabinoids.

a. Medical cannabinoid products are limited to the following forms:

(1) Cannabinoid tincture;

(2) Cannabinoid capsule;

(3) Cannabinoid transdermal patch; and

(4) Cannabinoid topical.

b. "Medical cannabinoid product" does not include:

(1) A cannabinoid edible product;

(2) A cannabinoid concentrate by itself; or

(3) The dried leaves or flowers of the plant of the genus cannabis by itself.

25. "Medical marijuana product" means a cannabinoid concentrate or a medical cannabinoid product.

26. "Medical marijuana waste" means unused, surplus, returned, or out-of-date usable marijuana; recalled usable marijuana; unused marijuana; or plant debris of the plant of the genus cannabis, including dead plants and all unused plant parts and roots.

27. "Medical use of marijuana" means the acquisition, use, and possession of usable marijuana to treat or alleviate a qualifying patient's debilitating medical condition.

28. "Minor" means an individual under the age of nineteen.

29. "North Dakota identification" means a North Dakota driver's license or comparable state of North Dakota or federal issued photo identification card verifying North Dakota residence.

30. "Pediatric medical marijuana" means a medical marijuana product containing cannabidiol which may not contain a maximum concentration or amount of tetrahydrocannabinol of more than six percent.

31. "Physician" means a physician licensed under chapter 43-17 to practice medicine in the state of North Dakota.

32. "Posttraumatic stress disorder" means a patient meets the diagnostic criteria for posttraumatic stress disorder under the "Diagnostic and Statistical Manual of Mental Disorders", American psychiatric association, fifth edition, text revision (2013).

33. "Processing" or "process" means the compounding or conversion of marijuana into a medical marijuana product.

34. "Producing", "produce", or "production" mean the planting, cultivating, growing, trimming, or harvesting of the plant of the genus cannabis or the drying of the leaves or flowers of the plant of the genus cannabis.

35. "Qualifying patient" means an individual who has been diagnosed by a health care provider as having a debilitating medical condition.

36. "Registry identification card" means a document issued by the department which identifies an individual as a registered qualifying patient, registered designated caregiver, or registered compassion center agent.

37. "Terminal illness" means a disease, illness, or condition of a patient:

a. For which there is not a reasonable medical expectation of recovery;

b. Which as a medical probability, will result in the death of the patient, regardless of the use or discontinuance of medical treatment implemented for the purpose of sustaining life or the life processes; and

c. As a result of which, the patient's health care provider would not be surprised if death were to occur within six months.

38. "Usable marijuana" means a medical marijuana product or the dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form. However, the term does not include the dried leaves or flowers unless authorized through a written certification and does not include a cannabinoid edible product. In the case of a registered qualifying patient who is a minor, "usable marijuana" is limited to pediatric medical marijuana.

39. "Verification system" means the system maintained by the department under section 19-24.1-31 for verification of registry identification cards.

40. "Written certification" means a form established by the department which is executed, dated, and signed by a health care provider within ninety calendar days of the date of application, stating that in the health care provider's professional opinion the patient is likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the patient's debilitating medical condition. A health care provider may authorize the use of dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form to treat or alleviate the patient's debilitating medical condition. A written certification may not be made except in the course of a bona fide provider-patient relationship.

19-24.1-02. Medical marijuana program.

The department shall establish and implement a medical marijuana program under this chapter to allow for production and processing, the sale and dispensing of usable marijuana, and medical use of marijuana. A person may not produce or process or sell, possess, transport, dispense, or use marijuana or usable marijuana under the medical marijuana program unless the person is authorized to do so as a compassion center, a cardholder, or otherwise authorized by rule adopted under this chapter.

19-24.1-03. Qualifying patients - Registration.

1. A qualifying patient is not eligible to purchase, use, or possess usable marijuana under the medical marijuana program unless the qualifying patient has a valid registry identification card.

2. A qualifying patient application for a registry identification card is complete and eligible for review if an applicant submits to the department:

a. A nonrefundable annual application fee in the amount of fifty dollars, with a personal check or cashier's check payable to "North Dakota State Department of Health, Medical Marijuana Program".

b. An original written certification, which must include:

(1) The name, address, and telephone number of the practice location of the applicant's health care provider;

(2) The health care provider's North Dakota license number;

(3) The health care provider's medical or nursing specialty;

(4) The applicant's name and date of birth;

(5) The applicant's debilitating medical condition and the medical justification for the health care provider's certification of the patient's debilitating medical condition;

(6) Attestation the written certification is made in the course of a bona fide provider-patient relationship and that in the provider's professional opinion the applicant is likely to receive therapeutic or palliative benefit from the medical use of marijuana to treat or alleviate the applicant's debilitating medical condition;

(7) Whether the health care provider authorizes the patient to use the dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form; and

(8) The health care provider's signature and the date.

c. An original qualifying patient application for a registry identification card form established by the department which must include all of the following:

(1) The applicant's name, address, and date of birth.

(2) The applicant's social security number.

(3) The name, address, and date of birth of the applicant's proposed designated caregiver, if any.

(4) A photographic copy of the applicant's North Dakota identification. The North Dakota identification must be available for inspection and verification upon request of the department. If the applicant is a minor, a certificated copy of a birth record is required.

(5) The applicant's or guardian's signature and the date, or in the case of a minor, the signature of the minor's parent or legal guardian with responsibility for health care decisions and the date.

d. A signed consent for release of medical information related to the applicant's debilitating medical condition, on a form provided by the department.

e. A recent two-by-two inch [5.08-by-5.08 centimeter] photograph of the applicant.

f. Any other information or material required by rule adopted under this chapter.

3. If the applicant is unable to submit the required application information due to age or medical condition, the individual responsible for making medical decisions for the applicant may submit the application on behalf of the applicant. The individual responsible for making medical decisions:

a. Must be identified on the qualifying patient application for a registry identification card; and

b. Shall provide a copy of the individual's North Dakota identification. The North Dakota identification must be available for inspection and verification upon the request of the department.

4. If the applicant is a minor, the department may waive the application or renewal fee if:

a. The parent or legal guardian of the applicant is the applicant's registered designated caregiver; and

b. The applicant resides with the applicant's registered designated caregiver.

19-24.1-04. Designated caregivers - Registration.

1. A designated caregiver is not eligible to purchase, assist in the use of, or possess usable marijuana under the medical marijuana program unless the designated caregiver has a valid registry identification card.

2. A designated caregiver application is complete and eligible for review if an applicant submits to the department all of the following:

   a. A nonrefundable annual application fee in the amount of fifty dollars, with a personal check or cashier's check made payable to "North Dakota State Department of Health, Medical Marijuana Program".

   b. An original designated caregiver application for a registry identification card form established by the department which must include all of the following:

      (1) A certified copy of a birth record verifying the applicant is at least twenty-one years of age.

      (2) A photographic copy of the applicant's North Dakota identification. The North Dakota identification must be available for inspection and verification upon request of the department.

      (3) The name, address, telephone number, and date of birth of the qualifying patient.

      (4) The name, address, and telephone number for the qualifying patient's health care provider.

      (5) The name, address, and telephone number of the applicant.

      (6) The applicant's social security number.

      (7) The applicant's signature and the date.

   c. An original designated caregiver authorization form established by the department which must be executed by a registered qualifying patient providing the designated caregiver applicant with the responsibility of managing the well-being of the registered qualifying patient with respect to the registered qualifying patient's medical use of marijuana. The form must include:

      (1) The name and date of birth of the designated caregiver applicant; and

      (2) The registered qualifying patient's signature and the date.

   d. A recent two-by-two inch [5.08-by-5.08 centimeter] photograph of the applicant.

   e. Any other information or material required by the department by rule.

3. A criminal history record check conducted under section 12-60-24 must be performed upon initial application and biennially thereafter and at any other time upon the request of the department. All fees associated with the criminal history record check must be paid by the applicant.

4. An individual convicted of a drug-related misdemeanor offense within the five years preceding the date of application or of a felony offense is prohibited from serving as a designated caregiver.

5. An applicant shall submit a separate and complete application for each of the applicant's registered qualifying patients. A registered designated caregiver may assist no more than five registered qualifying patients. A registered designated caregiver who is a registered qualifying patient may assist no more than four additional registered qualifying patients.

6. A registered designated caregiver may not purchase or possess more than the allowable amount of usable marijuana for each of the registered designated caregiver's registered qualifying patients and for the registered designated caregiver if the caregiver is a registered qualifying patient.

19-24.1-05. Qualifying patients and designated caregivers - Identification cards - Issuance and denial.

1. Upon receipt of a complete application for or renewal of a qualifying patient or designated caregiver registry identification card, the department shall verify the submitted information.

2. The verification methods used by the department on an application or renewal and accompanying documentation may include:

   a. Contacting an applicant by telephone or mail, or if proof of identity is uncertain, the department shall require a face-to-face meeting and the production of additional identification materials;

   b. Contacting the North Dakota board of medicine or North Dakota board of nursing to verify the certifying health care provider is licensed in the state and is in good standing; and

   c. Contacting the health care provider to obtain additional documentation verifying the qualifying patient applicant's medical diagnosis and medical condition qualify the applicant for participation in the medical marijuana program.

3. Upon verification of the information contained in an application or renewal, the department shall approve or deny the application or renewal.

4. Except as provided in subsection 5, the department shall issue a registry identification card within thirty calendar days of approving an application or renewal. A designated caregiver must have a registry identification card for each of the designated caregiver's registered qualifying patients.

5. The department may not issue a registry identification card to a qualifying patient who is a minor unless:

   a. The department receives documentation the minor's health care provider has explained to the parent or legal guardian with responsibility for health care decisions for the minor the potential risks and benefits of the use of pediatric medical marijuana to treat or alleviate the debilitating medical condition; and

   b. The department receives documentation the parent or legal guardian with responsibility for health care decisions for the minor consents in writing to:

      (1) Allow the minor's use of pediatric medical marijuana to treat or alleviate the debilitating medical condition;

(2) Serve as the minor's designated caregiver or identifies a registered designated caregiver to act as the minor's designated caregiver;

(3) Control the acquisition of usable marijuana and control the dosage and frequency of the use of usable marijuana by the minor; and

(4) If serving as the minor's designated caregiver, prevent the minor from accessing the usable marijuana by storing the usable marijuana in an enclosed, locked facility.

6. If the department denies an application or renewal, the applicant may not reapply for one year from the date of the denial, unless otherwise authorized by the department, and the applicant is prohibited from all lawful privileges provided under this chapter.

7. The department shall deny an application for or renewal of a qualifying patient's registry identification card if the applicant:

a. Does not meet the requirements of this section or section 19-24.1-03;

b. Did not provide the required information and materials;

c. Previously had a registry identification card revoked; or

d. Provided false or falsified information or made a material misstatement.

8. The department shall deny an application for or renewal of a designated caregiver registry identification card if the designated caregiver applicant:

a. Does not meet the requirements of this section or section 19-24.1-04;

b. Did not provide the required information and materials;

c. Previously had a registry identification card revoked; or

d. Provided false or falsified information or made a material misstatement.

9. The department shall notify, in writing, the qualifying patient or designated caregiver applicant of the reason for denying an application or renewal.

10. The department shall notify the following in writing:

a. A registered qualifying patient if that patient's designated caregiver's application or renewal is denied; and

b. A registered designated caregiver if that caregiver's qualifying patient's application or renewal is denied.

11. The cardholder may appeal a denial or revocation of a registry identification card to the district court of Burleigh County for hearing. The court may authorize the cardholder to appear by reliable electronic means.

19-24.1-06. Registry identification cards - Renewal.

To prevent interruption of possession of a valid registry identification card, a registered qualifying patient or registered designated caregiver shall apply for a registry identification card renewal by submitting a complete reapplication as

provided under section 19-24.1-03 or 19-24.1-04 no less than forty-five calendar days before the expiration date of the existing registry identification card.

19-24.1-07. Registry identification cards - Nontransferable.

A registry identification card is not transferable, by assignment or otherwise, to another person. If a person attempts to transfer a card in violation of this section, the registry identification card is void and the person is prohibited from all privileges provided under this chapter.

19-24.1-08. Qualifying patients and designated caregivers - Voluntary withdrawal.

A registered qualifying patient or registered designated caregiver may voluntarily withdraw from participation in the medical marijuana program. A registered qualifying patient or registered designated caregiver seeking to withdraw from the medical marijuana program shall notify the department in writing no less than thirty calendar days before withdrawal.

19-24.1-09. Cardholders - Eligibility and compliance.

1. A cardholder shall provide the department or the department's designee immediate access to any material and information necessary for determining eligibility and compliance with this chapter.

2. Failure of a cardholder to provide the department access to the material, or information as provided under this chapter may result in the department taking action, which may include the revocation of the cardholder registry identification card and referral to state or local law enforcement.

3. Failure of a cardholder to comply with the requirements under this section which is documented by the department, may result in sanctions, including suspension, revocation, nonrenewal, or denial of registration, and referral to state or local law enforcement.

4. The department shall refer credible criminal complaints against a cardholder to appropriate state or local law enforcement authorities.

5. a. If a violation of the requirements under this section is cited as a result of compliance monitoring, the department shall provide the cardholder with written notice of the findings following the compliance monitoring visit.

   b. Unless otherwise specified by the department, the cardholder shall correct the violation within five calendar days of receipt of the notice citing the violation.

   c. The department shall verify whether the cardholder corrected the violation.

   d. The violation is not deemed corrected until the department provides written verification the corrective action is satisfactory.

   e. If the violation is not corrected within the required time, the department may revoke the registry identification card of the cardholder.

19-24.1-10. Cardholders - Notification of change.

1. Within ten calendar days of the change, in a manner prescribed by the department, a registered qualifying patient or registered designated caregiver shall notify the department of any of the following:

   a. A change in the cardholder's name or address;

b. Knowledge of a change that would render the registered qualifying patient no longer eligible to participate in the medical marijuana program;

c. Knowledge of a change that results in the registered qualifying patient's health care provider no longer meeting the definition of the term "health care provider" as defined under section 19-24.1-01; or

d. Knowledge of a change that renders the registered qualifying patient's registered designated caregiver no longer eligible to participate in the medical marijuana program.

2. If a registered qualifying patient seeks to change the patient's designated caregiver, the registered qualifying patient shall notify the department in writing of this change.

3. If a cardholder loses the cardholder's registry identification card, the cardholder shall notify the department in writing within twenty-four hours of becoming aware of the loss.

4. If a registered qualifying patient is unable to make a notification required under this section due to age or medical condition, that patient's registered designated caregiver or the individual responsible for making medical decisions for that patient shall provide the notification.

5. If the department receives notification of an item listed in this section and the nature of the item reported does not affect a cardholder's eligibility, the department shall issue the cardholder a new registry identification card with a new random ten-digit alphanumeric identification number within twenty calendar days of approving the updated information and the cardholder shall pay a fee, not to exceed twenty-five dollars. If a cardholder notifying the department is a registered qualifying patient who has a registered designated caregiver, the department shall issue the patient's registered designated caregiver a new registry identification card within twenty calendar days of approving the updated information.

6. If the department receives notification of an item listed in this section and the nature of the item reported makes the cardholder ineligible, the cardholder's registry identification card becomes void immediately upon notification of the department and the registered cardholder shall dispose of any usable marijuana in the cardholder's possession within fifteen calendar days, in accordance with rules adopted under this chapter.

7. A registered qualifying patient's certifying health care provider shall notify the department in writing if the health care provider's registered qualifying patient no longer has a debilitating medical condition or if the health care provider no longer believes the patient will receive therapeutic or palliative benefit from the medical use of marijuana. The qualifying patient's registry identification card becomes void immediately upon the health care provider's notification of the department and the registered qualifying patient shall dispose of any usable marijuana in the cardholder's possession within fifteen calendar days, in accordance with rules adopted under this chapter.

19-24.1-11. Registry identification cards.

1. The contents of a registry identification card must include:

a. The name of the cardholder;

b. A designation as to whether the cardholder is a qualifying patient, designated caregiver, or compassion center agent;

c. A designation as to whether a qualifying patient is a minor;

d. A designation as to whether a qualifying patient or a designated caregiver's qualifying patient is authorized to use the dried leaves or flowers of the plant of the genus cannabis;

e. The date of issuance and expiration date;

f. A random ten-digit alphanumeric identification number containing at least four numbers and at least four letters which is unique to the cardholder;

g. If the cardholder is a designated caregiver, the random identification number of the qualifying patient the designated caregiver is authorized to assist;

h. A photograph of the cardholder; and

i. The phone number or website address at which the card can be verified.

2. Except as otherwise provided in this section or rule adopted under this chapter, a registry identification card expiration date must be one year after the date of issuance.

3. If a health care provider states in the written certification that the qualifying patient would benefit from the medical use of marijuana until a specified date, less than one year, the registry identification card expires on that date.

19-24.1-12. Compassion centers.

1. A person may not process or produce or dispense usable marijuana or otherwise act as a compassion center in this state unless the person is registered as a compassion center.

2. Except as otherwise provided under this section, the department shall register no more than:

a. Two compassion centers with the sole purpose of operating as a manufacturing facility; and

b. Eight compassion centers with the sole purpose of operating as a dispensary.

3. The department shall establish an open application period for the submission of compassion center applications. At the completion of the open application period, the department shall review each complete application using a competitive process established in accordance with rules adopted under this chapter and shall determine which applicants to register as compassion centers.

4. The department may register additional compassion centers if the department determines additional compassion centers are necessary to increase access to usable marijuana by registered qualifying patients and registered designated caregivers.

5. If the department revokes or does not renew a compassion center registration certificate, the department may establish an open application period for the submission of compassion center applications.

6. The department of commerce may not certify a compassion center as a primary sector business.

19-24.1-13. Compassion centers - Authority.

1. The activities of a manufacturing facility are limited to producing and processing and to related activities, including acquiring, possessing, storing, transferring, and transporting marijuana and usable marijuana, for the sole purpose of selling usable marijuana to a dispensary.

2. The activities of a dispensary are limited to purchasing usable marijuana from a manufacturing facility, and related activities, including storing, delivering, transferring, and transporting usable marijuana, for the sole purpose of dispensing usable marijuana to a registered qualifying patient, directly or through the registered qualifying patient's registered designated caregiver. The activities of a dispensary include providing educational material and selling usable marijuana related supplies to a registered qualifying patient or a registered designated caregiver.

19-24.1-14. Compassion centers - Application.

1. The department shall establish forms for an application to be registered as a compassion center. For a compassion center registration application to be complete and eligible for review, the applicant shall submit to the department all of the following:

   a. A nonrefundable application fee, not to exceed five thousand dollars, made payable to the "North Dakota State Department of Health, Medical Marijuana Program".

   b. The legal name, articles of incorporation or articles of organization, and bylaws or operating agreement of the proposed compassion center applicant.

   c. Evidence of the proposed compassion center applicant's registration with the secretary of state and certificate of good standing.

   d. The physical address of the proposed location of the proposed compassion center and:

      (1) Evidence of approval from local officials as to the proposed compassion center applicant's compliance with local zoning laws for the physical address to be used by the proposed compassion center; and

      (2) Evidence the physical address of the proposed compassion center is not located within one thousand feet [604.80 meters] of a property line of a pre-existing public or private school.

   e. For a manufacturing facility applicant, a description of the enclosed, locked facility that would be used in the production and processing of marijuana, including steps that will be taken to ensure the production and processing is not visible from the street or other public areas.

   f. The name, address, and date of birth of each principal officer and board member, or of each member-manager, manager, or governor, of the proposed compassion center applicant and verification each officer and board member, or each member-manager, manager, or governor, has consented to a criminal history record check conducted under section 12-60-24.

   g. For each of the proposed compassion center applicant's principal officers and board members, or for each of the proposed compassion center applicant's member-managers, managers, or governors, a description of that individual's relevant experience, including training or professional licensing related to medicine, pharmaceuticals, natural treatments, botany, food science, food

safety, production, processing, and the individual's experience running a business entity.

h. A description of proposed security and safety measures, which demonstrate compliance with the security and safety requirements under section 19-24.1-25.

i. An example of the design and security features of usable marijuana containers which demonstrates compliance with section 19-24.1-21.

j. A complete operations manual, which demonstrates compliance with section 19-24.1-27.

k. A description of the plans for making usable marijuana available on an affordable basis to registered qualifying patients with limited financial resources.

l. A list of all individuals and business entities having direct or indirect authority over the management or policies of the proposed compassion center applicant.

m. A list of all individuals and business entities having an ownership interest in the proposed compassion center applicant, whether direct or indirect, and whether the interest is in profits, land, or building, including owners of any business entity that owns all or part of the land or building.

n. The identity of any creditor holding a security interest in the proposed compassion center premises.

2. The department is not required to review an application submitted under this section unless the department determines the application is complete. The criteria considered by the department in reviewing an application must include:

a. The suitability of the proposed compassion center location, including compliance with any local zoning laws, and the geographic convenience to access compassion centers for registered qualifying patients and registered designated caregivers from throughout the state;

b. The character and relevant experience of the principal officers and board members, or of the member-managers, managers, or governors, including training or professional licensing and business experience;

c. The applicant's plan for operations and services, including staffing and training plans, whether the applicant has sufficient capital to operate, and the applicant's ability to provide an adequate supply of usable marijuana to registered qualifying patients and registered designated caregivers;

d. The sufficiency of the applicant's plans for recordkeeping;

e. The sufficiency of the applicant's plans for safety, security, and the prevention of diversion, including the proposed location and security devices employed;

f. The applicant's plan for making usable marijuana available on an affordable basis to registered qualifying patients with limited financial resources;

g. The applicant's plan for safe and accurate packaging and labeling of usable marijuana; and

h. The applicant's plans for testing usable marijuana and marijuana.

3. Following completion of the review under subsection 2, the department shall select the applicants eligible for registration under section 19-24.1-15.

19-24.1-15. Compassion centers - Registration.

1. Upon receipt of notification by the department a compassion center application is eligible for registration, the applicant shall submit all of the following additional items to the department to qualify for registration:

   a. A certification fee, made payable to the "North Dakota State Department of Health, Medical Marijuana Program", in the amount of ninety thousand dollars for a dispensary and one hundred ten thousand dollars for a manufacturing facility.

   b. A financial assurance or security bond to ensure the protection of the public health and safety and the environment in the event of abandonment, default, or other inability or unwillingness to meet the requirements of this chapter.

   c. The legal name, articles of incorporation or articles of organization, and bylaws or operating agreement, of the proposed compassion center applicant.

   d. The physical address of the proposed compassion center; confirmation the information in the application regarding the physical location of the proposed compassion center has not changed, and if the information has changed the department shall determine whether the new information meets the requirements of this chapter; and a current certificate of occupancy, or equivalent document, to demonstrate compliance with the provisions of state and local fire code for the physical address of the proposed compassion center. It is not necessary for an applicant to resubmit any information provided in the initial application unless there has been a change in that information.

   e. An update to previously submitted information, including information about compassion center agents and compliance with section 19-24.1-18.

2. If an applicant complies with subsection 1, the department shall issue the applicant a registration certificate.

19-24.1-16. Compassion centers - Renewal.

1. A compassion center registration certificate expires two years after issuance. A compassion center may submit a renewal application at any time beginning ninety calendar days before the expiration of the registration certificate. A compassion center shall submit a renewal application a minimum of sixty calendar days before the expiration of the registration certificate to avoid suspension of the certificate.

2. The department shall approve a compassion center's renewal application within sixty calendar days of submission, if the following conditions are satisfied:

   a. The compassion center submits a renewal fee, in the amount of ninety thousand dollars for a dispensary and one hundred ten thousand dollars for a manufacturing facility, which the department shall refund if the department rejects the renewal application;

   b. The compassion center submits a complete renewal application;

c. The department has at no time suspended the compassion center's registration for violation of this chapter;

d. Inspections conducted under this chapter do not raise any serious concerns about the continued operation of the compassion center; and

e. The compassion center continues to meet all the requirements for the operation of a compassion center as set forth in this chapter and rules adopted under this chapter.

3. If a compassion center does not meet the requirements for renewal, the department may not issue a registration certificate and the department shall provide the compassion center with written notice of the determination. If a compassion center's certificate is not renewed, the compassion center shall dispose all marijuana and usable marijuana in accordance with rules adopted under this chapter.

19-24.1-17. Compassion centers - Registration certificates nontransferable - Notification of changes.

1. A registration certificate authorizing operation of a compassion center may not be transferred to another person. Unless a compassion center applies for and receives an amended registration certificate authorizing operation of a compassion center, the registration certificate is void if there is a change in ownership of the compassion center, there is a change in the authorized physical location of the compassion center, or if the compassion center discontinues operation.

2. A compassion center shall provide the department a written notice of any change described under this section at least sixty calendar days before the proposed effective date of the change. The department may waive all or part of the required advance notice to address emergent or emergency situations.

19-24.1-18. Compassion centers - Agents - Registry identification cards.

1. Upon issuance of a compassion center registry certificate, the department shall issue a registry identification card to each qualified compassion center agent associated with the compassion center.

2. To qualify to be issued a registry identification card, each compassion center agent must be at least twenty-one years of age and shall submit all of the following registry identification card application material to the department:

a. A photographic copy of the agent's department-approved identification. The agent shall make the identification available for inspection and verification by the department.

b. A recent two-by-two inch [5.08-by-5.08 centimeter] photograph of the agent.

c. A written and signed statement from an officer or executive staff member of the compassion center stating the applicant is associated with the compassion center and the capacity of the association.

d. The name, address, and telephone number of the agent.

e. The agent's social security number.

f. The name, address, and telephone number of the compassion center with which the agent is associated.

g. The agent's signature and the date.

h. A nonrefundable application or renewal fee in the amount of two hundred dollars, in the form of a check made out to "North Dakota State Department of Health, Medical Marijuana Program".

3. Each compassion center agent shall consent to a criminal history record check conducted under section 12-60-24 to demonstrate compliance with the eligibility requirements.

a. All applicable fees associated with the required criminal history record checks must be paid by the compassion center or the agent.

b. A criminal history record check must be performed upon initial application and biennially upon renewal. A compassion center agent shall consent to a criminal history record check at any time the department determines necessary.

c. An individual convicted of a drug-related misdemeanor offense within the five-year period before the date of application or a felony offense is prohibited from being a compassion center agent.

4. The department shall notify the compassion center in writing of the purpose for denying a compassion center agent application for a registry identification card. The department shall deny an application if the agent fails to meet the registration requirements or to provide the information required, or if the department determines the information provided is false. The cardholder may appeal a denial or revocation of a registry identification card to the district court of Burleigh County for hearing. The court may authorize the cardholder to appear by reliable electronic means.

5. The department shall issue a compassion center agent a registry identification card within thirty calendar days of approval of an application.

6. A compassion center agent with a registry identification card shall notify the department of any of the following within ten calendar days of the change, in a manner prescribed by the department:

a. A change in the cardholder's name or address; and

b. Knowledge of a change that would render the compassion center agent no longer eligible to be a cardholder.

7. If a compassion center agent loses the agent's registry identification card, that agent shall notify the department in writing within twenty-four hours of becoming aware the card has been lost.

8. If a cardholder notifies the department of items listed in this section but the nature of the item reported results in the cardholder remaining eligible, the department shall issue the cardholder a new registry identification card with a new random ten-digit alphanumeric identification number within twenty calendar days of approving the updated information and the cardholder shall pay a fee, not to exceed twenty-five dollars. If a cardholder notifies the department of an item that results in the cardholder being ineligible, the registry identification card immediately becomes void.

9. A compassion center shall notify the department in writing within two calendar days of the date a compassion center agent ceases to work for or be associated with the compassion center. Upon receipt of the notification, that individual's registry identification card becomes void immediately.

10. The registry identification card of a compassion center agent expires one year after issuance or upon the termination of the compassion center's

registration certificate, whichever occurs first. To prevent interruption of possession of a valid registry identification card, a compassion center agent shall renew a registry identification card by submitting a complete renewal application no less than forty-five calendar days before the expiration date of the existing registry identification card.

19-24.1-19. Cardholders - Compassion centers - Revocation.

1. The department may suspend or revoke a cardholder's registry identification card or a compassion center's registration certificate for a material misstatement by an applicant in an application or renewal.

2. The department may suspend or revoke a registry identification card or registration certificate for a violation of this chapter or rules adopted under this chapter.

3. If a compassion center agent or a compassion center sells or otherwise transfers marijuana or usable marijuana to a person not authorized to possess marijuana or usable marijuana under this chapter, the department shall revoke the cardholder's registry identification card or the compassion center's registration certificate, or both. If the department revokes a cardholder's registry identification card under this subsection, the cardholder is disqualified from further participation under this chapter.

4. The department shall provide written notice of suspension or revocation of a registry identification card or registration certificate.

   a. A suspension may not be for a period longer than six months.

   b. A manufacturing facility may continue to produce and process and to possess marijuana and usable marijuana during a suspension, but may not transfer or sell usable marijuana.

   c. A dispensary may continue to possess usable marijuana during a suspension, but may not purchase, dispense, or transfer usable marijuana.

   d. The cardholder or the compassion center may appeal a denial or revocation of a registry identification card or registry certificate to the district court of Burleigh County for hearing. The court may authorize the cardholder or compassion center to appear by reliable electronic means.

19-24.1-20. Cardholders - Compassion centers - Violations - Penalties.

1. A cardholder or compassion center that fails to provide a notice as required under this chapter shall pay to the department a fee in an amount established by the department, not to exceed one hundred fifty dollars.

2. In addition to any other penalty applicable in law, a manufacturing facility or a manufacturing facility agent is guilty of a class B felony for intentionally selling or otherwise transferring marijuana or usable marijuana in any form, to a person other than a dispensary, or for internationally selling or otherwise transferring marijuana in any form other than usable marijuana, to a dispensary. A person convicted under this subsection may not continue to be affiliated with a compassion center and is disqualified from further participation under this chapter.

3. In addition to any other penalty applicable in law, a dispensary or a dispensary agent is guilty of a class B felony for intentionally selling or otherwise transferring usable marijuana, to a person other than a registered qualifying patient or a registered designated caregiver, to a registered qualifying patient who is a minor, or in a form not allowed under this chapter. A person convicted under this subsection may not

continue to be affiliated with a compassion center and is disqualified from further participation under this chapter.

4. In addition to any other penalty applicable in law, a dispensary or a dispensary agent is guilty of a class B felony for intentionally selling or otherwise transferring usable marijuana, in a form other than pediatric medical marijuana, to a registered designated caregiver, for use by a registered qualifying patient who is a minor. A person convicted under this subsection may not continue to be affiliated with a compassion center and is disqualified from further participation under this chapter.

5. A compassion center or compassion center agent that knowingly submits false records or documentation required by the department to certify a compassion center under this chapter is guilty of a class C felony. A person convicted under this subsection may not continue to be affiliated with a compassion center and is disqualified from further participation under this chapter.

6. In addition to any other penalty applicable in law, if a compassion center violates this chapter the department may fine the compassion center up to one thousand dollars for each violation.

7. In addition to any other penalty applicable in law, a registered qualifying patient who intentionally sells or otherwise transfers usable marijuana, to another person, is guilty of a class B felony. An individual convicted under this subsection is disqualified from further participation under this chapter.

8. In addition to any other penalty applicable in law, a registered designated caregiver who intentionally sells or otherwise transfers usable marijuana, to a person other than a registered qualifying patient to which the caregiver is associated with registration, is guilty of a class B felony. An individual convicted under this subsection is disqualified from further participation under this chapter.

9. An individual who knowingly submits false records or documentation required by the department to receive a registry identification card under this chapter is guilty of a class A misdemeanor. An individual convicted under this subsection may not continue to be affiliated with a compassion center and is disqualified from further participation under this chapter.

10. A health care provider who holds a financial interest in a compassion center may not knowingly refer a patient to a compassion center or to a registered designated caregiver, advertise in a compassion center, or issue a written certification. A health care provider who violates this subsection must be fined up to one thousand dollars.

19-24.1-21. Compassion centers - Dispensing.

1. A compassion center shall comply with the dispensing requirements of this section.

2. Design and security features of usable marijuana containers must be in accordance with rules adopted under this chapter.

3. A manufacturing facility or agent of the manufacturing facility may not dispense marijuana or usable marijuana, except the manufacturing facility or agent may sell usable marijuana to a dispensary.

4. A dispensary or agent of the dispensary may not dispense usable marijuana unless the dispensary first uses the verification system to confirm the registered qualifying patient or registered designated caregiver identification card is valid. A dispensary or agent of the dispensary:

a. May not dispense usable marijuana to a person other than a registered qualifying patient or a registered qualifying patient's registered designated caregiver. If a registered qualifying patient is a minor:

(1) The dispensary or agent of the dispensary may not dispense usable marijuana to a minor; and

(2) The usable marijuana dispensed to the minor's designated caregiver must be in the form of pediatric medical marijuana.

b. May not dispense to a registered qualifying patient or registered designated caregiver more than the allowable amount of usable marijuana and may not dispense an amount if it is known that amount would cause the recipient to purchase or possess more usable marijuana than is permitted under this chapter.

c. May not dispense to a registered qualifying patient or registered designated caregiver the dried leaves or flowers of the plant of the genus cannabis in a combustible delivery form unless the registry identification card and verification system authorize this form of usable marijuana.

19-24.1-22. Compassion centers - Inspections.

1. A compassion center is subject to random inspection by the department. During an inspection, the department may review the compassion center's records, including the compassion center's financial and dispensing records, which may track transactions according to registered qualifying patient and registered designated caregiver registry identification numbers.

2. The department shall conduct inspections of compassion centers to ensure compliance with this chapter. The department shall conduct inspections of manufacturing facilities for the presence of contaminants. The department shall select a certified laboratory to conduct random quality sampling testing, in accordance with rules adopted under this chapter. A compassion center shall pay the cost of all random quality sampling testing.

19-24.1-23. Compassion centers - Pesticide testing.

A manufacturing facility shall test marijuana at a manufacturing facility for the presence of pesticides. If a marijuana pesticide test or a random quality sampling test under section 19-24.1-22 indicates the presence of a pesticide, the manufacturing facility shall report the test result immediately to the department and to the agriculture commissioner. Upon the order of the department or agriculture commissioner, the manufacturing facility immediately shall destroy all affected or contaminated marijuana and usable marijuana inventory in accordance with rules adopted under this chapter, and shall certify to the department and to the agriculture commissioner that all affected or contaminated inventory has been destroyed.

19-24.1-24. Compassion centers - Cannabis plants.

The health council shall adopt rules establishing the maximum amount of plants of the genus cannabis and the amount of marijuana and usable marijuana a compassion center may possess. Except as otherwise provided under this section, the rules may not allow a manufacturing facility to possess more than one thousand plants, regardless of the stage of growth, and may not allow a dispensary to possess more than three thousand five hundred ounces [99.22 kilograms] of usable marijuana at any time, regardless of formulation. The rules may allow a manufacturing facility to possess no more than an additional fifty plants for the exclusive purpose of department-authorized research and development related to production and processing.

19-24.1-25. Compassion centers - Security and safety.

1. In compliance with rules adopted under this chapter, a compassion center shall implement appropriate security and safety measures to deter and prevent the unauthorized entrance to areas containing marijuana and containing usable marijuana and to prevent the theft of marijuana and usable marijuana.

2. A compassion center shall limit to authorized personnel entry to an area in which production or producing takes place or in which marijuana or usable marijuana is held.

3. A compassion center must have a fully operational security alarm system at the authorized physical address which includes an electrical support backup system for the alarm system to provide suitable protection against theft and diversion.

4. A compassion center shall maintain documentation in an auditable form for:

   a. All maintenance inspections and tests conducted under this section, and any servicing, modification, or upgrade performed on the security alarm system;

   b. An alarm activation or other event that requires response by public safety personnel; and

   c. Any breach of security.

19-24.1-26. Compassion centers - Inventory control.

1. A compassion center shall comply with the inventory control requirements provided under this section and rules adopted under this chapter.

   a. A manufacturing facility shall:

      (1) Employ a bar coding inventory control system to track batch, strain, and amounts of marijuana and usable marijuana in inventory and to track amounts of usable marijuana sold to dispensaries; and

      (2) Host a secure computer interface to transfer inventory amounts and dispensary purchase information to the department.

   b. A dispensary shall:

      (1) Employ a bar coding inventory control system to track batch, strain, and amounts of usable marijuana in inventory and to track amounts sold to registered qualifying patients and registered designated caregivers; and

      (2) Host a secure computer interface to transfer inventory amounts and registered qualifying patient and registered designated caregiver purchase information to the department.

2. A compassion center shall store the compassion center's marijuana and usable marijuana in an enclosed locked facility with adequate security, in accordance with rules adopted under this chapter.

3. A compassion center shall conduct inventories of marijuana and usable marijuana at the authorized location at the frequency and in the manner provided by rules adopted under this chapter. If an inventory results in the identification of a discrepancy, the compassion center shall notify the department and appropriate law enforcement authorities immediately. A

compassion center shall document each inventory conducted by the compassion center.

19-24.1-27. Compassion centers - Operating manual - Training.

1. A compassion center shall maintain a current copy of the compassion center's operating manual that meets the requirements of rules adopted under this chapter.

2. A compassion center shall develop, implement, and maintain on the premises an onsite training curriculum or shall enter contractual relationships with outside resources capable of meeting compassion center agent training needs. A compassion center shall ensure each compassion center agent receives training that includes:

   a. Education regarding professional conduct, ethics, and state and federal laws regarding patient confidentiality;

   b. Informational developments in the field of medical use of marijuana;

   c. All safety and security measures required under section 19-24.1-25;

   d. Specific procedural instructions for responding to an emergency, including robbery or violent accident; and

   e. The compassion center's operating manual and all requirements related to recordkeeping.

19-24.1-28. Compassion centers - Bylaws and operating agreements.

As part of a proposed compassion center's initial application, the applicant shall provide to the department a current copy of the applicant's bylaws or operating agreement. Upon receipt of a registration certificate, a compassion center shall maintain the bylaws or operating agreement in accordance with this chapter. In addition to any other requirements, the bylaws or operating agreement must include the ownership or management structure of the compassion center; the composition of the board of directors, board of governors, member-managers, or managers; and provisions relative to the disposition of revenues and earnings.

19-24.1-29. Compassion centers - Retention of and access to records and reports.

A compassion center shall keep detailed financial reports of proceeds and expenses. A compassion center shall maintain all inventory, sales, and financial records in accordance with generally accepted accounting principles. The compassion center shall maintain for a period of seven years all reports and records required under this section. A compassion center shall allow the department, or an audit firm contracted by the department, access at all times to all books and records kept by the compassion center.

19-24.1-30. Compassion centers - Recordkeeping - Compassion center agents - Registry identification cards.

1. Each compassion center shall maintain:

   a. In compliance with rules adopted under this chapter, a personnel record for each compassion center agent for a period of at least three years following termination of the individual's affiliation with the compassion center. The personnel record must comply with minimum requirements set by rule adopted under this chapter.

   b. A record of the source of funds that will be used to open or maintain the compassion center, including the name, address, and date of birth of any investor.

c. A record of each instance in which a current or prospective board member, member-manager, manager, or governor, who managed or served on the board of a business or not-for-profit entity and in the course of that service was convicted, fined, or censured or had a registration or license suspended or revoked in any administrative or judicial proceeding.

2. Each compassion center agent shall hold a valid registry identification card.

19-24.1-31. Verification system.

1. The department shall maintain a confidential list of cardholders and each cardholder's address, phone number, and registry identification number.

2. The department shall establish a secure verification system. The verification system must allow law enforcement personnel, health care providers, pharmacists, compassion centers, and compassion center agents twenty-four-hour access to enter a registry identification number to determine whether the number corresponds with a current valid registry identification card. The system may disclose:

a. Whether an identification card is valid;

b. The name of the cardholder;

c. Whether the cardholder is a registered qualifying patient, registered designated caregiver, or registered compassion center agent;

d. Whether a registered qualifying patient is a minor; and

e. The registry identification number of any affiliated registered qualifying patient, registered designated caregiver, or compassion center.

19-24.1-32. Protections.

Except as provided in sections 19-24.1-20 and 19-24.1-33:

1. A registered qualifying patient is not subject to arrest or prosecution or the denial of any right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional regulating entity for the acquisition, use, or possession of usable marijuana or related supplies under this chapter.

2. A registered designated caregiver is not subject to arrest or prosecution or the denial of any right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional regulating entity:

a. For assisting a registered qualifying patient with the acquisition, use, or possession of usable marijuana or related supplies under this chapter, if the registered designated caregiver is connected to the registered qualifying patient through the department's registration process.

b. For receiving compensation for costs associated with assisting a registered qualifying patient with the acquisition, use, or possession of usable marijuana or related supplies under this chapter, if the registered designated caregiver is connected to the registered qualifying patient through the department's registration process.

3. It is presumed a registered qualifying patient is engaged in, or a registered designated caregiver is assisting with, the acquisition, use, or possession of usable marijuana or related supplies in accordance with

this chapter if the registered qualifying patient or registered designated caregiver is in possession of a valid registry identification card and is not in possession of usable marijuana in an amount that exceeds what is authorized under this chapter. This presumption may be rebutted by evidence the conduct related to acquisition, use, or possession of usable marijuana or related supplies was not for the purpose of treating or alleviating the registered qualifying patient's debilitating medical condition under this chapter.

4. A person is not subject to arrest or prosecution or the denial of any right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional regulating entity, for being in the presence or vicinity of the medical use of marijuana authorized under this chapter.

5. A manufacturing facility is not subject to prosecution, search or inspection, or seizure, except by the department or a department designee, under this chapter for acting under this chapter to:

   a. Produce or process or to conduct related activities for the sole purpose of selling usable marijuana to a dispensary; or

   b. Transfer, transport, or deliver marijuana or usable marijuana to and from a department designee or manufacturing facility in accordance with this chapter.

6. A dispensary is not subject to prosecution, search or inspection, or seizure, except by the department or a department designee, under this chapter for acting under this chapter to:

   a. Purchase usable marijuana from a manufacturing facility and conducting related activities for the sole purpose of dispensing usable marijuana, selling related supplies, and and providing educational materials to registered qualifying patients and designated caregivers; or

   b. Transfer usable marijuana to and from a department designee or related marijuana facility in accordance with this chapter.

7. A registered compassion center agent is not subject to arrest or prosecution or the denial of any right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional regulating entity, for working or volunteering for a compassion center if the action performed by the compassion center agent on behalf of the compassion center is authorized under this chapter.

8. The sale and possession of marijuana paraphernalia by a dispensary is lawful if in accordance with this chapter.

9. The medical use of marijuana by a registered cardholder or the producing and processing and the dispensing of usable marijuana by a compassion center is lawful if in accordance with this chapter.

10. A health care provider is not subject to arrest or prosecution or the denial of any right or privilege, including a civil penalty or disciplinary action by a court or occupational or professional regulating entity, solely for providing a written certification or for otherwise stating in the health care provider's professional opinion a patient is likely to receive therapeutic or palliative benefit from the medical use of usable marijuana to treat or alleviate the patient's debilitating medical condition or for refusing to provide written certification or a statement. This chapter does not release a health care provider from the duty to exercise a professional standard of care for evaluating or treating a patient's medical condition.

11. A cardholder or registered compassion center is not subject to arrest or prosecution for use of drug paraphernalia or possession with intent to use drug paraphernalia in a manner consistent with this chapter.

12. A person in possession of medical marijuana waste in the course of transporting or disposing of the waste under this chapter and rules adopted under this chapter may not be subject to arrest or prosecution for that possession or transportation.

13. A person in possession of marijuana or medical marijuana in the course of performing laboratory tests as provided under this chapter and rules adopted under this chapter may not be subject to arrest or prosecution for that possession or testing.

19-24.1-33. Limitations.

This chapter does not authorize a person to engage in, and does not prevent the imposition of any civil liability or criminal liability or other penalties for engaging in the following conduct:

1. Undertaking an activity under the influence of marijuana if doing so would constitute negligence or professional malpractice.

2. Possessing or consuming usable marijuana:

   a. On a school bus or school van that is used for school purposes;

   b. On the grounds of any public or private school;

   c. At any location while a public or private school sanctioned event is occurring at that location;

   d. On the grounds of a correctional facility; or

   e. On the grounds of a child care facility or licensed home day care, unless authorized under rules adopted by the department of human services.

3. Undertaking any activity prohibited by section 23-12-09, 23-12-10, 23-12-10.2, 23-12-10.4, 23-12-10.5, or 23-12-11.

4. Using a combustible delivery form of usable marijuana or vaporizing usable marijuana under this chapter if the smoke or vapor would be inhaled by a minor who is not the registered qualifying patient for whom the usable marijuana is intended.

5. Operating, navigating, or being in actual physical control of a motor vehicle, aircraft, train, or motorboat, while under the influence of marijuana. However, a registered qualifying patient may not be considered to be under the influence of marijuana solely because of the presence of metabolites or components of marijuana that appear in insufficient concentration to cause impairment.

19-24.1-34. Acts not prohibited - Acts not required.

1. This chapter does not require:

   a. A government medical assistance program or private insurer to reimburse a person for costs associated with the medical use of marijuana;

   b. A person in lawful possession of property to allow a guest, client, customer, or other visitor to possess or consume usable marijuana on or in that property;

c. A landlord to allow production or processing on rental property; or

d. A health care provider to provide a written certification or otherwise recommend marijuana to a patient.

2. This chapter does not prohibit an employer from disciplining an employee for possessing or consuming usable marijuana in the workplace or for working while under the influence of marijuana.

19-24.1-35. Facility restrictions.

1. A basic care facility, nursing facility, assisted living facility, adult day care facility, or adult foster care home licensed in the state may adopt reasonable restrictions on the medical use of marijuana by residents or individuals receiving inpatient services, including:

a. The facility will not store or maintain the registered qualifying patient's supply of usable marijuana.

b. The facility, caregivers, or hospice agencies serving the facility's residents are not responsible for providing the usable marijuana for registered qualifying patients or assisting with the medical use of marijuana.

c. Usable marijuana can be consumed by a method other than vaporizing or combustion.

d. Consumption of usable marijuana is limited to a place specified by the facility.

2. A facility listed in subsection 1 may not unreasonably limit a registered qualifying patient's medical use of marijuana as authorized under this chapter unless failing to do so would cause the facility to lose a monetary or licensing-related benefit under federal law or regulations.

19-24.1-36. Health council - Rules.

1. The health council shall adopt rules as necessary for the implementation and administration of this chapter, including transportation and storage of marijuana and usable marijuana, advertising, packaging and labeling, standards for testing facilities, inventory management, and accurate record keeping.

2. The health council may adopt rules regarding the operation and governance of additional categories of registered medical marijuana establishments.

3. The health council shall adopt rules to establish requirements for reporting incidents of individuals not authorized to possess marijuana or usable marijuana under this chapter and who are found in possession of marijuana or usable marijuana. The rules must identify professionals required to report, the information the reporter is required to report, and actions the reporter shall take to secure the marijuana or usable marijuana.

4. The health council shall adopt rules to establish requirements for law enforcement officials and health care professionals to report to the department incidents involving overdose or adverse reaction related to the use of usable marijuana.

19-24.1-37. Confidentiality.

1. Data in a registration application or renewal and supporting data submitted by a qualifying patient, designated caregiver, compassion center, proposed compassion center, or compassion center agent,

including data on designated caregivers and health care providers, is confidential.

2. Data kept or maintained by the department may be disclosed for:

a. The verification of registration certificates and registry identification cards under this chapter;

b. Submission of the annual report required by this chapter;

c. Submission to the North Dakota prescription drug monitoring program;

d. Notification of state or local law enforcement of apparent criminal violation of this chapter;

e. Notification of state and local law enforcement about falsified or fraudulent information submitted for purposes of obtaining or renewing a registry identification card; or

f. Notification of the North Dakota board of medicine or North Dakota board of nursing if there is a reason to believe a health care provider provided a written certification and the department has reason to believe the health care provider otherwise violated this chapter.

3. Upon a cardholder's written request, the department may confirm the cardholder's status as a registered qualifying patient or a registered designated caregiver to a third party, such as a landlord, school, medical professional, or court.

4. Data submitted to a local government to demonstrate compliance with any security requirements required by local zoning ordinances or regulations is confidential.

19-24.1-38. Advisory board.

1. The governor shall appoint six members to serve on an advisory board that:

a. Shall advise the department in implementation of the medical marijuana program.

b. May receive reports from the department on the status and activities of the medical marijuana program.

c. May provide recommendations to the department and the legislative management on the medical marijuana program.

2. The state health officer shall serve as an ex officio voting member and as chairman of the advisory board.

19-24.1-39. Report to legislative management.

Annually, the department shall submit to the legislative management a report that does not disclose any identifying information about registered cardholders, compassion centers, or health care providers, but contains the following information:

1. The number of registry identification card applications and renewals;

2. The number of registered qualifying patients and registered designated caregivers;

3. The nature of the debilitating medical conditions of the registered qualifying patients;

4. The number of registry identification cards revoked;

5. The number of health care providers providing written certifications for qualifying patients;

6. The number of compassionate care centers; and

7. Any expenses incurred and revenues generated by the department from the medical marijuana program.

19-24.1-40. Medical marijuana fund - Continuing appropriation.

The medical marijuana fund is established in the state treasury. The department shall deposit in the fund all fees collected under this chapter. The department shall administer the fund. Moneys in the fund are appropriated to the department on a continuing basis for use in administering this chapter.

SECTION 2. AMENDMENT. Section 54-60-03 of the North Dakota Century Code is amended and reenacted as follows:

54-60-03. Commissioner of commerce - Duties.

With the advice and counsel of the North Dakota development foundation, the governor shall appoint a commissioner to supervise, control, and administer the department. The commissioner serves at the pleasure of the governor and receives a salary set by the governor within the limits of legislative appropriations. The commissioner:

1. Shall file an oath of office in the usual form before commencing to perform the duties of the commissioner;

2. Shall serve as chairman of the cabinet;

3. Shall appoint personnel as may be determined necessary to carry out the duties of the department;

4. Shall manage the operations of the department and oversee each of the divisions;

5. Shall assume central responsibilities to develop, implement, and coordinate a working network of commerce service providers;

6. Shall coordinate the department's services with commerce-related services of other state agencies;

7. Shall advise and cooperate with departments and agencies of the federal government and of other states; private businesses, agricultural organizations, and associations; research institutions; and with any individual or other private or public entity;

8. May enter contracts upon terms and conditions as determined by the commissioner to be reasonable and to effectuate the purposes of this chapter;

9. Shall report between the first and tenth legislative days of each regular legislative session to a standing committee of each house of the legislative assembly as determined by the legislative management and shall report annually to the foundation:

   a. On the department's goals and objectives since the last report;

   b. On the department's goals and objectives for the period until the next report;

   c. On the department's long-term goals and objectives;

d. On the department's activities and measurable results occurring since the last report; and

e. On commerce benchmarks, including the average annual wage in the state, the gross state product exclusive of agriculture, and the number of primary sector jobs in the state;

10. May not certify as a primary sector business a compassion center registered under chapter 19-24.1;

11. Shall adopt rules necessary to implement this chapter; and

~~11.~~12. May take any actions necessary and proper to implement this chapter.

SECTION 3. AMENDMENT. Paragraph 3 of subdivision a of subsection 15 of section 57-02-08 of the North Dakota Century Code is amended and reenacted as follows:

(3) Any structure or improvement used primarily in connection with a retail or wholesale business other than farming, any structure or improvement located on platted land within the corporate limits of a city, any structure or improvement used by a manufacturing facility as defined in section 19-24.1-01, or any structure or improvement located on railroad operating property subject to assessment under chapter 57-05 is not exempt under this subsection. For purposes of this paragraph, "business other than farming" includes processing to produce a value-added physical or chemical change in an agricultural commodity beyond the ordinary handling of that commodity by a farmer prior to sale.

SECTION 4. AMENDMENT. Paragraph 2 of subdivision b of subsection 15 of section 57-02-08 of the North Dakota Century Code is amended and reenacted as follows:

(2) "Farmer" means an individual who normally devotes the major portion of time to the activities of producing products of the soil, with the exception of marijuana grown under chapter 19-24.1; poultry~~,~~; livestock~~,~~; or dairy farming in such products' unmanufactured state and has received annual net income from farming activities which is fifty percent or more of annual net income, including net income of a spouse if married, during any of the three preceding calendar years. For purposes of this paragraph, "farmer" includes a:

(a) "Beginning farmer", which means an individual who has begun occupancy and operation of a farm within the three preceding calendar years; who normally devotes the major portion of time to the activities of producing products of the soil, poultry, livestock, or dairy farming in such products' unmanufactured state; and who does not have a history of farm income from farm operation for each of the three preceding calendar years.

(b) "Retired farmer", which means an individual who is retired because of illness or age and who at the time of retirement owned and occupied as a farmer the residence in which the person lives and for which the exemption is claimed.

(c) "Surviving spouse of a farmer", which means the surviving spouse of an individual who is deceased, who at the time of death owned and occupied as a farmer the residence in which the surviving spouse lives and for which the exemption is claimed. The exemption under

this subparagraph expires at the end of the fifth taxable year after the taxable year of death of an individual who at the time of death was an active farmer. The exemption under this subparagraph applies for as long as the residence is continuously occupied by the surviving spouse of an individual who at the time of death was a retired farmer.

SECTION 5. STATE DEPARTMENT OF HEALTH REPORT - MEDICAL MARIJUANA DEBILITATING MEDICAL CONDITIONS. During the 2017-18 interim, the state department of health shall conduct a study of the feasibility and desirability of adding identified medical conditions or providing for an administrative process to add identified medical conditions to the definitions of "debilitating medical condition" under the medical marijuana program. The department shall include the findings and recommendations of this study, together with any legislation required to implement the recommendations, in the annual reports made to the legislative management under section 19-24.1-39.

SECTION 6. REPEAL. Chapter 19-24 of the North Dakota Century Code is repealed.

SECTION 7. LEGISLATIVE INTENT - MEDICAL MARIJUANA PENALTIES. It is the intent of the sixty-fifth legislative assembly that if future legislative assemblies amend criminal penalties relating to marijuana, the corresponding medical marijuana penalties also be amended in order to retain consistency.

SECTION 8. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has failed to pass, unchanged: SB 2150.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2038, SB 2088, SB 2271, and SB 2329.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate does not concur in the House amendments to SB 2037, SB 2042, SB 2045, SB 2243, SB 2273, SB 2316, and SB 2321, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2037: Sens. Rust; Vedaa; Davison
SB 2042: Sens. J. Lee; Anderson; Heckaman
SB 2045: Sens. Campbell; Casper; Laffen
SB 2243: Sens. Schaible; Rust; Oban
SB 2273: Sens. Bekkedahl; Meyer; Dotzenrod
SB 2316: Sens. Burckhard; Kannianen; Dotzenrod
SB 2321: Sens. Rust; Vedaa; Schaible

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2047: Reps. D. Anderson; M. Ruby; Seibel
SB 2135: Reps. P. Anderson; B. Koppelman; Olson
SB 2166: Reps. Grueneich; Howe; Olson
SB 2183: Reps. Laning; Beadle; P. Anderson
SB 2216: Reps. Karls; M. Nelson; Roers Jones
SB 2253: Reps. Beadle; Pyle; Toman
SB 2264: Reps. Guggisberg; Hatlestad; M. Johnson
SB 2270: Reps. Bosch; Devlin; Marschall
SB 2303: Reps. Hanson; Jones; Roers Jones

SB 2313: Reps. Lefor; Roers Jones; Seibel

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1144, HB 1149, HB 1156, HB 1198, HB 1251, HB 1255, HB 1321, HB 1354, HB 1363, HB 1367, HB 1398, HB 1415, HCR 3011, HCR 3021, and HCR 3027.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1151.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1279, HB 1345, and HB 1395.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1201 and HB 1403, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1201: Reps. Sukut; Lefor; Boschee
HB 1403: Reps. D. Ruby; Louser; Boschee

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has appointed as a conference committee to act with a like committee from the House on:

HB 1037: Sens. Davison; Schaible; Vedaa
HB 1085: Sens. O. Larsen; Kreun; Anderson
HB 1120: Sens. Anderson; J. Lee; Clemens
HB 1365: Sens. J. Lee; Anderson; Kreun
HB 1389: Sens. Schaible; Kannianen; Oban
HCR 3019: Sens. Kreun; Cook; Unruh

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2188.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2099, SB 2141, SB 2196, SB 2202, SB 2244, SB 2261, SB 2262, SB 2286, SB 2322, SB 2327, SB 2342.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1347.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1427, HCR 3016.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2099, SB 2141, SB 2196, SB 2202, SB 2244, SB 2261, SB 2262, SB 2286, SB 2322, SB 2327, SB 2342.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2099, SB 2141, SB 2196, SB 2202, SB 2244, SB 2261, SB 2262, SB 2286, SB 2322, SB 2327, SB 2342.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1347.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1427, HCR 3016.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 3, 2017, I have signed the following: SB 2105, SB 2136, SB 2181, SB 2186, SB 2195, SB 2197, SB 2210, SB 2283, SB 2300, and SB 2307.

Also, on April 4, 2017, I have signed the following: SB 2053, SB 2151, SB 2245, SB 2278, and SB 2295.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Wednesday, April 5, 2017, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1002, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1002 was placed on the Sixth order on the calendar.

Page 1, line 2, remove the second "and"

Page 1, line 2, after "exemption" insert "; to amend and reenact sections 54-09-04 and 54-09-12 of the North Dakota Century Code, relating to information preparation fees and confidential information in filed records; and to provide a statement of legislative intent"

Page 1, replace lines 14 through 21 with:

"Salaries and wages	$4,903,514	$55,866	$4,959,380
Operating expenses	2,053,162	607,856	2,661,018
Petition review	8,000	0	8,000
Election reform	2,703,535	(1,510,880)	1,192,655
Total all funds	$9,668,211	($847,158)	$8,821,053
Less estimated income	3,583,536	(432,558)	3,150,978
Total general fund	$6,084,675	($414,600)	$5,670,075
Full-time equivalent positions	34.00	(1.00)	33.00"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	$6,374,720	($416,195)	$5,958,525
Grand total special funds	3,583,536	(432,558)	3,150,978
Grand total all funds	$9,958,256	($848,753)	$9,109,503"

Page 2, line 13, replace "$94,446" with "$87,603"

Page 2, line 13, replace "$91,588" with "$84,952"

Page 2, line 14, replace "$1,249" with "$1,241"

Page 2, after line 24, insert:

"**SECTION 5. AMENDMENT.** Subsection 7 of section 54-09-04 of the North Dakota Century Code is amended and reenacted as follows:

7. For preparing any listing or compilation of any information recorded or filed in the office of the secretary of state, ~~an amount established by the secretary of state to recover the actual cost for assembling and providing the information in the format requested~~forty dollars for each record type requested. Unless otherwise agreed to by the secretary of state, the information shall be provided in an electronic format. If provided in a paper format, an additional fee of fifty cents per page may be charged.

SECTION 6. AMENDMENT. Section 54-09-12 of the North Dakota Century Code is amended and reenacted as follows:

54-09-12. Confidential information in filed records.

1. A social security number or federal tax identification number disclosed or contained in any record filed with the secretary of state is confidential. However, a social security number or federal tax identification number may be released as authorized in this section or by other state or federal law.

2. The secretary of state shall delete or obscure a social security or federal tax identification number before a copy of any record is released to the public. ~~A filing office or an officer or employee of the filing office~~The secretary of state, or an employee, agent, or contractor of the secretary of state's office, may not be held civilly or criminally liable for the inadvertent disclosure of a social security or federal tax identification number if the filer has placed the number in an improper field on the form prescribed by the secretary of state or the filer submitted a filing other than on the form prescribed by the secretary of state.

3. The secretary of state, or an employee, agent, or contractor of the secretary of state's office, may release a social security number or federal tax identification number to another public entity or its agents, employees, or contractors if disclosure is necessary for the receiving entity to perform its duties and responsibilities. The receiving public entity and its agents, employees, and contractors shall maintain the confidential status of the social security number or federal tax identification number.

SECTION 7. LEGISLATIVE INTENT - VOTING SYSTEM AND ELECTRONIC POLLBOOKS. It is the intent of the sixty-fifth legislative assembly that, within the funding appropriated to the secretary of state for the 2017-19 biennium, the secretary of state, to the extent possible, purchase equipment necessary for the implementation of a voting system to be utilized by the secretary of state and county offices in the polling places of the state, and for the procurement and implementation of electronic pollbooks to be utilized statewide in all polling places."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1002 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Secretary of State				
Total all funds	$9,668,211	$8,264,250	$556,803	$8,821,053
Less estimated income	3,583,536	2,587,539	563,439	3,150,978
General fund	$6,084,675	$5,676,711	($6,636)	$5,670,075
Public Printing				
Total all funds	$290,045	$288,450	$0	$288,450
Less estimated income	0	0	0	0
General fund	$290,045	$288,450	$0	$288,450
Bill total				
Total all funds	$9,958,256	$8,552,700	$556,803	$9,109,503
Less estimated income	3,583,536	2,587,539	563,439	3,150,978
General fund	$6,374,720	$5,965,161	($6,636)	$5,958,525

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$4,903,514	$4,402,370	$557,010	$4,959,380
Operating expenses	2,053,162	2,661,018		2,661,018
Petition review	8,000	8,000		8,000
Election reform	2,703,535	1,192,862	(207)	1,192,655
Total all funds	$9,668,211	$8,264,250	$556,803	$8,821,053
Less estimated income	3,583,536	2,587,539	563,439	3,150,978
	$6,084,675	$5,676,711	($6,636)	$5,670,075

General fund				
FTE	34.00	31.00	2.00	33.00

Department No. 108 - Secretary of State - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 2 FTE Positions[2]	Adds Funding for Overtime and Temporary Salaries[3]	Total Senate Changes
Salaries and wages	($6,636)	$213,646	$350,000	$557,010
Operating expenses				
Petition review				
Election reform	(207)			(207)
Total all funds	($6,843)	$213,646	$350,000	$556,803
Less estimated income	(207)	213,646	350,000	563,439
General fund	($6,636)	$0	$0	($6,636)
FTE	0.00	2.00	0.00	2.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 is also adjusted to reflect the revised premium rate.

[2] Funding of $213,646 is restored for 2 FTE positions. The House removed these positions and the related funding from the general fund. Funding for the restored positions is from the general services operating fund.

[3] Funding is added for overtime and temporary salaries of $350,000 from the general services operating fund.

This amendment also:

- Adds a section to amend North Dakota Century Code Section 54-09-04(7) to allow the Secretary of State to charge a flat rate fee of $40 for certain requests of information, rather than a fee based on each individual request for information.
- Adds a section to amend Section 54-09-12 to allow the Secretary of State to disclose social security numbers or federal tax identification numbers to public entities if disclosure is necessary for the receiving entity to perform its duties and responsibilities.
- Adds a section providing legislative intent that the Secretary of State, to the extent possible, purchase equipment for the implementation of a voting system and electronic pollbooks during the 2017-19 biennium.

REPORT OF STANDING COMMITTEE

HB 1013, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1013 was placed on the Sixth order on the calendar.

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 11 with:

"Salaries and wages	$18,280,006	($840,830)	$17,439,176
Operating expenses	30,517,072	(352,067)	30,165,005
Integrated formula payments	1,916,640,000	18,564,163	1,935,204,163
Grants - special education	17,300,000	2,000,000	19,300,000
Grants - transportation	57,000,000	(1,600,000)	55,400,000
Grants - other grants	267,807,227	(13,644,522)	254,162,705
Grants - program grants	0	6,310,000	6,310,000
Grants - passthrough grants	0	3,018,000	3,018,000

PowerSchool	6,000,000	(500,000)	5,500,000
Transportation efficiency	30,000	0	30,000
National board certification	120,000	0	120,000
Total all funds	$2,313,694,305	$12,954,744	$2,326,649,049
Less estimated income	624,685,766	241,141,299	865,827,065
Total general fund	$1,689,008,539	($228,186,555)	$1,460,821,984"

Page 2, replace lines 17 through 22 with:

"Salaries and wages	$4,019,839	$132,919	$4,152,758
Operating expenses	1,713,393	(109,318)	1,604,075
Grants	2,785,500	(676,472)	2,109,028
Total all funds	$8,518,732	($652,871)	$7,865,861
Less estimated income	2,438,751	(191,191)	2,247,560
Total general fund	$6,079,981	($461,680)	$5,618,301"

Page 2, remove lines 28 through 31

Page 3, replace lines 1 through 4 with:

"Salaries and wages	$7,291,854	$296,895	$7,588,749
Operating expenses	1,925,163	101,380	2,026,543
Capital assets	227,174	664,504	891,678
Grants	186,900	(6,900)	180,000
Total all funds	$9,631,091	$1,055,879	$10,686,970
Less estimated income	1,089,210	2,109,234	3,198,444
Total general fund	$8,541,881	($1,053,355)	$7,488,526
Full-time equivalent positions	45.61	(0.00)	45.61"

Page 3, replace lines 9 through 14 with:

"Salaries and wages	$4,554,349	$106,646	$4,660,995
Operating expenses	739,169	34,037	773,206
Capital assets	24,454	150,238	174,692
Total all funds	$5,317,972	$290,921	$5,608,893
Less estimated income	569,325	645,422	1,214,747
Total general fund	$4,748,647	($354,501)	$4,394,146"

Page 3, replace lines 20 through 22 with:

"Grand total general fund	$1,708,379,048	($230,056,091)	$1,478,322,957
Grand total special funds	628,783,052	243,704,764	872,487,816
Grand total all funds	$2,337,162,100	$13,648,673	$2,350,810,773"

Page 3, line 25, replace "$1,249" with "$1,241"

Page 3, remove lines 28 through 31

Page 4, replace lines 1 and 2 with:

"Department of public instruction	$65,196	$181,686	$246,882
State library	66,885	10,100	76,985
School for the deaf	117,494	3,584	121,078
North Dakota vision services - school for the blind	82,223	70	82,293
Total	$331,798	$195,440	$527,238"

Page 4, after line 11, insert:

"Regional education association merger grants	0	100,000"

Page 4, replace lines 13 through 15 with:

"Total department of public instruction - all funds	$12,700,030	$160,100,000
Total department of public instruction - estimated income	0	160,100,000
Total department of public instruction - general fund	$12,700,030	$0"

Page 5, replace lines 1 through 3 with:

"Grand total - all funds	$13,606,030	$160,968,500
Grand total - estimated income	656,000	160,968,500
Grand total - general fund	$12,950,030	$0"

Page 5, line 20, replace "$270,000,000" with "$270,100,000"

Page 5, line 21, after "fund" insert ". Of this amount, $100,000 is for regional education association merger grants and $270,000,000 is"

Page 5, line 22, replace "$160,000,000" with "$160,100,000"

Page 5, after line 29, insert:

"**SECTION 8. EXEMPTION - ADVANCED PLACEMENT PROGRAM FUNDING.** The unexpended amount remaining from the transfer of $1,252,627 from the 2013-15 biennium, as authorized in section 32 of chapter 137 of the 2015 Session Laws to enhance the delivery of and the participation of students and teachers in advanced placement courses during the 2015-17 biennium, is not subject to the provisions of section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium for the purpose of program grants, including leveraging the senior year, leadership program, continuing education grants, preschool continuing education grants, curriculum alignment grants, and teacher and principal evaluation system grants, and to assume the operation and management of the North Dakota leadership and educational administration development center."

Page 7, line 1, replace "three" with "eleven"

Page 7, line 3, replace "Forty-eight" with "Fifty-two"

Page 7, line 5, replace "Forty-eight" with "Fifty"

Page 7, line 16, replace "Forty-eight" with "Fifty"

Page 7, line 23, replace "Twenty-eight" with "Thirty"

Page 7, line 30, replace "$1,735,000" with "$1,630,000"

Page 8, after line 17, insert:

"**SECTION 14. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME FUNDING - DISTRIBUTION.** The line item entitled grants - other grants included in subdivision 1 of section 1 of this Act includes $100,000 from the foundation aid stabilization fund for the purpose of providing a one-time $25,000 grant to each regional education association that merges with another regional education association to form a single entity with a single governing board during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 15. REGIONAL EDUCATION ASSOCIATION GRANTS - DISTRIBUTION. The line item entitled integrated formula payments included in subdivision 1 of section 1 of this Act includes $500,000 from the general fund for the purpose of providing annual grants to regional education associations for the biennium beginning July 1, 2017, and ending June 30, 2019. An annual grant of $31,250 is provided to each regional education association that exists as of July 1, 2017. Regional education associations that merge during the 2017-19 biennium are entitled to the annual grants that would have been paid to each of the member associations."

Page 9, line 22, replace "$2,378,000" with "$3,018,000"

Page 10, line 25, replace "22" with "25"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1013 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Department of Public Instruction				
Total all funds	$2,313,694,305	$2,326,729,929	($80,880)	$2,326,649,049
Less estimated income	624,685,766	865,741,257	85,808	865,827,065
General fund	$1,689,008,539	$1,460,988,672	($166,688)	$1,460,821,984
State Library				
Total all funds	$8,518,732	$7,871,875	($6,014)	$7,865,861
Less estimated income	2,438,751	2,248,349	(789)	2,247,560
General fund	$6,079,981	$5,623,526	($5,225)	$5,618,301
School for the Deaf				
Total all funds	$9,631,091	$10,546,428	$140,542	$10,686,970
Less estimated income	1,089,210	3,198,724	(280)	3,198,444
General fund	$8,541,881	$7,347,704	$140,822	$7,488,526
Vision Services - School for the Blind				
Total all funds	$5,317,972	$5,585,322	$23,571	$5,608,893
Less estimated income	569,325	1,214,753	(6)	1,214,747
General fund	$4,748,647	$4,370,569	$23,577	$4,394,146
Bill total				
Total all funds	$2,337,162,100	$2,350,733,554	$77,219	$2,350,810,773
Less estimated income	628,783,052	872,403,083	84,733	872,487,816
General fund	$1,708,379,048	$1,478,330,471	($7,514)	$1,478,322,957

House Bill No. 1013 - Department of Public Instruction - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$18,280,006	$17,464,178	($25,002)	$17,439,176
Operating expenses	30,517,072	30,165,005		30,165,005
Integrated formula payments	1,916,640,000	1,940,295,041	(5,090,878)	1,935,204,163
Grants - Special education contracts	17,300,000	19,300,000		19,300,000
Grants - Transportation	57,000,000	51,300,000	4,100,000	55,400,000
Grants - Other grants	267,807,227	254,062,705	100,000	254,162,705
PowerSchool	6,000,000	5,500,000		5,500,000
Transportation efficiency	30,000	30,000		30,000
National board certification	120,000	120,000		120,000
Grants - Program grants		6,115,000	195,000	6,310,000
Grants - Passthrough grants		2,378,000	640,000	3,018,000
Total all funds	$2,313,694,305	$2,326,729,929	($80,880)	$2,326,649,049
Less estimated income	624,685,766	865,741,257	85,808	865,827,065
General fund	$1,689,008,539	$1,460,988,672	($166,688)	$1,460,821,984
FTE	99.75	91.75	0.00	91.75

Department No. 201 - Department of Public Instruction - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Adjusts Funding for Integrated Formula Payments[2]	Restores Funding for Regional Education Association Grants[3]	Increases Funding for Transportation Grants[4]	Adds One-time Funding for Regional Education Association Merger Grants[5]	Adjusts Funding for the Program Grant Pool[6]
Salaries and wages	($25,002)					
Operating expenses						
Integrated formula payments		(5,590,878)	500,000			
Grants - Special education contracts						
Grants - Transportation				4,100,000		
Grants - Other grants					100,000	
PowerSchool						
Transportation efficiency						
National board certification						
Grants - Program grants						95,000

Grants - Passthrough grants						
Total all funds	($25,002)	($5,590,878)	$500,000	$4,100,000	$100,000	$95,000
Less estimated income	(14,192)	0	0	0	100,000	0
General fund	($10,810)	($5,590,878)	$500,000	$4,100,000	$0	$95,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Increases Funding for Adult Education Matching Grants[7]	Increases Funding for Passthrough Grants[8]	Total Senate Changes
Salaries and wages			($25,002)
Operating expenses			
Integrated formula payments			(5,090,878)
Grants - Special education contracts			
Grants - Transportation			4,100,000
Grants - Other grants			100,000
PowerSchool			
Transportation efficiency			
National board certification			
Grants - Program grants	100,000		195,000
Grants - Passthrough grants		640,000	640,000
Total all funds	$100,000	$640,000	($80,880)
Less estimated income	0	0	85,808
General fund	$100,000	$640,000	($166,688)
FTE	0.00	0.00	0.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

[2] Funding for integrated formula payments is adjusted to remove funding for changes made by the House affecting local revenue calculations in the formula.

[3] Funding is restored for regional education association grants to provide a total of $500,000, $300,000 less than the base budget. The House removed funding for the regional education association coordinator grants. The Senate restored the grants as annual state aid to be distributed equally to all regional education associations that exist as of July 1, 2017 rather than grants for coordinators.

[4] Funding for transportation grants is increased to provide a total of $55.4 million, $1.6 million less than the base budget.

[5] One-time funding is added from the foundation aid stabilization fund for regional education association merger grants. This program was not included in the executive recommendation or the House version.

[6] Funding for the program grant pool is adjusted to remove the free breakfast program from the grant pool ($205,000) and provide a separate grant of $200,000 for the free breakfast program in the program grants line, $5,000 less than the House version. The Senate also added $100,000 to the program grant pool to allow the Superintendent of Public Instruction to assume the operation and management of the North Dakota Leadership and Educational Administration Development Center to provide a total of $1,630,000 from the general fund for a grant pool for the following programs:

- Leveraging the senior year;
- Leadership program;
- Continuing education grants;
- Preschool continuing education grants;
- Curriculum alignment grants;
- Teacher and principal evaluation system grants; and
- North Dakota Leadership and Educational Administration Development Center.

In addition, the Senate added a section to provide the unexpended amount remaining from the transfer of $1,252,627 from the 2013-15 biennium, as permitted in Section 32 of Chapter 137 of the 2015 Session Laws to enhance the delivery and the participation of students and teachers in advanced placement courses during the 2015-17 biennium, is not subject to the provisions of North Dakota Century Code Section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium, for the purpose of increasing the program grant pool.

[7] Funding for adult education matching grants is increased to provide a total of $3,100,000 from the general fund, $1,010,411 less than the base budget.

[8] Funding for passthrough grants is increased as follows:

	Increase	Total
Teacher mentoring	$100,000	$2,100,000
Rural art outreach project	340,000	350,000
Global Bridges	100,000	200,000
Young entrepreneur education program	30,000	30,000
Pathfinders Parent Project	70,000	70,000
Total	$640,000	$2,750,000

The executive recommendation included $120,000 for the Pathfinders Parent Project. The remaining passthrough grants were not funded in the executive recommendation.

This amendment also:

- Adds a section to provide the unexpended amount remaining from the transfer of $1,252,627 from the 2013-15 biennium, as permitted in Section 32 of Chapter 137 of the 2015 Session Laws to enhance the delivery and the participation of students and teachers in advanced placement courses during the 2015-17 biennium, is not subject to the provisions of Section 54-44.1-11 at the end of the 2015-17 biennium and may be continued into the 2017-19 biennium, for the purpose of increasing the program grant pool.
- Amends the section related to the distribution of transportation grants to update reimbursement rates.
- Amends the section related to the distribution of the program grant pool to adjust the total of the grant pool. The Senate added $100,000 to the grant pool for the operation and management of the North Dakota Leadership and Educational Administration Development Center and removed the free breakfast program from the grant pool ($205,000) to provide a separate appropriation for the program.
- Adds a section related to the distribution of one-time regional education association merger grants.
- Adds a section related to the distribution of regional education association grants included in the integrated formula payments line.
- Amends the section related to the distribution of passthrough grants to increase funding for certain passthrough grants.

House Bill No. 1013 - State Library - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$4,019,839	$4,158,772	($6,014)	$4,152,758
Operating expenses	1,713,393	1,604,075		1,604,075
Grants	2,785,500	2,109,028		2,109,028
Total all funds	$8,518,732	$7,871,875	($6,014)	$7,865,861
Less estimated income	2,438,751	2,248,349	(789)	2,247,560
General fund	$6,079,981	$5,623,526	($5,225)	$5,618,301
FTE	29.75	28.75	0.00	28.75

Department No. 250 - State Library - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Total Senate Changes
Salaries and wages	($6,014)	($6,014)
Operating expenses		
Grants		
Total all funds	($6,014)	($6,014)
Less estimated income	(789)	(789)
General fund	($5,225)	($5,225)
FTE	0.00	0.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

House Bill No. 1013 - School for the Deaf - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$7,291,854	$7,498,207	$90,542	$7,588,749
Operating expenses	1,925,163	1,976,543	50,000	2,026,543
Capital assets	227,174	891,678		891,678
Grants	186,900	180,000		180,000
Total all funds	$9,631,091	$10,546,428	$140,542	$10,686,970
Less estimated income	1,089,210	3,198,724	(280)	3,198,444
General fund	$8,541,881	$7,347,704	$140,822	$7,488,526
FTE	45.61	44.61	1.00	45.61

Department No. 252 - School for the Deaf - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Restores 1 FTE Position[2]	Increases Funding for Operating Expenses[3]	Total Senate Changes
Salaries and wages	($9,458)	$100,000		$90,542
Operating expenses			50,000	50,000
Capital assets				
Grants				
Total all funds	($9,458)	$100,000	$50,000	$140,542
Less estimated income	(280)	0	0	(280)
General fund	($9,178)	$100,000	$50,000	$140,822
FTE	0.00	1.00	0.00	1.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

[2] One FTE position and related funding of $100,000 is restored. The executive recommendation and House version removed 1 FTE position and related funding of $120,000.

[3] Funding for operating expenses is restored. The executive recommendation and House version reduced funding for operating expenses by $100,000.

House Bill No. 1013 - Vision Services - School for the Blind - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	$4,554,349	$4,667,424	($6,429)	$4,660,995

Operating expenses	739,169	743,206	30,000	773,206
Capital assets	24,454	174,692		174,692
Total all funds	$5,317,972	$5,585,322	$23,571	$5,608,893
Less estimated income	569,325	1,214,753	(6)	1,214,747
General fund	$4,748,647	$4,370,569	$23,577	$4,394,146
FTE	30.00	28.50	0.00	28.50

Department No. 253 - Vision Services - School for the Blind - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Increases Funding for Operating Expenses[2]	Total Senate Changes
Salaries and wages	($6,429)		($6,429)
Operating expenses		30,000	30,000
Capital assets			
Total all funds	($6,429)	$30,000	$23,571
Less estimated income	(6)	0	(6)
General fund	($6,423)	$30,000	$23,577
FTE	0.00	0.00	0.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

[2] Funding for operating expenses is increased. The executive recommendation and House version did not include this increase.

REPORT OF STANDING COMMITTEE

HB 1020, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1020 was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact two new sections to chapter 61-02 of the North Dakota"

Page 1, remove line 2

Page 1, line 3, remove "subsection 1 of"

Page 1, line 3, remove "section 61-02-02,"

Page 1, line 4, after "61-02-79" insert ", 61-29-06, 61-40-05,"

Page 1, line 5, remove "definitions,"

Page 1, line 6, after the second comma insert "management of the Little Missouri scenic river, the authority of the western area water supply authority,"

Page 1, line 7, remove "to provide"

Page 1, line 8, replace "for a state engineer study;" with "to provide for an industrial commission study;"

Page 1, line 8, remove "to the"

Page 1, line 8, after "management" insert "study and reports"

Page 1, line 10, after "commission" insert "and the industrial commission"

Page 1, line 10, replace "and" with "to provide for a transfer;"

Page 1, line 10, after "exemptions" insert "; to provide a contingent effective date; to provide an effective date; to provide an expiration date; and to declare an emergency"

Page 1, replace lines 19 through 21 with:

"Administrative and support services	$5,535,618	$97,568	$5,633,186
Water and atmospheric resources	863,400,218	(146,889,929)	716,510,289
Total all funds	$868,935,836	($146,792,361)	$722,143,475"

Page 2, line 2, replace "$277,612" with "$257,498"

Page 2, line 3, replace "$1,249" with "$1,241"

Page 2, remove lines 4 through 8

Page 2, remove lines 15 through 23

Page 3, line 5, replace "$299,875,000" with "$298,875,000"

Page 3, replace lines 6 through 12 with:

"a. $147,125,000 for water supply;

b. $136,000,000 for flood control; and

c. $15,750,000 for general water."

Page 3, remove lines 17 through 31

Page 4, replace lines 1 through 3 with:

"**SECTION 6. LEGISLATIVE INTENT - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING.** Except for funding provided during bienniums prior to the 2017-19 biennium, it is the intent of the sixty-fifth legislative assembly that the state provide no more than $193,000,000 of state funding for Mouse River flood control projects within the city limits of Minot. It is the intent of the sixty-fifth legislative assembly that the $193,000,000 be made available during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums.

SECTION 7. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT. It is the intent of the sixty-fifth legislative assembly that the state water commission provide up to $30,000,000, for a ninety percent state cost share to the Garrison diversion conservancy district to be used for the design, permitting, property and easement acquisition related to the project, construction, and other related activity for the Red River valley water supply project, for the biennium beginning July 1, 2017, and ending June 30, 2019. The Garrison diversion conservancy district shall report on a regular basis to the legislative management's water topics overview committee during the 2017-18 interim regarding the progress of the Red River valley water supply project."

Page 4, line 5, replace "The" with "Notwithstanding section 5 of chapter 500 of the 2011 Session Laws, the"

Page 4, line 8, replace "$19,500,000" with "$25,000,000"

Page 4, line 8, remove "from funds"

Page 4, remove line 9

Page 4, line 10, replace "chapter 20 of the 2013 Session Laws" with "from the general fund to the western area water supply authority authorized in section 3 of chapter 500 of the 2011 Session Laws"

Page 4, line 11, remove "If the"

Page 4, remove lines 12 and 13

Page 4, line 14, replace "under section 61-40-09." with "The western area water supply authority is not obligated to repay principal on loans from the resources trust fund for the period beginning July 1, 2017, and ending June 30, 2018. The interest rate on the $10,000,000 loan to the western area water supply authority authorized in section 4 of chapter 500 of the 2011 Session Laws must be 2.5 percent on any outstanding balance remaining after the effective date of this Act."

Page 4, line 16, replace "quarterly" with "monthly"

Page 4, line 22, replace "11" with "8"

Page 4, after line 25, insert:

"**SECTION 10. APPROPRIATION - INDUSTRIAL COMMISSION STUDY - WESTERN AREA WATER SUPPLY AUTHORITY - REPORT TO LEGISLATIVE MANAGEMENT.** There is appropriated out of any moneys in the resources trust fund, in the state treasury, the sum of $150,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of conducting an independent study of the feasibility and desirability of the sale or lease of the industrial water supply assets of the western area water supply authority, for the period beginning with the effective date of this Act, and ending June 30, 2019. The study must provide information regarding the financial impact to the western area water supply authority, its members and customers, the financial viability of the authority, and options available to the authority for debt servicing. The industrial commission may form a nonvoting advisory committee chaired by the state engineer to provide input regarding the scope of the study and to receive reports on the status of the study. The industrial commission shall report to the legislative management's interim water topics overview committee on the results of the study by June 1, 2018.

SECTION 11. ACTIONS RESULTING FROM THE WESTERN AREA WATER SUPPLY AUTHORITY STUDY.

1. If the industrial commission determines, based on the study directed in section 10 of this Act, that it is feasible and desirable to lease or sell the industrial water supply assets of the western area water supply authority, the industrial commission shall develop a timeline to complete the lease or the sale of the industrial water assets of the western area water supply authority and report to the legislative management's interim water topics overview committee.

2. If the industrial commission determines, based on the study directed in section 10 of this Act, that it is not feasible and desirable to lease or sell the industrial water supply assets of the western area water supply authority, notwithstanding section 5 of chapter 500 of the 2011 Session Laws, the western area water supply authority shall, with the assistance of the industrial commission and the Bank of North Dakota, repay its obligations to the Bank of North Dakota and the state water commission through the issuance of revenue bonds or other financing options acceptable to the industrial commission and Bank of North Dakota."

Page 4, remove lines 26 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 30

Page 8, replace lines 1 through 5 with:

"**SECTION 12. AMENDMENT.** Section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07. Allocation of moneys in oil extraction tax development fund.

Moneys deposited in the oil extraction tax development fund must be transferred monthly by the state treasurer 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.

2. Twenty percent must be allocated to the common schools trust fund and foundation aid stabilization fund as provided in section 24 of article X of the Constitution of North Dakota.

3. Thirty percent must be allocated to the legacy fund as provided in section 26 of article X of the Constitution of North Dakota.

4. Thirty percent must be allocated and credited to the state's general fund.

SECTION 13. AMENDMENT. Section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07. Allocation of moneys in oil extraction tax development fund.

Moneys deposited in the oil extraction tax development fund must be transferred monthly by the state treasurer 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. 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.

2. Twenty percent must be allocated to the common schools trust fund and foundation aid stabilization fund as provided in section 24 of article X of the Constitution of North Dakota.

3. Thirty percent must be allocated to the legacy fund as provided in section 26 of article X of the Constitution of North Dakota.

4. Thirty percent must be allocated and credited to the state's general fund."

Page 8, remove lines 6 through 30

Page 9, remove lines 1 through 24

Page 9, line 31, replace "twenty-five" with "twenty-six"

Page 10, line 7, overstrike "that" and insert immediately thereafter "of one and one-half percent over the three month London interbank offered rate, but"

Page 10, line 7, overstrike "one and three-quarters" and insert immediately thereafter "three"

Page 10, replace lines 15 through 26 with:

"**SECTION 16. AMENDMENT.** Section 61-29-06 of the North Dakota Century Code is amended and reenacted as follows:

61-29-06. Management.

Channelization, reservoir construction, or diversion other than for agricultural ~~or~~, recreational, or temporary use purposes and the dredging of waters within the confines of the Little Missouri scenic river and all Little Missouri River tributary streams are expressly prohibited. Flood control dikes may be constructed within the

floodplain of the Little Missouri River. Diking and riprapping for bank erosion control shall be permitted within the confines of the Little Missouri scenic river. The construction of impoundments for any purpose on the Little Missouri mainstream shall be prohibited.

This chapter shall in no way affect or diminish the rights of owners of the land bordering the river to use the waters for domestic purposes, including livestock watering, or any other rights of riparian landowners.

SECTION 17. AMENDMENT. Section 61-40-05 of the North Dakota Century Code is amended and reenacted as follows:

61-40-05. Authority of the western area water supply authority.

In addition to authority declared under section 61-40-01, the board of directors of the western area water supply authority may:

1. Sue and be sued in the name of the authority.

2. Exercise the power of eminent domain in the manner provided by title 32 or as described in this chapter for the purpose of acquiring and securing any right, title, interest, estate, or easement necessary or proper to carry out the duties imposed by this chapter, and particularly to acquire the necessary rights in land for the construction of an entire part of any pipeline, reservoir, connection, valve, pumping installation, or other facility for the storage, transportation, or utilization of water and all other appurtenant facilities used in connection with the authority. However, if the interest sought to be acquired is a right of way for any project authorized in this chapter, the authority, after making a written offer to purchase the right of way and depositing the amount of the offer with the clerk of the district court of the county in which the right of way is located, may take immediate possession of the right of way, as authorized by section 16 of article I of the Constitution of North Dakota. Within thirty days after notice has been given in writing to the landowner by the clerk of the district court that a deposit has been made for the taking of a right of way as authorized in this subsection, the owner of the property taken may appeal to the district court by serving a notice of appeal upon the acquiring agency, and the matter must be tried at the next regular or special term of court with a jury unless a jury be waived, in the manner prescribed for trials under chapter 32-15.

3. Accept funds, property, services, pledges of security, or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purpose of aiding and promoting the construction, maintenance, and operation of the authority. The authority may cooperate and contract with the state or federal government, or any department or agency of state or federal government, or any city, water district, or water system within the authority, in furnishing assurances and meeting local cooperation requirements of any project involving treatment, control, conservation, distribution, and use of water.

4. Cooperate and contract with the agencies or political subdivisions of this state or other states, in research and investigation or other activities promoting the establishment, construction, development, or operation of the authority.

5. Appoint and fix the compensation and reimbursement of expenses of employees as the board determines necessary to conduct the business and affairs of the authority and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for the authority in its proceedings.

6. Operate and manage the authority to distribute water to authority members and others within or outside the territorial boundaries of the authority and this state.

7. Hold, own, sell, or exchange any and all property purchased or acquired by the authority. All money received from any sale or exchange of property must be deposited to the credit of the authority and may be used to pay expenses of the authority.

8. Enter contracts to obtain a supply of bulk water through the purchase of infrastructure, bulk water sale or lease, which contracts may provide for payments to fund some or all of the authority's costs of acquiring, constructing, or reconstructing one or more water supply or infrastructure.

9. Acquire, construct, improve, and own water supply infrastructure, office and maintenance space in phases, in any location, and at any time.

10. Enter contracts to provide for a bulk sale, lease, or other supply of water for beneficial use to persons within or outside the authority. The contracts may provide for payments to fund some or all of the authority's costs of acquiring, constructing, or reconstructing one or more water system projects, as well as the authority's costs of operating and maintaining one or more projects, whether the acquisition, construction, or reconstruction of any water supply project actually is completed and whether water actually is delivered pursuant to the contracts. The contracts the cities, water districts, and other entities that are members of the western area water supply authority are authorized to execute are without limitation on the term of years.

11. Borrow money as provided in this chapter.

12. Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of its powers or in the performance of its covenants or duties or in order to secure the payment of its obligations, but an encumbrance, mortgage, or other pledge of property of the authority may not be created by any contract or instrument.

13. Accept from any authorized state or federal agency loans or grants for the planning, construction, acquisition, lease, or other provision of a project, and enter agreements with the agency respecting the loans or grants. Other than state-guaranteed loans, additional debt that may form the basis of a claim for territorial or franchise protection for industrial water sales for oil and gas exploration and production may be acquired by the authority or member entities only upon approval by the industrial commission and the emergency commission.

14. Contract debts and borrow money, pledge property of the authority for repayment of indebtedness, and provide for payment of debts and expenses of the authority.

15. Operate and manage the authority to distribute water to any out-of-state cities or water systems that contract with the authority.

16. Accept, apply for, and hold water allocation permits.

17. Adopt rules concerning the planning, management, operation, maintenance, sale, and ratesetting regarding water sold by the authority. The authority may adopt a rate structure with elevated rates set for project industrial water depot and lateral supplies in recognition that a large component of the project expense is being incurred to meet the demands of industrial users. The industrial water depot and lateral rate structure must be approved in accordance with section 61-40-11.

18. Develop water supply systems; store and transport water; and provide, contract for, and furnish water service for domestic, municipal, and rural water purposes; milling, manufacturing, mining, industrial, metallurgical, and any and all other beneficial uses; and fix the terms and rates therefore. The authority may acquire, construct, operate, and maintain

dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels, and any and all treatment plants, works, facilities, improvements, and property necessary the same without any required public vote before taking action.

19. Contract to purchase or improve water supply infrastructure or to obtain bulk water supplies without requiring any vote of the public on the projects or contracts. In relation to the initial construction of the system and for the purposes of entering a contract with the authority, municipalities are exempt from the public voting requirements or water contract duration limitations otherwise imposed by section 40-33-16.

20. Accept assignment by member entities of contracts that obligate member entities to provide a water supply, contracts that relate to construction of water system infrastructure, or other member entity contracts that relate to authorities transferred to the authority under this chapter.

21. Issue revenue bonds to repay its loan obligations to the Bank of North Dakota and the state water commission."

Page 10, line 30, overstrike "The"

Page 10, line 30, remove "industrial commission shall provide"

Page 10, line 30, overstrike "an industrial water depot and"

Page 10, line 31, overstrike "lateral retail rate"

Page 11, line 2, remove "for the authority which is a competitive, floating, market rate" and insert immediately thereafter "The industrial commission may authorize the authority to contract at competitive, floating, market rates for industrial water depot and lateral retail sales. The authority shall provide a report on the rates to the commission and legislative management's water topics overview committee on a regular basis"

Page 11, line 9, replace "$25,000,000" with "$26,000,000"

Page 11, replace lines 11 through 20 with:

"**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - OIL AND GAS INDUSTRIAL WATER USE.** During the 2017-18 interim, the legislative management shall consider studying industrial water use of the oil and gas industry. The study is to include the recapture of water used in fracking, the recycling of water used in fracking, and other oil and gas activities, fracking methods which do not require the use of water, and taxes or fees other states charge for water used in the oil and gas industry.

SECTION 21. EFFECTIVE DATE - EXPIRATION DATE. Section 12 of this Act becomes effective on July 1, 2017, is effective through June 30, 2019, and after that date is ineffective. Section 13 of this Act becomes effective on July 1, 2019.

SECTION 22. CONTINGENT EFFECTIVE DATE. Section 17 of this Act is contingent on certification by the industrial commission to the legislative council that the industrial commission has determined the western area water supply authority shall, with the assistance of the industrial commission and the Bank of North Dakota, repay its obligations to the Bank of North Dakota and the state water commission through the issuance of revenue bonds, as provided under subsection 2 of section 11 of this Act.

SECTION 23. EMERGENCY. Sections 8, 9, 10, 11, 16, 17, and 22 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Industrial Commission				
Total all funds	$0	$0	$150,000	$150,000
Less estimated income	0	0	150,000	150,000
General fund	$0	$0	$0	$0
State Water Commission				
Total all funds	$868,935,836	$860,013,589	($137,870,114)	$722,143,475
Less estimated income	868,935,836	860,013,589	(137,870,114)	722,143,475
General fund	$0	$0	$0	$0
Bill total				
Total all funds	$868,935,836	$860,013,589	($137,720,114)	$722,293,475
Less estimated income	868,935,836	860,013,589	(137,720,114)	722,293,475
General fund	$0	$0	$0	$0

House Bill No. 1020 - Industrial Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
WAWS industrial water study			$150,000	$150,000
Total all funds	$0	$0	$150,000	$150,000
Less estimated income	0	0	150,000	150,000
General fund	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00

Department No. 405 - Industrial Commission - Detail of Senate Changes

	Adds Funding for WAWS Industrial Water Study[1]	Total Senate Changes
WAWS industrial water study	$150,000	$150,000
Total all funds	$150,000	$150,000
Less estimated income	150,000	150,000
General fund	$0	$0
FTE	0.00	0.00

[1] A section is added appropriating $150,000 from the resources trust fund for conducting an independent study of the feasibility and desirability of the sale or lease of the industrial water supply assets of the Western Area Water Supply Authority. The Industrial Commission is required to report the findings to the Water Topics Overview Committee by June 1, 2018.

This amendment also:

- Adds a section requiring the Industrial Commission, based on the results of the study, to either develop a timeline to complete the lease or the sale of the Western Area Water Supply Authority's assets or assist the Western Area Water Supply Authority in refinancing its outstanding debt through bonding.
- Adds a section amending North Dakota Century Code Section 61-40-05 to allow, under certain conditions, the Western Area Water Supply Authority to issue revenue bonds to repay its loan obligations to the Bank of North Dakota and the State Water Commission.

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

	Base Budget	House Version	Senate Changes	Senate Version
Administrative and support services	$5,535,618	$5,635,772	($2,586)	$5,633,186
Water and atmospheric resources	863,400,218	736,077,817	(19,567,528)	716,510,289
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	$860,013,589	($137,870,114)	$722,143,475
Less estimated income	868,935,836	860,013,589	(137,870,114)	722,143,475
General fund	$0	$0	$0	$0
FTE	97.00	93.00	0.00	93.00

Department No. 770 - State Water Commission - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases[1]	Adjusts Funding Available for Water Projects[2]	Removes Funding for Flood Hazard Risk Management Study[3]	Removes Funding from Minot Flood Control Loan[4]	Removes Funding from Water Authority Debt Payments[5]	Total Senate Changes
Administrative and support services	($2,586)					($2,586)
Water and atmospheric resources	(17,528)	(19,500,000)	(50,000)			(19,567,528)
Minot flood control loan				(110,000,000)		(110,000,000)
Water authority debt payments					(8,300,000)	(8,300,000)
Total all funds	($20,114)	($19,500,000)	($50,000)	($110,000,000)	($8,300,000)	($137,870,114)
Less estimated income	(20,114)	(19,500,000)	(50,000)	(110,000,000)	(8,300,000)	(137,870,114)
General fund	$0	$0	$0	$0	$0	$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

[1] Funding for employee health insurance is adjusted to reflect the updated premium amount of $1,241 per month. Section 2 of the bill is also adjusted to reflect this change.

[2] Funding of $19,500,000 from the resources trust fund is removed as a result of the Senate changes to the refinancing of Western Area Water Supply Authority debt. The House included the refinancing of the $19.5 million loan from the resources trust fund. The Senate provided for refinancing the $25 million loan from the general fund.

[3] Funding of $50,000 from the resources trust fund is removed for a study by the State Engineer of flood hazard risk management added by the House.

[4] The $110 million loan authorization from the Bank of North Dakota provided by the House to the State Water Commission for the Minot flood control project is removed. The Senate included legislative intent that the state provide $193 million during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums for the Mouse River flood control projects within the city limits of Minot.

[5] The Senate removed Sections 5, 19, and 20 added by the House related to fresh water royalty payments. The removal of these sections reduces resources trust fund revenues by an estimated $8.3 million which were appropriated to the State Water Commission.

This amendment also:

- Removes Section 3 which provided for a $135,000 grant from the resources trust fund to the Game and Fish Department for law enforcement activities on sovereign lands in the state.
- Reduces water-related funding designations in Section 7 from $299,875,000 to $298,875,000 and combines the seven designations into three. The Senate designates $147,125,000 for water supply, $136,000,000 for flood control, and $15,750,000 for general water.
- Removes Section 8 related to Northwest Area Water Supply Project funding.
- Removes Sections 9 and 10 related to a $110 million loan authorization from the Bank of North Dakota and an appropriation of the loan proceeds to the State Water Commission for the Minot flood control project and legislative intent.
- Adds a section providing legislative intent that the state provide no more than $193 million of state funding for Mouse River flood control projects within the city limits of Minot during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums.

- Adds a section providing legislative intent that the State Water Commission provide $30 million to the Garrison Diversion Conservancy District for the Red River Valley Water Supply Project which is a 90 percent cost share.
- Changes Section 11 regarding the refinancing of Western Area Water Supply Authority debt, to remove the repayment of a $19.5 million loan from the resources trust fund, but instead repay a $25 million loan from the general fund. The section also changes the Western Area Water Supply Authority financial reporting from quarterly to monthly, directs the Western Area Water Supply Authority to abstain from repaying principal on loans from the resources trust fund from July 1, 2017, through June 30, 2018, and changes the interest rate on the $10 million loan to the Western Area Water Supply Authority from 5 to 2.5 percent.
- Removes Sections 13 and 14 added by the House which appropriated $50,000 to the State Engineer to conduct a flood hazard risk management study.
- Changes Section 15 to provide for a $200,000 allocation from the resources trust fund to the energy conservation grant fund for the 2017-19 biennium and restores the allocation to $1.2million for subsequent bienniums. The House removed all allocations to the energy conservation grant fund.
- Changes Sections 17 and 21 to increase the total allocation to the infrastructure revolving loan fund from $25 million as provided by the House to $26 million.
- Changes Section 18 related to the interest rate of the line of credit from the Bank of North Dakota to the State Water Commission from "may not exceed 1.75 percent" to "1.5 percent over the three month London interbank offered rate which may not exceed three percent."
- Adds a section amending Section 61-29-06 to authorize the State Water Commission to issue temporary use permits within the confines of the Little Missouri Scenic River and all Little Missouri River tributary streams.
- Changes Section 20 to authorize the Industrial Commission to allow the Western Area Water Supply Authority to contract at competitive, floating, market rates for industrial water depot and lateral retail sales. The House version directed the Industrial Commission to get the competitive, floating, market rate.
- Removes Section 22 regarding a Legislative Management study of the Western Area Water Supply Authority's industrial infrastructure.
- Adds a section for the Legislative Management to consider studying the industrial water use of the oil and gas industry.
- Adds an emergency clause.

REPORT OF STANDING COMMITTEE

HB 1038, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1038 was placed on the Fourteenth order on the calendar.

REPORT OF STANDING COMMITTEE

HB 1040, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1040, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the Senate as printed on pages 852-854 of the Senate Journal, Reengrossed House Bill No. 1040 is amended as follows:

Page 1, line 5, remove "to provide for a report;"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 6 with:

"**SECTION 3. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - PEER-TO-PEER SUPPORT SERVICES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to a statewide peer-to-peer support organization, for the biennium beginning July 1, 2017, and ending June 30, 2019.

Funds awarded must be used for providing recovery and peer support services to individuals with emotional, behavioral, or mental health needs.

SECTION 4. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - FAMILY-TO-FAMILY SUPPORT SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to a statewide family-to-family support organization, for the biennium beginning July 1, 2017, and ending June 30, 2019. Funds awarded must be used for providing recovery and peer support services to individuals with emotional, behavioral, or mental health needs."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds:

- A general fund appropriation of $200,000 to the Department of Human Services for providing a grant to a statewide peer-to-peer support organization.

- A general fund appropriation of $200,000 to the Department of Human Services for providing a grant to a statewide family-to-family support organization.

REPORT OF STANDING COMMITTEE

HB 1318, as engrossed: Education Committee (Sen. Schaible, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1318 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 a legislative management study of the state aid funding formula for elementary and secondary education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. LEGISLATIVE MANAGEMENT STUDY - STATE AID FUNDING FORMULA FOR ELEMENTARY AND SECONDARY EDUCATION - COMMITTEE - APPOINTMENT - DUTIES.

1. During the 2017-18 interim, the legislative management shall consider appointing a committee consisting of five members of the senate and six members of the house of representatives to:

   a. Examine how state aid for elementary and secondary education is determined and distributed under the state aid funding formula, analyze the impact of the state aid provided through the funding formula, and consider potential necessary changes to the funding formula to ensure equity, adequacy, and sustainability; and

   b. Examine the delivery and administration of elementary and secondary education in the state and the short- and long-term policy and statutory changes that may result from or be necessitated by twenty-first century technological advances and global economics.

2. The legislative management shall designate the chairman and vice chairman of the committee.

3. The committee shall operate under the rules applicable to other legislative management committees, except the committee may create task forces or working groups to meet the study directives.

4. Any member of the legislative assembly appointed to serve on a task force or working group under this Act may receive per diem compensation and reimbursement for actual and necessary expenses, as

provided by law. Any other individual appointed to serve on a task force or working group may receive reimbursement from the legislative council, for actual and necessary expenses, as provided by law for state officials.

5. The committee shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

Renumber accordingly

REPORT OF STANDING COMMITTEE

HB 1324, as reengrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1324, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments as printed on pages 875-877 of the Senate Journal, Reengrossed House Bill No. 1324 is amended as follows:

Page 1, line 1, after "to" insert "create and enact a new section to chapter 15.1-09.1 of the North Dakota Century Code, relating to audits of regional education associations; to"

Page 1, line 1, after "sections" insert "15.1-01-03, 15.1-09.1-10,"

Page 1, line 2, after "the" insert "powers and duties of the state board of public school education and the"

Page 1, line 2, after "districts" insert "and regional education associations; to provide statements of legislative intent; and to provide for a legislative management study"

Page 1, after line 3, insert:

"**SECTION 1. AMENDMENT.** Section 15.1-01-03 of the North Dakota Century Code is amended and reenacted as follows:

15.1-01-03. State board of public school education - Powers and duties.

1. The state board of public school education shall:

   a. Assist county committees in carrying out their duties.

   b. Provide county committees with clerical assistance, plans of procedure, standards, data, maps, forms, and other materials, information, and services.

   c. Appoint members to the county committee, if the county superintendent does not fulfill this duty, as provided for in section 15.1-10-01.

   d. Provide oversight for regional education associations as required by chapter 15.1-09.1.

2. The state board of public school education may adopt rules ~~regarding school district reorganizations, annexations, and dissolutions~~in accordance with chapter 28-32.

SECTION 2. A new section to chapter 15.1-09.1 of the North Dakota Century Code is created and enacted as follows:

Regional education association - Audit.

To be eligible for state funding, a regional education association must be audited, at least annually, by a certified public accountant or a licensed public accountant. The audit must be presented to the state board of public school education. If any irregularities are noted, the state board of public school education

may direct the superintendent of public instruction to withhold all payments to a regional education association until the board determines the irregularities have been addressed.

SECTION 3. AMENDMENT. Section 15.1-09.1-10 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09.1-10. State aid - Payable to a regional education association - Obligation of district.

1. The superintendent of public instruction shall forward the portion of a school district's state aid which is payable by the superintendent under subdivision l of subsection 1 of section 15.1-27-03.1 as a result of the district's participation in a regional education association directly to the association in which the district participates. The superintendent shall forward the amount payable under this subsection at the same time and in the same manner as provided for other state aid payments under section 15.1-27-01, unless otherwise directed in accordance with section 2 of this Act.

2. If the superintendent of public instruction determines that a school district failed to meet any contractual or statutory obligation imposed upon it as a result of the district's participation in a regional education association, the superintendent shall notify the state board of public school education and shall subtract the amount for which the district was not eligible from any future distribution of state aid to the district under section 15.1-27-01."

Page 7, remove the overstrike over line 29

Page 7, line 30, remove the overstrike over "~~percent of all revenues listed in paragraphs 6, 8, and 9 of~~"

Page 8, after line 3, insert:

"**SECTION 6. LEGISLATIVE MANAGEMENT STUDY - SERVICES PROVIDED TO SCHOOLS.** During the 2017-18 interim, the legislative management shall consider studying entities that deliver kindergarten through grade twelve professional development services, distance curriculum, support for schools in achieving school improvement goals, assistance with analysis and interpretation of student achievement data, and technology support services. The study must focus on the funding, governance, nature, scope, and quality of services provided to schools. The study also must focus on the duplication of services across entities and the accountability for expenditures. The study must identify efficiencies and the desirability and feasibility of consolidating services. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 7. LEGISLATIVE INTENT - REGIONAL EDUCATION ASSOCIATIONS. It is the intent of the sixty-fifth legislative assembly that, during the 2017-19 biennium, regional education associations merge with other regional education associations to form four regional education associations each representing a quadrant in the northeast, southeast, southwest, and northwest portions of the state.

SECTION 8. LEGISLATIVE INTENT - TRANSPORTATION GRANTS. It is the intent of the sixty-fifth legislative assembly that $55,400,000 be included in the transportation grants line item in House Bill No. 1013."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2239: Your conference committee (Sens. Casper, Campbell, Nelson and Reps. Westlind, B. Anderson, Dobervich) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 695 and place SB 2239 on the Seventh order.

SB 2239 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2311, as engrossed: Your conference committee (Sens. Roers, Campbell, Marcellais and Reps. D. Ruby, Louser, Boschee) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 954 and place SB 2311 on the Seventh order.

Engrossed SB 2311 was placed on the Seventh order of business on the calendar.

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

Shanda Morgan, Secretary