

JOURNAL OF THE HOUSE

Sixty-fifth Legislative Assembly

* * * * *

Bismarck, April 10, 2017

The House convened at 8:00 a.m., with Speaker Bellew presiding.

The prayer was offered by Rep. Bill Oliver.

The roll was called and all members were present except Representatives Kiefert, Kreidt, J. Nelson, M. Nelson, and Trottier.

A quorum was declared by the Speaker.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that Rep. Nathe replace Rep. Kempenich on the Conference Committee on HB 1016.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that Rep. Weisz replace Rep. Kiefert on the Conference Committee on SB 2052.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that Rep. Damschen replace Rep. Kiefert on the Conference Committee on SB 2090.

ANNOUNCEMENT

SPEAKER BELLEW MOVED that Rep. Johnston replace Rep. P. Anderson on the Conference Committee on SB 2135.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that Rep. Kasper replace Rep. Louser on the Conference Committee on HB 1403.

MOTION

REP. VIGESAA MOVED that Engrossed SB 2206, as amended, which is on the Sixth order, be rereferred to the **Finance and Taxation Committee**, which motion prevailed. Pursuant to Rep. Vigesaa's motion, Engrossed SB 2206, as amended, was rereferred.

SIXTH ORDER OF BUSINESS

SPEAKER BELLEW DEEMED approval of the amendments to Engrossed SB 2004 and Engrossed SB 2021.

Engrossed SB 2004 and Engrossed SB 2021, as amended, were placed on the Fourteenth order of business on today's.

SECOND READING OF SENATE BILL

SB 2004: A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact sections 43-28.1-01 and 43-28.1-03 and subsection 1 of section 54-27-25 of the North Dakota Century Code, relating to the dentists loan repayment program, criteria to be used in selecting qualified dentists, and the tobacco settlement trust fund; to repeal chapter 23-38 of the North Dakota Century Code, relating to the community health grant program; to provide a statement of legislative intent; to provide for a report to the legislative management; 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 84 YEAS, 7 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

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

NAYS: Becker, Rick C.; Ertelt; Hogan; Koppelman, B.; Magrum; Simons; Speaker Bellew

ABSENT AND NOT VOTING: Kiefert; Kreidt; Nelson, M.

Engrossed SB 2004, as amended, passed and the emergency clause was declared carried.

SECOND READING OF SENATE BILL

SB 2021: A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to provide appropriations to certain agencies for an electronic payment processing system; to authorize borrowing authority; to provide for transfers; to provide for a report; to create and enact sections 15-19-01.1, 15-19-01.2, and 15-19-02.1 of the North Dakota Century Code, relating to the centers for distance education; to amend and reenact subsection 1 of section 37-17.3-02.2, section 54-59-31, and subsection 1 of section 54-59-34 of the North Dakota Century Code, relating to the statewide interoperability executive committee, certified electronic health information systems, and the statewide longitudinal data system; and to provide a statement of legislative intent.

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 64 YEAS, 28 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Blum; Boe; Boehning; Bosch; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dobervich; Dockter; Grueneich; Guggisberg; Hanson; Hatlestad; Heinert; Hogan; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Karls; Kempenich; Klemm; Laning; Lefor; Longmuir; Maragos; Martinson; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; O'Brien; Owens; Pollert; Porter; Pyle; Roers Jones; Sanford; Satrom; Schmidt; Schneider; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Toman; Trottier; Vigasaa; Weisz; Westlind; Zubke

NAYS: Becker, Rick C.; Delzer; Devlin; Ertelt; Headland; Johnston; Jones; Kading; Kasper; Keiser; Koppelman, B.; Koppelman, K.; Louser; Magrum; Marschall; McWilliams; Meier; Oliver; Olson; Paur; Rohr; Ruby, D.; Ruby, M.; Schatz; Simons; Skroch; Vetter; Speaker Bellew

ABSENT AND NOT VOTING: Kiefert; Kreidt

Engrossed SB 2021, as amended, passed.

CONSIDERATION OF MESSAGES FROM THE SENATE

REP. VIGASAA MOVED that the House do not concur in the Senate amendments to Engrossed HB 1006 as printed on HJ pages 1291-1292, in the Senate amendments to Engrossed HB 1155 as printed on HJ page 1295, and in the Senate amendments to Reengrossed HB 1324 as printed on HJ pages 1436-1438 and that a conference committee be appointed to meet with a like committee from the Senate on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed HB 1006: Reps. Vigesaa, Nathe, Delmore.

Engrossed HB 1155: Reps. Delzer, Vigesaa, Holman.

Reengrossed HB 1324: Reps. Owens, Schreiber-Beck, Monson.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGESAA MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Reengrossed SB 2243, which motion prevailed.

THE SPEAKER APPOINTED as a Conference Committee on:

Reengrossed SB 2243: Reps. Owens, M. Ruby, Mock

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. K. KOPPELMAN MOVED that the House do concur in the Senate amendments to Engrossed HB 1334 as printed on HJ pages 1217-1223, which motion prevailed on a voice vote.

Engrossed HB 1334, as amended, was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1334: A BILL for an Act to amend and reenact section 12.1-32-15 of the North Dakota Century Code, relating to registration requirements for sexual offenders; and to provide a penalty.

ROLL CALL

The question being on the final passage of the bill, which has been read, the roll was called and there were 91 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

NAYS: Simons

ABSENT AND NOT VOTING: Kiefert; Kreidt

Engrossed HB 1334, as amended, passed.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2021.

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 2004.

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 1334.

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 1006,

HB 1155, and HB 1324, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1006: Reps. Vigesaa; Nathe; Delmore
HB 1155: Reps. Delzer; Vigesaa; Holman
HB 1324: Reps. Owens; Schreiber-Beck; Monson

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 2243: Reps. Owens; M. Ruby; Mock

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Nathe to replace Rep. Kempenich on the Conference Committee on HB 1016.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Kasper to replace Rep. Louser on the Conference Committee on HB 1403.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Damschen to replace Rep. Kiefert on the Conference Committee on SB 2090.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Weisz to replace Rep. Kiefert on the Conference Committee on SB 2052.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has appointed Rep. Johnston to replace Rep. P. Anderson on the Conference Committee on SB 2135.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2002, SB 2005, SB 2007, SB 2008, SB 2017, SB 2022, SB 2023, SB 2188, SB 2239, SB 2311.

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "and to provide an exemption" with "to amend and reenact section 15-01-01, subsection 5 of section 57-51-01, and section 57-51-15 of the North Dakota Century Code, relating to oil and gas gross production tax definitions and allocations; to provide for funding repayments; to provide exemptions; to provide for reports; to provide statements of legislative intent; to provide for a legislative management study; and to provide an effective date"

Page 1, line 7, after the first comma insert "the strategic investment and improvements fund,"

Page 1, replace lines 13 through 20 with:

"Salaries and wages	\$6,123,516	(\$295,046)	\$5,828,470
Operating expenses	2,019,637	(266,939)	1,752,698
Grants	99,300,000	(59,300,000)	40,000,000
Contingencies	100,000	0	100,000
Energy infrastructure and impact office	700,000	(479,283)	220,717
Total special funds	\$108,243,153	(\$60,341,268)	\$47,901,885
Full-time equivalent positions	33.00	(3.00)	30.00

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes \$89,948 from special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 2, replace lines 2 and 3 with:

"Oil and gas impact grants - airports	\$0	\$25,000,000
Other grants - airports	0	15,000,000
Total special funds	\$0	\$40,000,000"

Page 3, after line 23, insert:

"SECTION 8. EXEMPTION - FLOOD-IMPACTED POLITICAL SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS. Up to \$1,325,500 appropriated from the general fund in section 10 of chapter 579 of the 2011 Session Laws for flood-impacted political subdivision infrastructure development grants, which was awarded but not yet reimbursed to the city of Minot for a landfill expansion project, is not subject to section 54-44.1-11, and any unexpended funds are available to reimburse the city of Minot during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. OIL AND GAS IMPACT GRANT FUND - AIRPORT GRANTS. The grants line item and the total special funds line item in section 1 of this Act include the sum of \$25,000,000 from the oil and gas impact grant fund for grants to airports, for the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$25,000,000, the board of university and school lands shall award a grant of \$20,000,000 to the Williston airport and a grant of \$5,000,000 to the Dickinson airport. A grant may be awarded to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project. Grants awarded but not yet paid under this section are not subject to section 54-44.1-11.

SECTION 10. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - WILLISTON AIRPORT GRANT. The grants line item and the total special funds line item in section 1 of this Act include the sum of \$15,000,000 from the strategic investment and improvements fund for a grant to the Williston airport, for the biennium beginning July 1, 2017, and ending June 30, 2019. A grant may be awarded to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project. Grants awarded but not yet paid under this section are not subject to section 54-44.1-11.

SECTION 11. AMENDMENT. Section 15-01-01 of the North Dakota Century Code is amended and reenacted as follows:

15-01-01. Board - Membership - Officers.

The governor, secretary of state, state treasurer, attorney general, and superintendent of public instruction shall constitute the "board of university and school lands". The governor must be the chairman, the secretary of state must be the vice chairman, and the commissioner of university and school lands must be the secretary of the board. In the absence of the commissioner at any meeting of the board, the deputy commissioner of university and school lands shall act as secretary. When acting as the board of university and school lands, the members of the board shall act in person and may not be represented by any assistant, clerk, or deputy. The speaker of the house and the president pro tempore of the senate each shall appoint one individual to advise the board. The individual appointed to advise the board may attend and participate in all meetings of the board, but may not vote.

SECTION 12. AMENDMENT. Subsection 5 of section 57-51-01 of the North Dakota Century Code is amended and reenacted as follows:

5. "Hub city" means, ~~for the period beginning September 1, 2015, and ending August 31, 2017, a city with a population of twelve thousand five hundred or more, according to the last official decennial federal census, which has more than one percent of its private covered employment~~

~~engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota. "Hub city" means, after August 31, 2017, a city with a population of twelve thousand five hundred or more, according to the last official decennial federal census, which has more than one percent of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota.~~

SECTION 13. AMENDMENT. Section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

57-51-15. Gross production tax allocation.

The gross production tax must be allocated monthly as follows:

1. ~~First the~~The tax revenue collected under this chapter equal to one percent of the gross value at the well of the oil and one-fifth of the tax on gas must be deposited with the state treasurer ~~who shall~~. The state treasurer shall allocate the funding in the following order:
 - a. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city, which is located in a county that received an allocation under subsection 2, a monthly amount that will provide a total allocation of three hundred seventy-five thousand dollars per fiscal year for each full or partial percentage point of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city, which is located in a county that received an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of three hundred seventy-five thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota;.
 - b. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city, which is located in a county that did not receive an allocation under subsection 2, a monthly amount that will provide a total allocation of two hundred fifty thousand dollars per fiscal year for each full or partial percentage point of its private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city, which is located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of two hundred fifty thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of its private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota;.
 - c. ~~Allocate, for the period beginning September 1, 2015, and ending August 31, 2017, to each hub city school district, which is located in a county that received an allocation under subsection 2, a monthly amount that will provide a total allocation of one hundred twenty-five thousand dollars per fiscal year for each full or partial percentage point of the hub city's private covered employment engaged in oil and gas-related employment, according to annual data compiled by job service North Dakota and after August 31, 2017, allocate to~~To each hub city school district, which is located in a county that received an allocation under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall

~~allocate a monthly amount that will provide a total allocation of one hundred twenty-five thousand dollars per fiscal year for each full or partial percentage point, excluding the first two percentage points, of the hub city's private covered employment engaged in the mining industry, according to annual data compiled by job service North Dakota, provided that hub, Hub city school districts, which are located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, must be excluded from the allocations under this subdivision;~~

- d. ~~Allocate to~~ To each county that received more than five million dollars but less than thirty million dollars of total allocations under subsection 2 in ~~statethe most recently completed even-numbered fiscal year 2014, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million five hundred thousand dollars per fiscal year to be added by the state treasurer~~ be added to the allocations to school districts under subdivision b of subsection 5;
- e. ~~Credit revenues to the oil and gas impact grant fund, but not in an amount exceeding one hundred forty million dollars per biennium for the 2015-17 biennium, and not in an amount exceeding one hundred million dollars per biennium thereafter;~~
- f. ~~Credit eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding twenty million dollars in a state fiscal year and not in an amount exceeding forty million dollars per biennium;~~
- g. ~~Credit four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding seven million five hundred thousand dollars in a state fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars; and~~
- h. ~~Allocate the remaining revenues under subsection 3 as follows:~~
 - (1) To each county that received more than five million dollars but not exceeding ten million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million five hundred thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
 - (2) To each county that received more than ten million dollars but not exceeding fifteen million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million two hundred fifty thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
 - (3) To each county that received more than fifteen million dollars but not exceeding twenty million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of one million dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.

- (4) To each county that received more than twenty million dollars but not exceeding twenty-five million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of seven hundred fifty thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
- (5) To each county that received more than twenty-five million dollars but not exceeding thirty million dollars of total allocations under subsection 2 in the most recently completed even-numbered fiscal year, the state treasurer shall allocate a monthly amount that will provide a total allocation of five hundred thousand dollars per fiscal year. The allocation must be distributed to school districts within the county pursuant to subdivision b of subsection 5.
- e.
 - (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding ten million dollars per biennium. For purposes of this paragraph, "biennium" means the period beginning September first of each odd-numbered calendar year and ending August thirty-first of the following odd-numbered calendar year.
 - (2) After August 31, 2019, the state treasurer shall allocate eight percent of the amount available under this subsection to the North Dakota outdoor heritage fund, but not in an amount exceeding twenty million dollars per fiscal year.
- f.
 - (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding four million dollars per fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars.
 - (2) After August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding seven million five hundred thousand dollars per fiscal year and not in an amount that would bring the balance in the fund to more than one hundred million dollars.
- g. For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate the remaining revenues in the following order:
 - (1) Up to twenty-five million dollars to the oil and gas impact grant fund.
 - (2) Any remaining revenues under subsection 3.
- h. After August 31, 2019, the state treasurer shall allocate the remaining revenues in the following order:
 - (1) Up to five million dollars per biennium to the oil and gas impact grant fund. For purposes of this paragraph, "biennium" means the period beginning September first of each odd-numbered calendar year and ending August thirty-first of the following odd-numbered calendar year.

- (2) Any remaining revenues under subsection 3.
- i. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
2. After deduction of the amount provided in subsection 1, annual revenue collected under this chapter from oil and gas produced in each county must be allocated as follows:
- a. The first five million dollars is allocated to the county.
- b. Of all annual revenue exceeding five million dollars, thirty percent is allocated to the county.
3. After the allocations under subsections 1 and 2, the amount remaining is allocated first to provide for deposit of thirty percent of all revenue collected under this chapter in the legacy fund as provided in section 26 of article X of the Constitution of North Dakota and the remainder must be allocated to the state general fund. If the amount available for a monthly allocation under this subsection is insufficient to deposit thirty percent of all revenue collected under this chapter in the legacy fund, the state treasurer shall transfer the amount of the shortfall from the state general fund share of oil extraction tax collections and deposit that amount in the legacy fund.
4. For a county that received less than five million dollars of allocations under subsection 2 in ~~state~~the most recently completed even-numbered fiscal year 2014, revenues allocated to that county must be distributed at least quarterly by the state treasurer as follows:
- a. Forty-five percent must be distributed to the county treasurer and credited to the county general fund. However, the distribution to a county under this subdivision must be credited to the state general fund if in a taxable year after 2012 the county is not levying a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal aid road, and county road purposes.
- b. Thirty-five percent must be distributed to school districts within the county on the average daily attendance distribution basis for kindergarten through grade twelve students residing within the county, as certified to the state treasurer by the county superintendent of schools. However, a hub city school district must be omitted from distributions under this subdivision.
- c. Twenty percent must be distributed to the incorporated cities of the county. A hub city must be omitted from distributions under this subdivision. Distributions among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. In determining the population of any city in which total employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent.
- d. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
5. For a county that received five million dollars or more of allocations under subsection 2 in ~~state~~the most recently completed even-numbered fiscal year 2014, revenues allocated to that county must be distributed at least quarterly by the state treasurer as follows:

- a. Sixty percent must be distributed to the county treasurer and credited to the county general fund. However, the distribution to a county under this subdivision must be credited to the state general fund if in a taxable year after 2012 the county is not levying a total of at least ten mills for combined levies for county road and bridge, farm-to-market and federal aid road, and county road purposes.
- b. Five percent must be distributed to school districts within the county on the average daily attendance distribution basis for kindergarten through grade twelve students residing within the county, as certified to the state treasurer by the county superintendent of schools. However, a hub city school district must be omitted from distributions under this subdivision.
- c. Twenty percent must be distributed to the incorporated cities of the county. A hub city must be omitted from distributions under this subdivision. Distributions among cities under this subsection must be based upon the population of each incorporated city according to the last official decennial federal census. In determining the population of any city in which total employment increases by more than two hundred percent seasonally due to tourism, the population of that city for purposes of this subdivision must be increased by eight hundred percent.
- d. ~~Three~~One percent must be allocated among the organized and unorganized townships of the county. The state treasurer shall allocate the funds available under this subdivision among townships in proportion to each township's road miles relative to the total township road miles in the county. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.
- e. ~~Three~~One percent must be allocated among the organized and unorganized townships in all the counties that received five million dollars or more of allocations under subsection 2 in the most recently completed ~~state~~even-numbered fiscal year. The amount available under this subdivision must be allocated by the state treasurer in an equal amount to each eligible organized and unorganized township. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads, which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships.
- f. Four percent must be allocated among the organized and unorganized townships in all the non-oil-producing counties. The amount available under this subdivision must be allocated by the state treasurer in an equal amount to each eligible organized and unorganized township. The amount allocated to unorganized townships under this subdivision must be distributed to the county treasurer and credited to a special fund for unorganized township roads which the board of county commissioners shall use for the maintenance and improvement of roads in unorganized townships. For purposes of this subdivision, "non-oil-producing counties" means the counties that received no allocation or a total allocation of less than five million dollars under subsection 2 in the most recently completed even-numbered fiscal year.
- g. Nine percent must be distributed among hub cities. Sixty percent of funds available under this subdivision must be distributed to the hub city receiving the highest percentage of allocations to hub cities under subdivision a of subsection 1 for the quarterly period, thirty

percent of funds available under this subdivision must be distributed to the hub city receiving the second highest percentage of such allocations, and ten percent of funds available under this subdivision must be distributed to the hub city receiving the third highest percentage of such allocations. Hub cities, which are located in a county that did not receive an allocation under subsection 2 in the most recently completed even-numbered fiscal year, must be excluded from the allocations under this subsection. If fewer than three hub cities are eligible for the allocations under this subdivision, the state treasurer shall allocate the available funds in proportion to the amounts the eligible hub cities received under subdivision a of subsection 1.

- h. For purposes of this subsection, "fiscal year" means the period beginning September first and ending August thirty-first of the following calendar year.
6. Within thirty days after the end of each calendar year, the board of county commissioners of each county that has received an allocation under this section shall file a report for the calendar year with the commissioner, in a format prescribed by the commissioner, including:
- a. The county's statement of revenues and expenditures;
 - b. The county's ending fund balances;
 - c. The amounts allocated under this section to the county's general fund, the amounts expended from these allocations, and the purposes of the expenditures; and
 - d. The amounts allocated under this section to or for the benefit of townships within the county, the amounts expended from these allocations, and the purposes of the expenditures.

Within fifteen days after the time when reports under this subsection are due, the commissioner shall provide the reports to the legislative council compiling the information from reports received under this subsection.

7. Within thirty days after the end of each fiscal year ended June thirtieth, each school district that has received an allocation under this section shall file a report for the fiscal year ended June thirtieth with the commissioner, in a format prescribed by the commissioner, including:
- a. The school district's statement of revenue and expenditures;
 - b. The school district's ending fund balances; and
 - c. The amounts allocated under this section to the school district, the amounts expended from these allocations, and the purposes of the expenditures.

Within fifteen days after the time when reports under this subsection are due, the commissioner shall provide the reports to the legislative council compiling the information from reports received under this subsection.

SECTION 14. DEPARTMENT OF TRUST LANDS - WILLISTON AIRPORT FUNDING REPAYMENTS - DEPOSIT. The city of Williston shall use the proceeds from the sale of the existing Williston airport, excluding any proceeds used to repay the Bank of North Dakota for outstanding loans related to the new airport, for repaying the department of trust lands up to \$27,500,000 for a portion of the state's financial assistance provided for the new Williston airport. The department of trust lands shall deposit any funds received under this section in the strategic investment and improvements fund.

SECTION 15. LEGISLATIVE INTENT - HUB CITY BONDING. It is the intent of the sixty-fifth legislative assembly that during the period beginning July 1, 2017, and ending June 30, 2019, hub cities, as defined in section 57-51-01, not issue any new bonds based on anticipated future hub city oil tax revenue allocations under section 57-51-01.

SECTION 16. LEGISLATIVE INTENT - AGENCY EFFICIENCIES. It is the intent of the sixty-fifth legislative assembly that during the 2017-18 interim, the governor and the commissioner of university and school lands achieve efficiencies and budgetary savings within the department of trust lands through the use of innovative ideas and through alternative solutions relating to information technology.

SECTION 17. LEGISLATIVE INTENT - ENCOURAGEMENT OF ENERGY INFRASTRUCTURE INVESTMENT - COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS - USE OF TERMS. It is the intent of the sixty-fifth legislative assembly that the state of North Dakota encourage the continued development of energy infrastructure that will help reduce instances of natural gas flaring and increase the market value received for oil and gas produced within the state generally and from state-owned lands specifically which will increase the value of royalties paid to the funds under the control of the board of university and school lands. Consistent with this intent, the commissioner of university and school lands shall continue to interpret the terms "gross production," "market value," and "gross proceeds of sale" in its lease form to mean a value determined at the producing well or associated production facility, or in the surrounding field or area, where the oil and gas was produced, before any post-production activities undertaken by the lessee, operator, or purchaser after the oil and gas has been transported from the producing well and associated production facility. These values must be determined by the amount received by the lessee in an arm's length contract, or in the absence of an arm's length contract, either a comparable sales method or a work-back calculation methodology consistent with state law.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - OIL AND GAS TAX REVENUE ALLOCATIONS TO HUB CITIES AND HUB CITY SCHOOL DISTRICTS.

1. During the 2017-18 interim, the legislative management shall consider studying oil and gas tax revenue allocations to hub cities and hub city school districts. The study must include consideration of the following:
 - a. The current and historical oil and gas tax revenue allocations to hub cities and hub city school districts.
 - b. Other state funding provided to hub cities and hub city school districts, including grants from the oil and gas impact grant fund, distributions from the strategic investment and improvements fund, state school aid payments, and payments from the state aid distribution fund and highway tax distribution fund.
 - c. Local taxing and revenue levels in hub cities compared to cities in non-oil-producing counties, including mill levies, property tax values, local sales and use taxes, and other revenue sources.
 - d. The appropriate level of oil and gas tax revenue allocations to hub cities and hub city school districts based on infrastructure and other needs.
 - e. The estimated fiscal impact to hub cities, hub city school districts, other political subdivisions, and the state if the oil and gas tax revenue allocation formula would be changed to transition hub cities and hub city school districts from allocations under subsection 1 of section 57-51-15 to allocations under subsections 4 and 5 of section 57-51-15.
 - f. The estimated fiscal impact to hub cities, hub city school districts, other political subdivisions, and the state if the oil and gas tax revenue allocation formula would be changed to discontinue the

allocations to hub cities and hub city school districts under subsection 1 of section 57-51-15.

2. The membership of the committee assigned the responsibility of the study must proportionately reflect the state's population distribution between oil-producing counties and non-oil-producing counties and must include members from the finance and taxation committees and the appropriations committees.
3. 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 19. EFFECTIVE DATE. Sections 12 and 13 of this Act are effective for taxable events occurring after June 30, 2017."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Department of Trust Lands - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$6,123,516	\$6,218,736	(\$390,266)	\$5,828,470
Operating expenses	2,019,637	1,775,723	(23,025)	1,752,698
Capital assets		5,250,000	(5,250,000)	
Grants	99,300,000		40,000,000	40,000,000
Energy Infrastructure and Impact Office	700,000	220,717		220,717
Contingencies	100,000	100,000		100,000
Total all funds	\$108,243,153	\$13,565,176	\$34,336,709	\$47,901,885
Less estimated income	108,243,153	13,565,176	34,336,709	47,901,885
General fund	\$0	\$0	\$0	\$0
FTE	33.00	32.00	(2.00)	30.00

Department No. 226 - Department of Trust Lands - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes Funding for FTE Positions ²	Removes Funding for an Information Technology Project ³	Adds Funding for Grants ⁴	Total House Changes
Salaries and wages	(\$6,636)	(\$383,630)			(\$390,266)
Operating expenses		(23,025)			(23,025)
Capital assets			(5,250,000)		(5,250,000)
Grants				40,000,000	40,000,000
Energy Infrastructure and Impact Office					
Contingencies					
Total all funds	(\$6,636)	(\$406,655)	(\$5,250,000)	\$40,000,000	\$34,336,709
Less estimated income	(6,636)	(406,655)	(5,250,000)	40,000,000	34,336,709
General fund	\$0	\$0	\$0	\$0	\$0
FTE	0.00	(2.00)	0.00	0.00	(2.00)

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

² Funding is removed as follows:

- \$200,105 is removed for a geographic information system position, which was added by the Senate. Of the \$200,105, \$177,080 relates to salaries and wages, and \$23,025 relates to operating expenses.
- \$206,550 is removed for a project manager position.

³ One-time funding of \$5.25 million is removed for an information technology project. The Senate added this funding.

⁴ One-time funding of \$25 million is added from the oil and gas impact grant fund for grants to the Williston airport (\$20 million) and the Dickinson airport (\$5 million). One-time funding of \$15 million is added from the strategic investment and improvements fund for a grant to the Williston airport.

This amendment also:

- Identifies the health insurance increase.
- Provides an exemption to allow an unspent grant to a flood-impacted political subdivision to be available in the 2017-19 biennium.
- Identifies \$25 million from the oil and gas impact grant fund for an oil impact grant of \$20 million to the Williston airport and a grant of \$5 million to the Dickinson airport. This funding is available to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project.
- Identifies \$15 million from the strategic investment and improvements fund for a grant to the Williston airport. This funding is available to the Williston airport only when any related federal funding is committed and available to be spent on the new airport construction project.
- Adds two advisory members that are appointed by the Speaker of the House and the President Pro Tempore to the board of university and school lands.
- Amends the oil and gas tax revenue allocation formulas (see the table below) and provides an effective date related to the formula changes.
- Provides that the city of Williston use the proceeds from the sale of the existing airport, up to \$27.5 million, to repay the Department of Trust Lands for the state's financial assistance provided for the new airport.
- Provides a statement of legislative intent that hub cities not issue new bonds during the 2017-19 biennium based on anticipated future hub city oil tax revenue allocations.
- Provides a statement of legislative intent regarding efficiencies within the Department of Trust Lands.
- Provides a statement of legislative intent regarding the calculation of mineral royalties.
- Provides for a Legislative Management study by a committee with proportional geographic representation and members of the Finance and Taxation and Appropriations Committees regarding the oil and gas tax revenue allocations to hub cities and hub city school districts.

Senate Bill No. 2013 - Other Changes - House Action

Current Law	Proposed Changes
<p>Hub city definition</p> <ul style="list-style-type: none"> • After August 31, 2017, a hub city is based on mining employment. <p>Hub city and hub city school district allocations</p> <ul style="list-style-type: none"> • Hub cities located in oil-producing counties receive an annual allocation of \$375,000 per full or partial percentage point of mining employment. • Hub cities located in non-oil-producing counties receive an annual allocation of \$250,000 per full or partial percentage point of mining employment. • Hub city school districts receive an annual allocation of \$125,000 per full or partial percentage point of mining employment, excluding hub city school districts located in non-oil-producing counties. <p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Eligible counties receive an annual allocation of \$1.5 million for distributions to school districts in the county. 	<p>Hub city definition</p> <ul style="list-style-type: none"> • No change to current law. <p>Hub city and hub city school district allocations</p> <ul style="list-style-type: none"> • Hub cities located in oil-producing counties receive an annual allocation of \$375,000 per full or partial percentage point of mining employment exceeding 2 percent. • Hub cities located in non-oil-producing counties receive an annual allocation of \$250,000 per full or partial percentage point of mining employment exceeding 2 percent. • Hub city school districts in oil-producing counties receive an annual allocation of \$125,000 per full or partial percentage point of mining employment exceeding 2 percent. <p>Supplemental school district allocation</p> <ul style="list-style-type: none"> • Changes the annual allocation to provide a specific amount based on the oil and gas tax allocations received by the county in the most recently completed even-numbered fiscal year. The specific amounts range from \$500,000 to \$1.5 million per year.

<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> From the 1 percent of the 5 percent oil and gas gross production tax, 8 percent is allocated to the North Dakota outdoor heritage fund, up to \$20 million per fiscal year. <p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> From the 1 percent of the 5 percent oil and gas gross production tax, 4 percent is allocated to the abandoned oil and gas well plugging and site reclamation fund, up to \$7.5 million per fiscal year. <p>Oil and gas impact grant fund allocations</p> <ul style="list-style-type: none"> Up to \$100 million per biennium is allocated to the oil and gas impact grant fund. <p>Distributions to political subdivisions</p> <ul style="list-style-type: none"> The distributions to political subdivisions in North Dakota Century Code Sections 57-51-15(4) and 57-51-15(5) are based on the oil and gas tax allocations received by a county in fiscal year 2014. From the 4 percent of the 5 percent oil and gas gross production tax, 30 percent of all revenue above \$5 million is allocated to the county with the remaining 70 percent allocated to the state. The distributions to political subdivisions are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Counties - Less Than \$5 Million</th> <th style="text-align: center;">Counties - \$5 Million Or More</th> </tr> </thead> <tbody> <tr> <td>County general fund</td> <td style="text-align: center;">45%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>Cities</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">20%</td> </tr> <tr> <td>Schools</td> <td style="text-align: center;">35%</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Townships (equal)</td> <td></td> <td style="text-align: center;">3%</td> </tr> <tr> <td>Townships (road miles)</td> <td></td> <td style="text-align: center;">3%</td> </tr> <tr> <td>Hub cities</td> <td></td> <td style="text-align: center;">9%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> From the counties' share in counties that received \$5 million or more of oil and gas tax allocations, 9 percent is distributed to the three hub cities with the highest percentage of mining employment. 		Counties - Less Than \$5 Million	Counties - \$5 Million Or More	County general fund	45%	60%	Cities	20%	20%	Schools	35%	5%	Townships (equal)		3%	Townships (road miles)		3%	Hub cities		9%	<p>North Dakota outdoor heritage fund allocations</p> <ul style="list-style-type: none"> Decreases the amount allocated to the North Dakota outdoor heritage fund by changing the limit from \$20 million per fiscal year to \$10 million for the 2017-19 biennium. <p>Abandoned oil and gas well plugging and site reclamation fund allocations</p> <ul style="list-style-type: none"> Decreases the amount allocated to the abandoned oil and gas well plugging and site reclamation fund by changing the limit from \$7.5 million per fiscal year to \$4 million per fiscal year for the 2017-19 biennium. <p>Oil and gas impact grant fund allocations</p> <ul style="list-style-type: none"> Decreases the allocation to the oil and gas impact grant fund from \$100 million per biennium to \$25 million per biennium for the 2017-19 biennium and provides an allocation of \$5 million per biennium to the oil and gas impact grant fund after the 2017-19 biennium. <p>Distributions to political subdivisions</p> <ul style="list-style-type: none"> Changes the basis for the distributions to political subdivisions in Sections 57-51-15(4) and 57-51-15(5) to reflect the oil and gas tax allocations received by a county in the most recently completed even-numbered fiscal year rather than fiscal year 2014. No change to current law. <ul style="list-style-type: none"> The proposed changes to the distributions to political subdivisions are as follows: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Counties - Less Than \$5 Million</th> <th style="text-align: center;">Counties - \$5 Million Or More</th> </tr> </thead> <tbody> <tr> <td>County general fund</td> <td style="text-align: center;">45%</td> <td style="text-align: center;">60%</td> </tr> <tr> <td>Cities</td> <td style="text-align: center;">20%</td> <td style="text-align: center;">20%</td> </tr> <tr> <td>Schools</td> <td style="text-align: center;">35%</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Townships (equal)</td> <td></td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Townships (road miles)</td> <td></td> <td style="text-align: center;">1%</td> </tr> <tr> <td>Townships (non-oil)</td> <td></td> <td style="text-align: center;">4%</td> </tr> <tr> <td>Hub cities</td> <td></td> <td style="text-align: center;">9%</td> </tr> </tbody> </table> <ul style="list-style-type: none"> Clarifies the distribution to hub cities to exclude hub cities that are located in non-oil-producing counties and to provide proportional allocations if less than three hub cities qualify for the distributions. 		Counties - Less Than \$5 Million	Counties - \$5 Million Or More	County general fund	45%	60%	Cities	20%	20%	Schools	35%	5%	Townships (equal)		1%	Townships (road miles)		1%	Townships (non-oil)		4%	Hub cities		9%
	Counties - Less Than \$5 Million	Counties - \$5 Million Or More																																												
County general fund	45%	60%																																												
Cities	20%	20%																																												
Schools	35%	5%																																												
Townships (equal)		3%																																												
Townships (road miles)		3%																																												
Hub cities		9%																																												
	Counties - Less Than \$5 Million	Counties - \$5 Million Or More																																												
County general fund	45%	60%																																												
Cities	20%	20%																																												
Schools	35%	5%																																												
Townships (equal)		1%																																												
Townships (road miles)		1%																																												
Townships (non-oil)		4%																																												
Hub cities		9%																																												

REPORT OF CONFERENCE COMMITTEE

SB 2216, as engrossed: Your conference committee (Sens. D. Larson, Luick, Myrdal and Reps. Karls, Roers Jones, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments and place SB 2216 on the Seventh order.

Engrossed SB 2216 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2303: Your conference committee (Sens. D. Larson, Nelson, Osland and Reps. Jones, Roers Jones, Hanson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 811, adopt further amendments as follows, and place SB 2303 on the Seventh order:

That the Senate accede to the House amendments as printed on page 811 of the Senate Journal and page 964 of the House Journal and that Senate Bill No. 2303 be further amended as follows:

Page 2, line 21, after "written" insert "or electronic"

Page 3, line 25, after the period insert "If an individual required to register in North Dakota, including in a tribal registry, resides in another state or on tribal lands, that individual shall register employment and school addresses and any changes in required registration information with the law enforcement agency having local jurisdiction over the school or employment address."

Renumber accordingly

SB 2303 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2223, as engrossed: Your conference committee (Sens. Burckhard, Casper, Marcellais and Reps. Sukut, Bosch, Dobervich) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 847-849, adopt amendments as follows, and place SB 2223 on the Seventh order:

That the House recede from its amendments as printed on pages 847-849 of the Senate Journal and pages 1011-1014 of the House Journal and that Engrossed Senate Bill No. 2223 be amended as follows:

Page 1, line 1, after "10-32.1-30.1" insert "of the North Dakota Century Code, relating to sharing of profits and losses"

Page 1, line 2, remove "subsection 1 of"

Page 1, line 2, after the third comma insert "and"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 and 2 with:

"SECTION 2. AMENDMENT. Section 10-32.1-30 of the North Dakota Century Code is amended and reenacted as follows:

10-32.1-30. Sharing of and right to distributions before dissolution.

1. ~~Subject~~Except as provided in subsection 5 and subject to paragraphs 1 through 4 of subdivision c of subsection 4 of section 10-32.1-05, any distributions made by a limited liability company before its dissolution and winding up must be in equal shares among members and dissociated members, except to the extent necessary to comply with any transfer effective under section 10-32.1-44 and any charging order in effect under section 10-32.1-45.
2. A person has a right to a distribution before the dissolution and winding up of a limited liability company only if the company decides to make an interim distribution. The dissociation of a person does not entitle the person to a distribution.
3. A person does not have a right to demand or receive a distribution from a limited liability company in any form other than money. Except as otherwise provided in ~~subsection 3 of~~ section 10-32.1-54, a limited liability company may distribute an asset in kind if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the share of distributions of the person.
4. If a member or transferee becomes entitled to receive a distribution, then the member or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited liability company with respect to the distribution.
5. Notwithstanding subsection 1, subject to paragraphs 1 through 4 of subdivision c of subsection 4 of section 10-32.1-05 and unless otherwise provided in the articles of organization or in an operating agreement, for a limited liability company created after July 31, 2017, any distributions among members and dissociated members made by a limited liability company before its dissolution and winding up must be in proportion to the value of the contributions of the members, except to the extent necessary to comply with any transfer effective under section 10-32.1-44 and any charging order in effect under section 10-32.1-45."

Page 2, line 7, after "company" insert "created after July 31, 2017."

Page 2, line 12, overstrike "In" and insert immediately thereafter:

a. Except as provided in subdivision b, in"

Page 2, line 13, overstrike "a." and insert immediately thereafter "(1)"

Page 2, line 14, overstrike "b." and insert immediately thereafter "(2)"

Page 2, line 14, remove the overstrike over "~~Each member has equal rights in the management and conduct of the activities~~"

Page 2, line 15, remove the overstrike over "~~of the company~~"

Page 2, line 15, remove "Unless otherwise provided in the articles of organization or in an"

Page 2, remove lines 16 through 18

Page 2, line 19, remove "winding up"

Page 2, line 20, overstrike "c." and insert immediately thereafter "(3)"

Page 2, line 21, remove "voting power of the"

Page 2, line 22, remove "transferable interest of the"

Page 2, line 23, overstrike "d." and insert immediately thereafter "(4)"

Page 2, line 25, overstrike "e." and insert immediately thereafter "(5)"

Page 2, after line 25, insert:

"b. Notwithstanding subdivision a, in a member-managed limited liability company created after July 31, 2017, the following rules apply:

- (1) The management and conduct of the company are vested in the members.
- (2) Unless otherwise provided in the articles of organization or in an operating agreement, each member possesses voting power in the management and conduct of the activities of the company in proportion to the interest of the member in distributions of the limited liability company before dissolution and winding up.
- (3) A difference arising among members as to a matter in the ordinary course of the activities of the company may be decided by a majority of the voting power of the transferable interest of the members.
- (4) An act outside the ordinary course of the activities of the company may be undertaken only with the consent of all members.
- (5) The operating agreement may be amended only with the consent of all members."

Page 4, line 14, overstrike "In" and insert immediately thereafter "Except as provided in subsection 5, in"

Page 4, line 14, overstrike "must" and insert immediately thereafter "shall"

Page 4, line 18, remove "and unless otherwise provided in the articles of organization or an"

Page 4, line 19, remove "operating agreement"

Page 4, line 23, remove the overstrike over "~~equal shares among~~"

Page 4, line 23, remove "proportion to the value of the contributions of"

Page 5, line 1, remove "unless"

Page 5, remove line 2

Page 5, line 3, remove "unanimous consent of the voting members"

Page 5, after line 3, insert:

- "5. a. Notwithstanding subsections 1 through 4, in winding up its activities a limited liability company created after July 31, 2017, shall apply its assets to discharge its obligations to creditors, including members that are creditors.
- b. After a limited liability company complies with subdivision a, any surplus must be distributed in the following order, subject to any charging order in effect under section 10-32.1-45 and unless otherwise provided in the articles of organization or an operating agreement:
- (1) To each person owning a transferable interest that reflects contributions made by a member and not previously returned, an amount equal to the value of the unreturned contributions; and
 - (2) In proportion to the value of the contributions of members and dissociated members, except to the extent necessary to comply with any transfer effective under section 10-32.1-44.
- c. If a limited liability company does not have sufficient surplus to comply with paragraph 1 of subdivision b, any surplus must be distributed among the owners of transferable interests in proportion to the value of their respective unreturned contributions.
- d. All distributions made under subdivisions a and b must be paid in money unless otherwise provided in the articles of organization or in an operating agreement, or by the unanimous consent of the voting members."

Renumber accordingly

Engrossed SB 2223 was placed on the Seventh order of business on the calendar.

ANNOUNCEMENT

SPEAKER BELLEW ANNOUNCED that the House stand in recess until 1:00 p.m.

THE HOUSE RECONVENED pursuant to recess taken, with Speaker Bellew presiding.

CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your **Committee on Correction and Revision of the Journal (Rep. Klemin, Chairman)** has carefully examined the Journal of the Sixty-fourth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1516, line 43, remove "Engrossed SB 2316"

Page 1516, line 46, remove "SB 2161: Reps. Klemin, Magrum, Hanson"

Page 1516, line 47, remove "Engrossed SB 2316: Reps. Rich S. Becker, Longmuir, Simons"

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

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 7, 2017, I have signed the following: HB 1151.

SIXTH ORDER OF BUSINESS

SPEAKER BELLEW DEEMED approval of the amendments to Engrossed SB 2013.

Engrossed SB 2013, as amended, was placed on the Fourteenth order of business on today's calendar.

SECOND READING OF SENATE BILL

SB 2013: A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for transfers; to provide for distributions from permanent funds; to amend and reenact section 15-01-01, subsection 5 of section 57-51-01, and section 57-51-15 of the North Dakota Century Code, relating to oil and gas gross production tax definitions and allocations; to provide for funding repayments; to provide exemptions; to provide for reports; to provide statements of legislative intent; to provide for a legislative management study; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 61 YEAS, 31 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson, D.; Beadle; Becker, Rich S.; Blum; Boehning; Bosch; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Grueneich; Hatlestad; Headland; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kempenich; Klemin; Koppelman, B.; Koppelman, K.; Laning; Lefor; Louser; Magrum; Maragos; Marschall; Martinson; Meier; Mitskog; Monson; Nathe; Nelson, J.; O'Brien; Owens; Paur; Pollert; Pyle; Roers Jones; Ruby, D.; Sanford; Satrom; Schatz; Schobinger; Schreiber-Beck; Seibel; Steiner; Streyle; Sukut; Trotter; Vigasaa; Weisz; Westlind

NAYS: Anderson, B.; Anderson, P.; Becker, Rick C.; Boe; Boschee; Devlin; Dobervich; Ertelt; Guggisberg; Hanson; Heinert; Hogan; Johnston; Keiser; Longmuir; McWilliams; Mock; Nelson, M.; Oliver; Olson; Porter; Rohr; Ruby, M.; Schmidt; Schneider; Simons; Skroch; Toman; Vetter; Zubke; Speaker Bellew

ABSENT AND NOT VOTING: Kiefert; Kreidt

Engrossed SB 2013, as amended, passed.

CONSIDERATION OF MESSAGES FROM THE SENATE

REP. K. KOPPELMAN MOVED that the House do not concur in the Senate amendments to Reengrossed HB 1221 as printed on HJ pages 1282-1283, in the Senate amendments to Engrossed HB 1275 as printed on HJ page 1272, in the Senate amendments to HB 1369 as printed on HJ page 1277, and in the Senate amendments to Engrossed HB 1392 as printed on HJ pages 1225-1226 and that a conference committee be appointed to meet with a like committee from the Senate on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE SPEAKER APPOINTED as a Conference Committee on:

Reengrossed HB 1221: Reps. Jones, Johnston, Magrum.

Engrossed HB 1275: Reps. Karls, K. Koppelman, Simons.

HB 1369: Reps. Kasper, Louser, P. Anderson.

Engrossed HB 1392: Reps. Roers Jones, Vetter, Hanson.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. VIGASAA MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2016, Engrossed SB 2018, Engrossed SB 2019, Engrossed SB 2020, Engrossed SB 2119, SB 2144, and Engrossed SB 2203, which motion prevailed.

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed SB 2016: Reps. Streyle, Martinson, Boe
Engrossed SB 2018: Reps. Streyle, Martinson, Schatz
Engrossed SB 2019: Reps. Monson, Sanford, Schatz
Engrossed SB 2020: Reps. Monson, Schmidt, Boe
Engrossed SB 2119: Reps. Monson, Martinson, Boe
SB 2144: Reps. Keiser, D. Ruby, Boe
Engrossed SB 2203: Reps. Kading, Schatz, Meier

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. D. JOHNSON MOVED that the House do concur in the Senate amendments to Engrossed HB 1390 as printed on HJ pages 1403-1407, which motion prevailed on a voice vote.

Engrossed HB 1390, as amended, was placed on the Eleventh order of business.

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 bill, which has been read, the roll was called and there were 77 YEAS, 15 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

NAYS: Anderson, P.; Boschee; Damschen; Dobervich; Ertelt; Guggisberg; Hanson; Hogan; Johnston; Magrum; Mitskog; Mock; Schneider; Simons; Toman

ABSENT AND NOT VOTING: Kiefert; Kreidt

Reengrossed HB 1390 passed and the emergency clause was declared carried.

CONSIDERATION OF MESSAGE FROM THE SENATE

REP. MARAGOS MOVED that the House do concur in the Senate amendments to Engrossed HB 1216 as printed on HJ pages 1397-1401, which motion prevailed on a voice vote.

Engrossed HB 1216, as amended, was placed on the Eleventh order of business.

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 bill, which has been read, the roll was called and there were 64 YEAS, 28 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Blum; Boe; Boehning; Boschee; Brabandt; Brandenburg; Damschen; Delmore; Dobervich; Dockter; Ertelt; Grueneich; Hanson; Hatlestad; Headland; Heinert; Howe;

Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Kempenich; Koppelman, B.; Koppelman, K.; Laning; Longmuir; Louser; Magrum; Maragos; Marschall; Martinson; Meier; Nathe; Nelson, J.; O'Brien; Oliver; Olson; Paur; Pollert; Porter; Pyle; Roers Jones; Rohr; Ruby, M.; Sanford; Satrom; Schatz; Schmidt; Schreiber-Beck; Seibel; Streyle; Sukut; Toman; Trottier; Vetter; Zubke

NAYS: Anderson, B.; Bosch; Carlson; Delzer; Devlin; Guggisberg; Hogan; Holman; Johnston; Keiser; Klemin; Lefor; McWilliams; Mitskog; Mock; Monson; Nelson, M.; Owens; Ruby, D.; Schneider; Schobinger; Simons; Skroch; Steiner; Vigesaa; Weisz; Westlind; Speaker Bellew

ABSENT AND NOT VOTING: Kiefert; Kreidt

Reengrossed HB 1216 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. ROHR MOVED that the conference committee report on Engrossed HB 1365 as printed on HJ page 1551 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1365 was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1365: A BILL for an Act to create and enact a new section to chapter 25-03.1, a new subsection to section 30.1-28-04, and a new subsection to section 30.1-28-12 of the North Dakota Century Code, relating to powers, duties, and authority of a guardian regarding medical decisions; and to declare an emergency.

ROLL CALL

The question being on the final passage of the bill, which has been read, the roll was called and there were 92 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

ABSENT AND NOT VOTING: Kiefert; Kreidt

Engrossed HB 1365 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. D. ANDERSON MOVED that the conference committee report on Reengrossed HB 1085 as printed on HJ pages 1476-1477 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1085 was placed on the Eleventh order of business.

SECOND READING OF HOUSE BILL

HB 1085: A BILL for an Act to create and enact a new section to chapter 50-06.4 of the North Dakota Century Code, relating to the creation of a brain injury advisory council; and to provide for application.

ROLL CALL

The question being on the final passage of the bill, which has been read, the roll was called and there were 88 YEAS, 4 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

NAYS: Delzer; Ertelt; Magrum; Paur

ABSENT AND NOT VOTING: Kiefert; Kreidt

Reengrossed HB 1085 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. KARLS MOVED that the conference committee report on Engrossed SB 2216 be rejected, which motion failed on a voice vote.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. SUKUT MOVED that the conference committee report on Reengrossed SB 2223 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2223, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2223: A BILL for an Act to create and enact section 10-32.1-30.1 of the North Dakota Century Code, relating to sharing of profits and losses; to amend and reenact subsection 2 of section 10-32.1-15, section 10-32.1-30, subsection 2 of section 10-32.1-39, and sections 10-32.1-45, 10-32.1-54, 45-10.2-64, and 45-17-04 of the North Dakota Century Code, relating to limited liability company distributions and management and partnership transferable interests.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 91 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

NAYS: McWilliams

ABSENT AND NOT VOTING: Kiefert; Kreidt

Reengrossed SB 2223, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

REP. JONES MOVED that the conference committee report on Engrossed SB 2303 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2303, as amended, was placed on the Fourteenth order of business.

SECOND READING OF SENATE BILL

SB 2303: A BILL for an Act to amend and reenact subsections 2 and 7 of section 12.1-32-15 of the North Dakota Century Code, relating to registration requirements for sexual offenders; and to provide a contingent effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

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

NAYS: Johnston; Magrum; Simons

ABSENT AND NOT VOTING: Kiefert; Kreidt

Engrossed SB 2303 passed.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2013.

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1023.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1023

In lieu of the amendments adopted by the Senate as printed on pages 811-813 of the Senate Journal, Engrossed House Bill No. 1023 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a transfer; to create and enact a new subsection to section 54-02-04 of the North Dakota Century Code, relating to public employees retirement system payments; to provide for a legislative management study; and to provide for legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
-------------------	--	----------------------

Salaries and wages	\$6,315,360	\$809	\$6,316,169
Operating expenses	2,753,643	(61,422)	2,692,221
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$9,319,003	(\$60,613)	\$9,258,390
Full-time equivalent positions	34.50	0.00	34.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$95,431 from other funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 3. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fourth legislative assembly as adjusted for the 2015-17 biennium:

<u>One-Time Funding Description</u>	<u>2015-17</u>	<u>2017-19</u>
Public employees retirement system - temporary salaries	\$100,000	\$0
Desktop support services	<u>77,370</u>	<u>0</u>
Total special funds	\$177,370	\$0

SECTION 4. APPROPRIATION LINE ITEM TRANSFERS. The public employees retirement system office may transfer from their contingencies line item in section 1 of this Act to all other line items. The agency shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 5. A new subsection to section 54-52-06 of the North Dakota Century Code is created and enacted as follows:

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

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - PUBLIC EMPLOYEES RETIREMENT SYSTEM. During the 2017-18 interim, the legislative management shall consider studying the powers and duties of the public employees retirement system's retirement board, including the board's fiduciary duties; the administrative structure of the public employees retirement system, including the feasibility and desirability of changing this structure; the powers and duties of the employee benefits programs committee, including the feasibility and desirability of increasing the committee's oversight of the public employees retirement system; the feasibility and desirability of implementing a self-funded insurance plan; and the feasibility and desirability of changing the contract bidding process to every two years. 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 - ELECTRONIC DISTRIBUTION OF MATERIALS. It is the intent of the sixty-fifth legislative assembly that, by July 1, 2018, the public employees retirement system office create operating efficiencies when feasible by discontinuing the distribution of paper materials, including newsletters and benefit statements. It is further the intent of the sixty-fifth legislative assembly that the public employees retirement system office:

- Develop procedures to electronically distribute materials or provide access to materials through member self-service website applications.
- Consider options to charge members a fee for continued distribution of paper materials to that member."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$6,315,360	\$6,323,623	(\$7,454)	\$6,316,169
Operating expenses	2,753,643	2,620,799	71,422	2,692,221
Contingencies	250,000	250,000		250,000
Total all funds	\$9,319,003	\$9,194,422	\$63,968	\$9,258,390
Less estimated income	9,319,003	9,194,422	63,968	9,258,390
General fund	\$0	\$0	\$0	\$0
FTE	34.50	33.50	1.00	34.50

Department No. 192 - Public Employees Retirement System - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores back FTE position ²	Restores Funding for Operating Expenses ³	Total Senate Changes
Salaries and wages	(\$7,454)			(\$7,454)
Operating expenses			71,422	71,422
Contingencies				
Total all funds	(\$7,454)	\$0	\$71,422	\$63,968
Less estimated income	(7,454)	0	71,422	63,968
General fund	\$0	\$0	\$0	\$0
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 is also adjusted to reflect the change.

² One FTE position removed by the House is restored.

³ A portion of the funding reduced by the House for operating expenses is restored as follows:

	Other Funds
Printing and postage costs for newsletter	\$29,752
Printing and postage costs for annual benefit statements	\$33,220
Other postage, printing, and supplies	\$8,450

This amendment also:

- Removes a section that limited the use of funding in the health insurance reserve fund for reducing health insurance premium amounts.
- Removes various sections of North Dakota Century Code that were amended relating to providing for the Director of the Public Employees Retirement System to be appointed by the Governor, removing the Public Employees Retirement System Board, and adjusting the membership and duties of the Employee Benefits Programs Committee.
- Adjusts a section of legislative intent relating to charging members a fee for paper materials.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1024.

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

Page 1, line 2, after the second semicolon insert "to provide for transfers; to provide a statement of legislative intent;"

Page 1, line 4, after "**APPROPRIATION**" insert "**- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM**"

Page 1, after line 10, insert:

"COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	\$189,000

Subdivision 2."

Page 1, line 14, replace "2." with "3."

Page 1, replace lines 16 and 17 with:

"Grants - medical assistance	<u>\$9,000,000</u>
Total special funds	\$9,000,000"

Page 1, line 18, replace "3." with "4."

Page 1, replace line 23 with:

"Grand total special funds	\$9,518,500
----------------------------	-------------

SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 2.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	\$1,420,000

Subdivision 3.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	\$3,234,000

Subdivision 4.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	\$500,000

Subdivision 5.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 6.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 7.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$6,686,724
---------------------------	-------------

SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$15,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from federal or other nonstate sources related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline."

Page 2, line 1, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 4, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 4, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 7, after the second "branch" insert "which were incurred after June 30, 2015,"

Page 2, line 7, remove "unlawful"

Page 2, line 8, replace "activity" with "criminal and infraction charges"

Page 2, line 8, after "pipeline" insert a comma

Page 2, line 11, after "other" insert "nonstate"

Page 2, line 13, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 15, replace "\$859,000" with "\$1,027,000"

Page 2, line 16, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 17, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 21, after "indigents" insert "which were incurred after June 30, 2015,"

Page 2, line 21, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 22, after "pipeline" insert a comma

Page 2, line 24, after "other" insert "nonstate"

Page 2, after line 25, insert:

"SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE HISTORICAL SOCIETY - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$294,500, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying litigation expenses, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 7. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE TREASURER - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,200,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing any court-ordered payments to a bankruptcy estate, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 9. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 10. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government or other nonstate sources for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative

assembly; and loans authorized in sections 3, 4, and 5 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. If the department of emergency services determines reimbursements from federal or other nonstate sources are not forthcoming, the department of emergency services and other state agencies that obtain a loan shall request a deficiency appropriation from the sixty-sixth legislative assembly sufficient for the repayment of the amounts borrowed plus interest."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
Attorney General				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Judicial Branch				
Total all funds	\$0	\$1,500,000	\$0	\$1,500,000
Less estimated income	0	1,500,000	0	1,500,000
General fund	\$0	\$0	\$0	\$0
Commission on Legal Counsel for Indigent				
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0
State Department of Health				
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
Highway Patrol				
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0
Department of Corrections and Rehab.				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
Adjutant General				
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0
State Historical Society				
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	0	0	294,500	294,500
General fund	\$0	\$0	\$0	\$0
Game and Fish Department				
Total all funds	\$0	\$0	\$423,724	\$423,724
Less estimated income	0	0	423,724	423,724
General fund	\$0	\$0	\$0	\$0
Parks and Recreation Department				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0
Bill total				

Total all funds	\$0	\$2,359,000	\$37,349,224	\$39,708,224
Less estimated income	0	2,359,000	37,349,224	39,708,224
General fund	\$0	\$0	\$0	\$0

House Bill No. 1024 - State Treasurer - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Settlement payment			\$15,200,000	\$15,200,000
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of Senate Changes

	Provides Contingent Funding for Settlement Payments ¹	Total Senate Changes
Settlement payment	\$15,200,000	\$15,200,000
Total all funds	\$15,200,000	\$15,200,000
Less estimated income	15,200,000	15,200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Contingent funding of \$15.2 million from the strategic investment and improvements fund is added for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota.

House Bill No. 1024 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Commission on Legal Counsel for Indigent - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Pipeline protest trials		\$859,000	\$168,000	\$1,027,000
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 188 - Commission on Legal Counsel for Indigent - Detail of Senate Changes

	Adds Funding for Pipeline Protest Trials ¹	Total Senate Changes
Pipeline protest trials	\$168,000	\$168,000
Total all funds	\$168,000	\$168,000
Less estimated income	168,000	168,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Borrowing authority and the related appropriation authority are increased by \$168,000, from \$859,000 to \$1,027,000, for additional costs related to pipeline protest trials.

House Bill No. 1024 - State Department of Health - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$1,420,000	\$1,420,000
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Operating expenses	\$1,420,000	\$1,420,000
Total all funds	\$1,420,000	\$1,420,000
Less estimated income	1,420,000	1,420,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,420,000 is added from special funds received for the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Highway Patrol - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Field operations			\$3,234,000	\$3,234,000
	\$0	\$0	\$3,234,000	\$3,234,000

Total all funds				
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 504 - Highway Patrol - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Field operations	\$3,234,000	\$3,234,000
Total all funds	\$3,234,000	\$3,234,000
Less estimated income	3,234,000	3,234,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$3,234,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Corrections and Rehab. - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Adult services			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 530 - Department of Corrections and Rehab. - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Adult services	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	500,000	500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$500,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Adjutant General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Total all funds	\$0	\$0	\$0	\$0
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 540 - Adjutant General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Total all funds	\$15,000,000	\$15,000,000
Less estimated income	15,000,000	15,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$15,000,000 is added from the proceeds of a loan for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - State Historical Society - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$294,500	\$294,500
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	0	0	294,500	294,500
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 701 - State Historical Society - Detail of Senate Changes

	Adds Funding for Litigation Expenses ¹	Total Senate Changes
Operating expenses	\$294,500	\$294,500
Total all funds	\$294,500	\$294,500
Less estimated income	294,500	294,500
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$294,500 is added from the strategic investment and improvements fund for litigation expenses.

House Bill No. 1024 - Game and Fish Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$221,795	\$221,795
Operating expenses			201,929	201,929
Total all funds	\$0	\$0	\$423,724	\$423,724
Less estimated income	0	0	423,724	423,724
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 720 - Game and Fish Department - Detail of Senate Changes

Adds Funding for Pipeline Protest Law Enforcement	Total Senate Changes

	Support ¹	
Salaries and wages	\$221,795	\$221,795
Operating expenses	201,929	201,929
Total all funds	\$423,724	\$423,724
Less estimated income	423,724	423,724
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$423,724 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Natural resources			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Natural resources	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$287,000	\$287,000
Operating expenses			422,000	422,000
Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 801 - Department of Transportation - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$287,000	\$287,000
Operating expenses	422,000	422,000

Total all funds	\$709,000	\$709,000
Less estimated income	709,000	709,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$709,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Other Changes - Senate Action

This amendment provides for the following changes to agency deficiency appropriations from the strategic investment and improvements fund:

- Adds a \$189,000 appropriation to the Commission on Legal Counsel for Indigents related to costs associated with Section 25 of Article I of the Constitution of North Dakota relating to victims' rights (Marsy's Law).
- Increases the appropriation to the Department of Human Services for Medicaid grants by \$4 million, from \$5 million to \$9 million.

This amendment also:

- Adds a section to provide appropriations to various state agencies from special funds the agency received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Adds a section to provide \$15 million of borrowing authority and the related appropriation authority through June 30, 2019, to the Adjutant General for expenses related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Increases the borrowing authority for the Commission on Legal Counsel for Indigents by \$168,000, from \$859,000 to \$1,027,000.
- Clarifies the purpose of the borrowing authority and appropriations to the judicial branch and the Commission on Legal Counsel for Indigents.
- Adds a section to provide one-time funding of \$294,500 from the strategic investment and improvements fund to the State Historical Society through June 30, 2019 related to litigation expenses.
- Adds a section to provide contingent funding of \$15.2 million from the strategic investment and improvements fund for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*.
- Provides for a transfer of \$155 million from the strategic investment and improvements fund to the general fund prior to the end of the 2015-17 biennium, resulting in an increase in the July 1, 2017, estimated beginning balance of the general fund.
- Adds a section authorizing the Attorney General to transfer funds between certain line items during the 2015-17 biennium.
- Adds a section to provide legislative intent related to repayment sources for loans obtained to provide the necessary funding to respond to the unlawful activity associated with the construction of the Dakota Access Pipeline.

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 1216 and HB 1390.

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 1221, HB 1275, HB 1369, and HB 1392, and the Speaker has appointed as a conference

committee to act with a like committee from the Senate on:

HB 1221: Reps. Jones; Johnston; Magrum
HB 1275: Reps. Karls; K. Koppelman; Simons
HB 1369: Reps. Kasper; Louser; P. Anderson
HB 1392: Reps. Roers Jones; Vetter; Hanson

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 1001: Sens. Hogue; Dever; Mathern
HB 1002: Sens. Hogue; Erbele; Grabinger
HB 1003: Sens. Sorvaag; Kilzer; Mathern
HB 1004: Sens. Oehlke; Dever; Mathern
HB 1006: Sens. Wanzek; Sorvaag; Mathern
HB 1007: Sens. Hogue; Sorvaag; Mathern
HB 1008: Sens. G. Lee; Wanzek; Grabinger
HB 1010: Sens. Oehlke; Erbele; Grabinger
HB 1013: Sens. Holmberg; Krebsbach; Robinson
HB 1014: Sens. Dever; Sorvaag; Grabinger
HB 1016: Sens. Bowman; Hogue; Robinson
HB 1018: Sens. Krebsbach; Erbele; Mathern
HB 1019: Sens. Sorvaag; Krebsbach; Mathern
HB 1020: Sens. G. Lee; Sorvaag; Robinson
HB 1022: Sens. Krebsbach; Dever; Bowman
HB 1155: Sens. Holmberg; Wanzek; Grabinger
HB 1300: Sens. Unruh; Cook; Armstrong
HB 1324: Sens. Schaible; Rust; Oban

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

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2090.

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2004, SB 2021, and SB 2134, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2004: Sens. Kilzer; G. Lee; Mathern
SB 2021: Sens. Wanzek; Hogue; Robinson
SB 2134: Sens. Unruh; Armstrong; Oban

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 2016: Reps. Streyle; Martinson; Boe
SB 2018: Reps. Streyle; Martinson; Schatz
SB 2019: Reps. Monson; Sanford; Schatz
SB 2020: Reps. Monson; Schmidt; Boe
SB 2119: Reps. Streyle; Martinson; Boe
SB 2144: Reps. Keiser; D. Ruby; Boe
SB 2203: Reps. Kading; Schatz; Meier

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

MR. PRESIDENT: The House has not adopted the conference committee report on: SB 2216.

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

MR. PRESIDENT: The House has adopted the conference committee report and

subsequently passed: HB 1085.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2223, SB 2303.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1365.

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

MR. SPEAKER: The Senate has adopted the conference committee report on: HB 1204.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2033, SB 2039, SB 2041, SB 2161, SB 2247, SB 2253, SB 2264, SB 2316.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1045, HB 1339.

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

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2270.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1009, HB 1011, HB 1017, HB 1021, HB 1037, HB 1043, HB 1060, HB 1096, HB 1183, HB 1194, HB 1195, HB 1318, HB 1387, HB 1418, HB 1433, HCR 3035.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2002, SB 2005, SB 2007, SB 2008, SB 2017, SB 2022, SB 2023, SB 2188, SB 2239, SB 2311.

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

MR. SPEAKER: The President has signed: HB 1009, HB 1011, HB 1017, HB 1021, HB 1037, HB 1043, HB 1060, HB 1096, HB 1183, HB 1194, HB 1195, HB 1318, HB 1387, HB 1418, HB 1433, HCR 3035.

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

MR. PRESIDENT: The Speaker has signed: HB 1038, HB 1058, HB 1090, HB 1098, HB 1126, HB 1137, HB 1181, HB 1189, HB 1197, HB 1202, HB 1222, HB 1236, HB 1247, HB 1272, HB 1283, HB 1294, HB 1299, HB 1320, HB 1374, HB 1419.

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

MR. PRESIDENT: The Speaker has signed: SB 2002, SB 2005, SB 2007, SB 2008, SB 2017, SB 2022, SB 2023, SB 2188, SB 2239, SB 2311.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 10, 2017: HB 1038, HB 1058, HB 1090, HB 1345, HB 1347, HB 1354, HB 1363, HB 1367, HB 1395, HB 1398, HB 1415, HB 1427.

MOTION

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

MOTION

REP. VIGESAA MOVED that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Wednesday, April 12, 2017, which motion prevailed on a voice vote.

REPORT OF STANDING COMMITTEE

SB 2263, as engrossed: Agriculture Committee (Rep. D. Johnson, Chairman)

recommends **DO PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2263 was placed on the Fourteenth order on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1120, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Clemens and Reps. Seibel, Westlind, Schneider) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 960 and place HB 1120 on the Seventh order.

Engrossed HB 1120 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1389, as reengrossed: Your conference committee (Sens. Schaible, Kannianen, Oban and Reps. Rich S. Becker, Oliver, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1174-1175, adopt amendments as follows, and place HB 1389 on the Seventh order:

That the Senate recede from the Senate amendments as printed on pages 1174 and 1175 of the House Journal and pages 907 and 908 of the Senate Journal and that Reengrossed House Bill No. 1389 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to parental directives.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 15.1-21 of the North Dakota Century Code is created and enacted as follows:

Parental directive - Administration of tests and assessments - Report.

1. A student's parent may direct the school district in which the student is enrolled not administer to the student any state test or state assessment required in accordance with section 15.1-21-08.
2. In addition to the authority granted under subsection 1, a student's parent may direct that the school district in which the student is enrolled not administer any other specific test or assessment to the student, except a parental directive under this subsection does not apply to:
 - a. Any test or assessment required by the student's school district of enrollment or this state for the completion of any grade from kindergarten through twelve;
 - b. Any test or assessment required by the student's school district of enrollment or this state for high school graduation;
 - c. The ACT; or
 - d. WorkKeys assessments.
3. a. A parental directive is valid only if it is presented to the school district using a standardized form, prepared by the superintendent of public instruction, and signed by the student's custodial parent.
 - b. A parental directive is valid only until the conclusion of the school year in which it is received by the school district.
 - c. A parental directive submitted to a school district in accordance with this section must be retained as part of the student's educational record.

4. A school district is not liable for any consequences incurred by a student as a result of a parental directive submitted in accordance with this section.
5. A school district is not required to provide instruction or activities for a student during the administration of any test or assessment referenced in the parental directive submitted by the student's parent.
6. Each school district shall post the parental directive form on its website and make the form available to a parent, upon request.
7. At the time and in the manner directed by the superintendent of public instruction, each school district shall provide a report regarding:
 - a. The number of parental directives received;
 - b. The number of parental directives applicable to students who are economically disadvantaged, students from major racial and ethnic groups, students with disabilities, and students with limited English proficiency; and
 - c. Any loss of funding stemming from the parental directives."

Renumber accordingly

Reengrossed HB 1389 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2316, as engrossed: Your conference committee (Sens. Burckhard, Kannianen, Dotzenrod and Reps. Rich S. Becker, Longmuir, Simons) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 1081-1082 and place SB 2316 on the Seventh order.

Engrossed SB 2316 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2033, as engrossed: Your conference committee (Sens. Anderson, J. Lee, Piepkorn and Reps. Rohr, Kiefert, Schneider) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 949, adopt further amendments as follows, and place SB 2033 on the Seventh order:

That the Senate accede to the House amendments as printed on page 949 of the Senate Journal and pages 1069 and 1070 of the House Journal and that Engrossed Senate Bill No. 2033 be further amended as follows:

Page 1, line 1, replace the second "section" with "sections 43-41-07 and"

Page 2, after line 4, insert:

"SECTION 2. AMENDMENT. Section 43-41-07 of the North Dakota Century Code is amended and reenacted as follows:

43-41-07. Qualification for licensure by an applicant licensed in another jurisdiction.

An applicant may be granted a license upon satisfactory proof to the board that the applicant is licensed in good standing under the laws of another jurisdiction that imposes substantially the same requirements as this chapter and a board determination that at the time of application for licensure under this section the applicant possesses qualifications or experience in the practice of social work which are substantially similar to the minimum requirements under this chapter. The applicant shall pay the licensure fees specified by the board."

Renumber accordingly

Engrossed SB 2033 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2264, as engrossed: Your conference committee (Sens. O. Larsen, Clemens, Heckaman and Reps. Hatlestad, M. Johnson, Guggisberg) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 924-925, adopt amendments as follows, and place SB 2264 on the Seventh order:

That the House recede from its amendments as printed on pages 924 and 925 of the Senate Journal and page 1050 of the House Journal and that Engrossed Senate Bill No. 2264 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact subsection 2 of section 23-01-05.5 of the North Dakota Century Code, relating to providing notification of the report of death to the next of kin or authorized representative of the deceased.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsection 2 of section 23-01-05.5 of the North Dakota Century Code is amended and reenacted as follows:

2. An autopsy report and any working papers and notes relating to an autopsy report are confidential and may be disclosed only as permitted by this section. The report of death is a public record subject to disclosure under section 44-04-18 as follows:
 - a. The next of kin or authorized representative requesting the report of death is responsible for providing to the state forensic examiner or the examiner's designee satisfactory proof of relationship to the deceased and contact information for notification of the report of death.
 - b. When in receipt of the information in subdivision a, the state forensic examiner, examiner's designee, county coroner, or pathologist who performed the autopsy shall make a good faith effort to immediately notify the decedent's next of kin or authorized representative of the availability of the report of death. The notification or attempts to notify the next of kin or authorized representative must be recorded and must precede any public disclosure of the report of death.
 - c. The report of death becomes a public record eight days after the report of death is finalized."

Renumber accordingly

Engrossed SB 2264 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2270: Your conference committee (Sens. Kreun, Roers, Schaible and Reps. Devlin, Lefor, Bosch) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 849, adopt amendments as follows, and place SB 2270 on the Seventh order:

That the House recede from its amendments as printed on page 849 of the Senate Journal and page 1016 of the House Journal and that Senate Bill No. 2270 be amended as follows:

Page 1, line 4, after "assessments" insert "; and to declare an emergency"

Page 3, line 23, replace "provides" with ":

- a. Provides"

Page 3, line 29, after "located" insert " and

- b. Publishes notice of the project in newspapers of general circulation in the area in which the affected landowners reside and in the official county newspaper of each county in which the benefited lands are located at least twenty-one days before the deadline for filing votes on the project"

Page 5, after line 31, insert:

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

ReNUMBER accordingly

SB 2270 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2253, as engrossed: Your conference committee (Sens. Burckhard, Kannianen, Dotzenrod and Reps. Beadle, Pyle, Toman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 924, adopt amendments as follows, and place SB 2253 on the Seventh order:

That the House recede from its amendments as printed on page 924 of the Senate Journal and page 1049 of the House Journal and that Engrossed Senate Bill No. 2253 be amended as follows:

Page 1, line 8, remove "does not"

Page 1, line 9, replace "change the acreage for real estate taxes or payments in lieu of real estate taxes until" with "must have"

Page 1, line 10, remove "is"

ReNUMBER accordingly

Engrossed SB 2253 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2247: Your conference committee (Sens. Rust, Campbell, Clemens and Reps. Grueneich, Rick C. Becker, M. Nelson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 721-722, adopt further amendments as follows, and place SB 2247 on the Seventh order:

That the House recede from its amendments as printed on pages 721 and 722 of the Senate Journal and pages 884 and 885 of the House Journal and that Senate Bill No. 2247 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with " for an Act to amend and reenact section 39-01-09 of the North Dakota Century Code, relating to parking meters.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 39-01-09 of the North Dakota Century Code is amended and reenacted as follows:

39-01-09. Parking meters prohibited.

~~It is unlawful for the~~The state of North Dakota, its political subdivisions, counties, cities, and, the state department of transportation ~~to, or the governing body of a political subdivision, upon a simple majority vote of the governing body of the political subdivision, may~~ establish and maintain any mechanical device ~~or devices~~ known as "parking meters", or by whatever name designated, ~~requiring the deposit therein of coins or tokens~~ for the privilege of parking cars or other vehicles upon the streets and highways in the state of North Dakota. ~~Any and all ordinances and resolutions now existing authorizing the establishment and maintenance of such~~

~~mechanical devices or parking meters, or by whatever name designated, are hereby declared null and void. A governing body of a political subdivision may place on the ballot the question of whether metered parking should be approved for use in the political subdivision."~~

Renumber accordingly

SB 2247 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2161: Your conference committee (Sens. Anderson, Clemens, Piepkorn and Reps. Klemin, Magrum, Hanson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 830 and place SB 2161 on the Seventh order.

SB 2161 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2041: Your conference committee (Sens. Anderson, Clemens, Heckaman and Reps. Damschen, McWilliams, P. Anderson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 951 and place SB 2041 on the Seventh order.

SB 2041 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2039, as engrossed: Your conference committee (Sens. J. Lee, Kreun, Heckaman and Reps. Devlin, B. Anderson, Damschen) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ pages 949-950 and place SB 2039 on the Seventh order.

Engrossed SB 2039 was placed on the Seventh order of business on the calendar.

The House stood adjourned pursuant to Representative Vigesaa's motion.

Buell J. Reich, Chief Clerk