

JOURNAL OF THE SENATE

Sixty-sixth Legislative Assembly

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Bismarck, April 24, 2019

The Senate convened at 8:00 a.m., with President Sanford presiding.

The prayer was offered by Sister Anna Rose Ruhland, St. Vincent's Care Center, Bismarck .

The roll was called and all members were present.

A quorum was declared by the President.

REPORT OF CONFERENCE COMMITTEE

SB 2346, as engrossed: Your conference committee (Sens. Klein, Myrdal, Hogan and Reps. D. Johnson, Satrom, Headland) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1594-1624, adopt amendments as follows, and place SB 2346 on the Seventh order:

That the House recede from its amendments as printed on pages 1397-1427 of the Senate Journal and pages 1594-1624 of the House Journal and that Engrossed Senate Bill No. 2346 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 60-01 of the North Dakota Century Code, relating to the definition of agriculture commissioner; to amend and reenact section 49-02-01, subsection 1 of section 60-02-01, sections 60-02-02, 60-02-03, 60-02-04, 60-02-05.1, 60-02-07, 60-02-07.2, 60-02-09, 60-02-09.1, 60-02-10.1, 60-02-11, 60-02-14, 60-02-17, 60-02-24, 60-02-27, 60-02-35.1, 60-02-38, 60-02-40, 60-02-41, and 60-02-42, subsection 1 of section 60-02.1-01, sections 60-02.1-02, 60-02.1-03, 60-02.1-04, 60-02.1-06, 60-02.1-07, 60-02.1-07.1, 60-02.1-08, 60-02.1-09, 60-02.1-11, 60-02.1-16, 60-02.1-17, 60-02.1-19, 60-02.1-22, 60-02.1-26, 60-02.1-27, 60-02.1-29, 60-02.1-30, 60-02.1-32, 60-02.1-33, 60-02.1-34, 60-02.1-35, 60-02.1-36, 60-02.1-37, 60-02.1-38, and 60-02.1-39, subsection 1 of section 60-04-01, and sections 60-04-03, 60-04-03.1, 60-04-03.2, 60-04-03.3, 60-04-04, 60-04-05, 60-04-06, 60-04-07, 60-04-08, 60-04-09, 60-04-10, 60-05-01, 60-05-02, 60-05-03, 60-05-04, 60-06-05, 60-06-06.1, 60-10-01, 60-10-02, 60-10-03, 60-10-05, 60-10-07, 60-10-08, 60-10-09, 60-10-10, 60-10-11, 60-10-12, 60-10-14, and 60-10-15 of the North Dakota Century Code, relating to moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide a penalty; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 49-02-01 of the North Dakota Century Code is amended and reenacted as follows:

49-02-01. General jurisdiction of the public service commission over public utilities.

The general jurisdiction of the commission shall extend to and include:

1. Contract and common carriers engaged in the transportation of persons and property, excluding air carriers.
2. Telecommunications companies engaged in the furnishing of telecommunications services as provided for in chapter 49-21.
3. Pipeline utilities engaged in the transportation of gas, oil, coal, and water.

4. Electric utilities engaged in the generation and distribution of light, heat, or power.
5. Gas utilities engaged in the distribution of natural, synthetic, or artificial gas.
6. All heating utilities engaged in the distribution of heat.
7. ~~Warehouse companies engaged in the marketing, storage, or handling of agricultural products.~~
8. All other public utilities engaged in business in this state or in any county, city, township, or other political subdivision of the state.

SECTION 2. A new section to chapter 60-01 of the North Dakota Century Code is created and enacted as follows:

Definition.

For purposes of this title, "commissioner" means the agriculture commissioner.

SECTION 3. AMENDMENT. Subsection 1 of section 60-02-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "~~Commission~~Commissioner" means the ~~public service-~~agriculture commissioner.

SECTION 4. AMENDMENT. Section 60-02-02 of the North Dakota Century Code is amended and reenacted as follows:

60-02-02. Commissioner - Powers and duties.

~~The commissioner has the powers and duties imposed by the provisions enumerated under this chapter and the powers conferred herein devolve upon the commission.~~

SECTION 5. AMENDMENT. Section 60-02-03 of the North Dakota Century Code is amended and reenacted as follows:

60-02-03. Duties and powers of the commissioner.

~~The commission shall have the duty and power to~~commissioner has the following powers and duties:

1. Exercise general supervision of the public warehouses of this state, including the handling, weighing, and storing of grain, and the management of public warehouses.
2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.
3. Examine and inspect, during ordinary business hours, any licensed warehouse, including all books, documents, and records.
4. Require the filing of reports pertaining to the operation of the warehouse.
5. Make all proper rules for carrying out and enforcing any law in this state regarding public warehouses.

SECTION 6. AMENDMENT. Section 60-02-04 of the North Dakota Century Code is amended and reenacted as follows:

60-02-04. Federal licensed inspector -- ~~Appointed by commission.~~

The ~~commission~~commissioner may employ a federal licensed inspector whose duties are hereinafter prescribed and such ~~enumerated~~ enumerated under this chapter and may employ other employees as ~~may be necessary~~ to carry out the provisions of this chapter.

SECTION 7. AMENDMENT. Section 60-02-05.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-05.1. Notice of procedures for resolving disputes over grain.

A public warehouse shall post a notice containing the procedures specified in section 60-02-05 for resolving disputes. The ~~commission~~commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each public warehouse. The public warehouseman shall post the notice in the grain inspection room of the warehouse. The notice must specifically mention ~~that~~ the procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

SECTION 8. AMENDMENT. Section 60-02-07 of the North Dakota Century Code is amended and reenacted as follows:

60-02-07. Public warehouse license - Fee - Financial statement.

A license must be obtained from the ~~commission~~commissioner for each public warehouse in operation in this state.

1. a. ~~The commission shall stagger by lot the expiration date of all licenses issued for the period beginning August 1, 2015, so that one-half of all the licenses issued expire on July 31, 2016, and one-half of all the licenses issued expire on July 31, 2017. Thereafter, all~~All licenses issued under this section must be for a period of two years and terminate on the thirty-first day of July in the year of expiration.
- b. (1) Notwithstanding the provisions of subdivision a, the ~~commission~~commissioner shall license a warehouse annually, for the first six years of the warehouse's operation.
- (2) An initial annual license application that becomes effective on or after June first does not expire until July thirty-first of the following calendar year.
2. No license may describe more than one public warehouse nor grant permission to operate any public warehouse other than the one described.
3. a. The annual license fee for a public warehouse is:
 - (1) ~~Three~~Four hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];
 - (2) ~~Four~~Five hundred fifty dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and
 - (3) ~~Five~~Six hundred fifty dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].
- b. The biennial license fee for a public warehouse is:

- (1) ~~Six~~Seven hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];
 - (2) ~~Nine hundred~~One thousand dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and
 - (3) One thousand ~~one~~two hundred dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].
- c. An application for an annual license renewal that is received after July fifteenth must include an additional one hundred dollar fee per warehouse. An application for a biennial license renewal that is received after July fifteenth must include an additional two hundred dollar fee per warehouse.
4. If a public warehouseman operates two or more warehouses in the same city or siding, in conjunction with each other and with the same working force, and keeps one set of books and records for all such warehouses, and issues one series of scale tickets, warehouse receipts, checks, and credit-sale contracts for the grain stored and purchased therein, only one license is required for the operation of all such warehouses. When two or more warehouses are operated under one license, the license fee is based upon the combined bushel capacity of the warehouses.
 5. If required to obtain United States department of agriculture approval of the ~~commission's~~commissioner's warehouse inspection program, the ~~commission~~commissioner may require that the applicant submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this subsection is a confidential trade secret and is not a public record.

SECTION 9. AMENDMENT. Section 60-02-07.2 of the North Dakota Century Code is amended and reenacted as follows:

60-02-07.2. Receiving stations.

A licensed public warehouseman may establish a receiving station without a separate warehouse license for that facility if all of the following conditions are met:

1. The station is colocated with another licensed public warehouse, the operator of which will take delivery of the grain on behalf of the warehouseman who established the receiving station.
2. The storage space used by the receiving station is used solely by the receiving station and is not licensed as part of the warehouse that is located at that site.
3. The grain taken in by the receiving station is not commingled with other grain at that site.
4. The warehouseman establishing the station requests and receives ~~commission~~ permission from the commissioner to increase licensed capacity to include the space to be used at the receiving station.
5. Grain received at the receiving station is recorded on scale tickets issued by the warehouseman who established the station and is covered by that warehouseman's bond.
6. Warehouse-receipted grain received at the receiving station is available for redelivery to the receipt holder at that location even if the station has

been closed. A charge for redelivery must be stated in the warehouseman's redelivery policy.

The storage space used by a receiving station need not be physically disconnected from the facilities of the other licensed warehouse located at that site.

SECTION 10. AMENDMENT. Section 60-02-09 of the North Dakota Century Code is amended and reenacted as follows:

60-02-09. Bond filed by public warehouseman.

Before any license is effective for any public warehouseman under this chapter, the applicant for the license shall file a bond with the ~~commission~~commissioner which must:

1. Be in a sum not less than five thousand dollars for any one warehouse.
2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commission~~commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.
3. Run to the state of North Dakota for the benefit of all persons storing or selling grain in that warehouse.
4. Be conditioned:
 - a. For the faithful performance of the licensee's duties as a public warehouseman.
 - b. For compliance with the provisions of law and the rules of the ~~commission~~commissioner relating to the storage and purchase of grain by such warehouseman.
5. Specify the location of each public warehouse intended to be covered by such bond.
6. Be for the specific purpose of:
 - a. Protecting the holders of outstanding receipts.
 - b. Covering the costs incurred by the ~~commission~~commissioner in the administration of chapter 60-04 in the event of the licensee's insolvency.
7. Not accrue to the benefit of any person entering into a credit-sale contract with a public warehouseman.
8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commission~~commissioner shall set the amount of the bond and may require an increase in the amount of any bond, from time to time, as the ~~commission~~commissioner deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commission~~commissioner, and authorized to do business within the state. The ~~commission~~commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond ~~whenif~~, in ~~its~~the ~~commissioner's~~ judgment, the cash, negotiable instrument, or personal surety bond properly will protect the holders of outstanding receipts. One bond only may be given for any line of elevators, mills, or warehouses, owned, controlled, or operated by one individual, firm, corporation, or limited liability company, and the bond must

be construed to cover such ~~the~~ elevators, mills, or warehouses, as a whole and not a specific amount for each.

SECTION 11. AMENDMENT. Section 60-02-09.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-09.1. Bond cancellation - Release of surety.

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commissioner~~ commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the warehouseman files a new bond at least thirty days before liability ceases, the ~~commissioner~~ commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commissioner~~ commissioner. ~~When~~ If a license is so suspended, the warehouseman shall give notice of such suspension to each receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse that the grain must be removed from the warehouse or ~~the~~ grain will be priced and redeemed in cash in accordance with section 60-02-41.

SECTION 12. AMENDMENT. Section 60-02-10.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-10.1. Revocation and suspension.

The ~~commissioner~~ commissioner may suspend or revoke the license of any warehouseman for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a warehouseman must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license the warehouseman may, upon the ~~commissioner's~~ commissioner's approval, operate the warehouse and purchase or redeliver grain previously received, but may not receive additional grain for purchase, storage, shipping, or processing. Grain may be sold only with the prior approval of the ~~commissioner~~ commissioner.

SECTION 13. AMENDMENT. Section 60-02-11 of the North Dakota Century Code is amended and reenacted as follows:

60-02-11. Scale ticket - Contents - Conversion.

1. a. Every public warehouseman, upon receiving grain into the warehouse, shall issue a uniform scale ticket for each load of grain received. The scale tickets must be numbered consecutively, and one copy of each ticket must be retained and remain as a permanent record. The original ticket must be delivered to the person from whom the grain is received, upon receipt of each load of grain.
- b. All scale tickets must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts, within forty-five days after the grain is delivered to the warehouse, unless:
 - (1) The person to whom the scale ticket is issued signs a form waiving all rights to trust benefits under section 60-04-03.1;
 - (2) The form identifies by number each scale ticket to which the waiver applies; and
 - (3) The form is signed by the warehouseman.
- c. The ~~commissioner~~ commissioner shall prepare the waiver form required by subdivision b and make the form available to each warehouse.

- d. The warehouseman shall keep one copy of the signed waiver form with the records of the warehouse, provide one copy to the person who was issued the scale ticket and signed the form, and file one copy with the ~~commission~~ commissioner.
2. Nothing in this chapter requires a warehouseman to receive grain for storage. A warehouseman shall publish and post, in a conspicuous place in the warehouse, a publication identifying whether storage will be available to patrons or whether grain will be accepted via cash or a credit-sale contract arrangement.

SECTION 14. AMENDMENT. Section 60-02-14 of the North Dakota Century Code is amended and reenacted as follows:

60-02-14. Warehouse receipts - Copy.

Provision ~~shall~~ must be made for a stub record or copy of each warehouse receipt issued by a warehouseman, showing:

1. The serial number and date of receipt.
2. The kind and grade of grain.
3. The dockage and net weight of the grain.

The record or copy ~~shall~~ must remain in the possession of the warehouseman for inspection by the ~~commission~~ commissioner and persons properly interested.

SECTION 15. AMENDMENT. Section 60-02-17 of the North Dakota Century Code is amended and reenacted as follows:

60-02-17. Warehouse and storage contract - Storage rates - Terminal delivery.

1. A warehouse receipt must contain, either on its face or reverse side, the following warehouse and storage contract:

This grain is received, insured, and stored subject to the laws and rules of the state of North Dakota, the terms of this contract, and the charges and conditions stated herein and as filed with the North Dakota ~~public service commission~~ agriculture commissioner. Upon surrender of this receipt and payment or tender of all applicable charges, the amount, kind, and grade of grain identified in this receipt will be delivered to the person named above or the person's order as rapidly as due diligence, care, and prudence will permit. At the option of the holder of this receipt, the amount, kind, and grade of grain for which this receipt is issued, upon demand, must be delivered back to the holder at any terminal point customarily shipped to, or at the place where received, upon the payment of any charges for receiving, handling, storage, and insurance and in case of terminal delivery, the payment in addition to the above of the regular freight charges on the gross amount called for by this ticket or in lieu thereof, a receipt issued by a bonded warehouse or elevator company doing business at the terminal point. This receipt does not require the delivery of the identical grain specified herein, but an equal amount of grain of the same kind and grade must be delivered.

2. A warehouseman shall publish and post, in a conspicuous place in its warehouse, the fees that will be assessed for receiving, storing, processing, or redelivering grain and the termination date of its warehouse receipts. This publication must be filed with the ~~commission~~ commissioner as a part of the warehouse license process or annual renewal. The fees and termination date must be stated on the warehouse receipt issued for the grain. The fees or termination date may be changed upon filing a revised publication with the ~~commission~~ commissioner.

SECTION 16. AMENDMENT. Section 60-02-24 of the North Dakota Century Code is amended and reenacted as follows:

60-02-24. Reports to be made by public warehouseman - Penalty for failure.

Each licensed and bonded public warehouseman shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commissioner~~commissioner. The report must contain or be verified by a written declaration ~~that it~~the report is made under the penalties of perjury. The report may be called for more frequently if the ~~commissioner~~commissioner deems it necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commissioner~~commissioner may make the information available for use by other governmental entities, but the ~~commissioner~~commissioner may not release the information in a manner that jeopardizes the confidentiality of individual licensees.
2. File the report with the ~~commissioner~~commissioner not later than the last day of the following month, and failure to file this report promptly will be considered cause for revoking the warehouse license after due notice and hearing.
3. Keep a separate account of the grain business, if the warehouseman is engaged in handling or selling any other commodity, and under no circumstances ~~shall~~may the grain account and other accounts be mixed.

The ~~commissioner~~commissioner may refuse to renew a license to any public warehouseman who fails to make a required report.

SECTION 17. AMENDMENT. Section 60-02-27 of the North Dakota Century Code is amended and reenacted as follows:

60-02-27. Federal grades to control - Grades to be posted.

All public warehousemen shall purchase and store grain except dry edible beans in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in rules and regulations applicable thereto adopted by federal officials pursuant to law. ~~They~~Public warehousemen shall post in a conspicuous place in ~~their~~the public warehousemen's warehouse the official grades so established and also any change that may be made from time to time. Warehousemen of dry edible beans shall purchase, store, and deliver beans in accordance with ~~their~~the policy of the warehousemen which must be filed with the ~~commissioner~~commissioner and posted in a conspicuous place in ~~their~~the warehouse of the public warehousemen. Other grading standards may be used if mutually agreed to in writing by the warehouseman and the owner of the grain. However, the owner may demand the use of federal grading standards. The ~~commissioner~~commissioner, after hearing, may prohibit the use of nonfederal grades.

SECTION 18. AMENDMENT. Section 60-02-35.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-35.1. Insurance - Cancellation - Suspension of license.

An insurance company shall give at least sixty days' notice to the ~~commissioner~~commissioner and the insured by certified mail return receipt requested before cancellation of an insurance policy required in section 60-02-35. Unless the warehouseman files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commissioner~~commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commissioner~~commissioner. ~~When~~If a license is so suspended, the warehouseman

shall give notice of ~~such~~ the suspension to each receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse ~~that~~ the grain must be removed from the warehouse or ~~if~~ the grain will be priced and redeemed in cash in accordance with section 60-02-41.

SECTION 19. AMENDMENT. Section 60-02-38 of the North Dakota Century Code is amended and reenacted as follows:

60-02-38. Refund of license fee by ~~commission~~ commissioner.

~~When~~ If requested in writing, the ~~commission~~ commissioner shall refund the license fee of a public warehouse, or so much as in ~~its~~ the commissioner's judgment is just and reasonable, ~~when~~ if satisfactory proof is furnished ~~that~~ the warehouse has been transferred to some other person, and the new owner has obtained a license for the same warehouse for the unexpired period for which the original license was issued. ~~When~~ If a warehouse is destroyed by fire or other cause, the license fee may be prorated as the ~~commission~~ commissioner may determine.

SECTION 20. AMENDMENT. Section 60-02-40 of the North Dakota Century Code is amended and reenacted as follows:

60-02-40. Transfer of warehouse - Redemption of receipts.

~~Whenever~~ If a public warehouseman desires to transfer a warehouse, either by sale or lease to any other individual, firm, or corporation, the warehouseman shall:

1. Notify the ~~commission~~ commissioner first of ~~its~~ the warehouseman's intention to transfer the warehouse, giving the name and address of the proposed lessee or purchaser.
2. Furnish a statement of all proper claims that may be filed or pending against the warehouseman pertaining to the storage, inspection, and marketing of grain, together with a statement of:
 - a. The number of bushels [cubic meters] of grain of each kind and grade in store in the warehouse;
 - b. The number and amount of receipts outstanding; and
 - c. The names and addresses of the receipt holders.
3. Serve notice by registered or certified mail, at least thirty days before the transfer, upon all receipt holders having claims against the warehouse to call for delivery of the grain covered by the receipts, and to pay all storage charges due, the warehouseman in such case to make no charge for redelivery. The ~~commission~~ commissioner may waive the thirty-day notice period upon receipt of written consent of all receipt holders.
4. Transfer all stored grain undelivered at the expiration of such thirty-day period to ~~its~~ the warehouseman's successor, if licensed, or to the nearest licensed warehouse for restorage, taking receipts for the same in favor of the owner of the grain so transferred.
5. Surrender to the ~~commission~~ its commissioner the warehouseman's license for cancellation ~~and at such, at which~~ time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission, whereupon, it~~ commissioner, at which time, the commissioner, first being duly satisfied ~~that~~ all the outstanding receipts have been redeemed, or that the redemption ~~thereof~~ of all outstanding receipts has been provided for, the ~~commission~~ commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any warehouse will be recognized by the ~~commissioner~~ commissioner except when made in accordance with the provisions of this section.

SECTION 21. AMENDMENT. Section 60-02-41 of the North Dakota Century Code is amended and reenacted as follows:

60-02-41. Going out of business - Redemption of receipts.

~~When~~ If a public warehouseman ceases business through the destruction of a warehouse by fire or other cause, or through insolvency, ~~such~~ the warehouseman shall redeem all outstanding unconverted scale tickets or warehouse receipts at the price prevailing on the date the warehouse was destroyed or closed because of insolvency. The holder of such receipts, upon due notice, ~~must~~ shall accept this price and surrender the receipts. Any public warehouseman who voluntarily ceases business or fails to renew an existing warehouse license or whose warehouse license is revoked shall notify the ~~commissioner~~ commissioner and all outstanding receipt holders of such closing and redeem all outstanding unconverted scale tickets or warehouse receipts at the price prevailing on the date the warehouse closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the unconverted scale ticket or warehouse receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~ must be settled in cash and priced on the market on the day of closing.

SECTION 22. AMENDMENT. Section 60-02-42 of the North Dakota Century Code is amended and reenacted as follows:

60-02-42. Cease and desist.

~~Whenever~~ If an entity engages in an activity or practice that is contrary to the provisions of this chapter or related rules, the ~~commissioner~~ commissioner, upon ~~its~~ the commissioner's own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the ~~commissioner~~ commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 23. AMENDMENT. Subsection 1 of section 60-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "~~Commissioner~~ Commissioner" means the ~~public service commission-~~ agriculture commissioner.

SECTION 24. AMENDMENT. Section 60-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-02. ~~Commissioner~~ Commissioner - Powers and duties.

The ~~powers and duties imposed and the powers conferred by this chapter~~ devolve upon the commission of the commissioner are enumerated in this chapter.

SECTION 25. AMENDMENT. Section 60-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-03. Duties and powers of the ~~commissioner~~ commissioner.

The ~~commissioner~~ commissioner has the duty and power to:

1. Exercise general supervision of grain buyers of this state.
2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.

3. Examine and inspect, during ordinary business hours, any books, documents, and records.
4. Make all proper rules for carrying out and enforcing any law in this state regarding grain buyers.

SECTION 26. AMENDMENT. Section 60-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-04. Federal licensed inspector—Appointed by commission.

The ~~commission~~ commissioner may employ a federal licensed inspector whose duties are hereinafter prescribed, and such ~~enumerated in this chapter and~~ may employ other employees as ~~may be necessary~~ to carry out the provisions of this chapter.

SECTION 27. AMENDMENT. Section 60-02.1-06 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-06. Notice of procedures for resolving disputes over grain.

A facility-based grain buyer shall post a notice containing the procedures specified in section 60-02.1-05 for resolving disputes. The ~~commission~~ commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each facility-based grain buyer. The facility-based grain buyer shall post the notice in the grain inspection room of the facility. The notice must specifically mention ~~that the~~ procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

SECTION 28. AMENDMENT. Section 60-02.1-07 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-07. Grain buyer license - How obtained - Fee - Financial statement.

Grain buyers ~~must~~ shall obtain an annual license from the ~~commission~~ commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~ If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. A facility-based grain buyer ~~must~~ shall obtain a license for each receiving location operated in the state. If a grain buyer operates two or more facilities in the same city or siding, in conjunction with each other and with the same working force, and where but one set of books and records is kept for all such facilities, and scale tickets and checks of but one series are issued for the grain, purchased, only one license is required for the operation of all such facilities. The annual license fee for a facility-based grain buyer is ~~three~~ four hundred dollars and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee per receiving location.

If required to obtain United States department of agriculture approval of the ~~commission's~~ commissioner's grain buyer inspection program, the ~~commission~~ commissioner may require that grain buyers submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this section is a confidential trade secret and is not a public record.

SECTION 29. AMENDMENT. Section 60-02.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-07.1. Roving grain buyer license - How obtained - Fee.

Roving grain buyers that purchase, solicit, merchandise, or take possession of grain in this state ~~must~~ shall obtain an annual license from the

~~commissioner~~ commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~ If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. The annual license fee for a roving grain buyer is ~~two~~ three hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee.

SECTION 30. AMENDMENT. Section 60-02.1-08 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-08. Bond filed by grain buyer.

Before any license is effective for any grain buyer under this chapter, the applicant for the license shall file a bond with the ~~commissioner~~ commissioner which must:

1. Be in a sum not less than ~~five~~ ten thousand dollars.
2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commissioner~~ commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.
3. Run to the state of North Dakota for the benefit of all persons selling grain to or through the grain buyer.
4. Be conditioned:
 - a. For the faithful performance of the licensee's duties as a grain buyer.
 - b. For compliance with the provisions of law and the rules of the ~~commissioner~~ commissioner relating to the purchase of grain by such grain buyer.
5. For facility-based grain buyers, specify the location of each facility intended to be covered by the bond.
6. Be for the specific purpose of:
 - a. Protecting the sellers of grain.
 - b. Covering the costs incurred by the ~~commissioner~~ commissioner in the administration of the licensee's insolvency.
7. Not accrue to the benefit of any person entering ~~into~~ a credit-sale contract with a grain buyer.
8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commissioner~~ commissioner may require an increase in the amount of any bond, from time to time, as ~~the commissioner~~ ~~the~~ commissioner deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commissioner~~ commissioner, and authorized to do business within the state. The ~~commissioner~~ commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond when, in ~~its~~ ~~the commissioner's~~ judgment, cash, a negotiable instrument, or a personal surety bond properly will protect the holders of outstanding receipts. Only one bond may be required for any series of facilities operated by a facility-based grain buyer, and the bond must be construed to cover those facilities as a whole and not a specific amount for each.

SECTION 31. AMENDMENT. Section 60-02.1-09 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-09. Bond cancellation - Release of surety.

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commissioner~~ commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the grain buyer files a new bond at least thirty days before liability ceases, the ~~commissioner~~ commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commissioner~~ commissioner.

SECTION 32. AMENDMENT. Section 60-02.1-11 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-11. Revocation and suspension.

The ~~commissioner~~ commissioner may suspend or revoke the license of any grain buyer for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a grain buyer must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license a facility-based grain buyer, upon the ~~commissioner's~~ commissioner's approval, may operate its facility and purchase or redeliver grain previously received, but may not receive additional grain for purchase, shipping, or processing. Grain may be sold only with the prior approval of the ~~commissioner~~ commissioner.

SECTION 33. AMENDMENT. Section 60-02.1-16 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-16. Records required to be kept by grain buyers.

Each grain buyer shall keep such accounts, records, and memoranda concerning the buyer's dealing as such grain buyer as from time to time may be required by the ~~commissioner~~ commissioner and shall make such reports of purchases of grain as may be required by the rules ~~made~~ adopted by the ~~commissioner~~ commissioner. The ~~commissioner~~ commissioner at all times shall ~~shall~~ must have access to such accounts, records, and memoranda.

SECTION 34. AMENDMENT. Section 60-02.1-17 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-17. Reports to be made by grain buyers - Penalty for failure.

Each licensed and bonded grain buyer shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commissioner~~ commissioner. The report must contain or be verified by a written declaration ~~that the report is~~ made under the penalties of perjury. The report may be called for more frequently if the ~~commissioner~~ commissioner deems ~~it~~ necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commissioner~~ commissioner may make this information available for use by other governmental entities, but the information may not be released by those entities in a manner that jeopardizes the confidentiality of individual licensees.
2. File the report with the ~~commissioner~~ commissioner not later than the last day of the following month. Failure to file this report promptly will be considered cause for revoking the grain buyer license after due notice and hearing.

3. Keep a separate account of the grain business, if the grain buyer is engaged in handling or selling any other commodity, and under no circumstances may the grain account and other accounts be mixed.

The ~~commission~~commissioner may refuse to renew a license to any grain buyer who fails to make a required report.

SECTION 35. AMENDMENT. Section 60-02.1-19 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-19. Federal grades to control - Grades to be posted.

All grain buyers shall purchase grain, except dry edible beans, in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in applicable rules and regulations ~~applicable thereto~~ adopted by federal officials pursuant to law. A facility-based grain buyer shall post in a conspicuous place in the buyer's facility the official grades so established and also any change that may be made from time to time. A grain buyer of dry edible beans shall purchase and deliver beans in accordance with the buyer's policy, which must be filed with the ~~commission~~commissioner and, if applicable, posted in a conspicuous place in the buyer's facility. Other grading standards may be used if mutually agreed to in writing by the grain buyer and the owner of the grain. However, the owner may demand the use of federal grading standards. After hearing, the ~~commission~~commissioner may prohibit the use of nonfederal grades.

SECTION 36. AMENDMENT. Section 60-02.1-22 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-22. Insurance - Cancellation - Suspension of license.

An insurance company shall give at least sixty days' notice to the ~~commission~~commissioner and the insured by registered mail return receipt requested before cancellation of an insurance policy required in section 60-02.1-21. Unless the grain buyer files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commission~~commissioner.

SECTION 37. AMENDMENT. Section 60-02.1-26 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-26. Transfer of facility - Redemption of receipts.

~~Whenever~~If a facility-based grain buyer desires to transfer a facility, either by sale or lease to any other individual, firm, or corporation, the grain buyer shall:

1. Notify the ~~commission~~commissioner first of its intention to transfer the facility, giving the name and address of the proposed lessee or purchaser.
2. Provide related information as may be required by the ~~commission~~commissioner.
3. Surrender to the ~~commission~~commissioner the grain buyer's license for cancellation and at that time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission~~commissioner, whereupon, it first being duly satisfied that all the outstanding receipts have been redeemed, or that the redemption thereof has been provided for, the ~~commission~~commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any facility will be recognized by the ~~commission~~commissioner except when made in accordance with the provisions of this section.

SECTION 38. AMENDMENT. Section 60-02.1-27 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-27. Going out of business - Redemption of receipts.

~~When~~ If a facility-based grain buyer ceases business through closure, the destruction of a facility by fire or other cause, or through insolvency, ~~such~~the grain buyer shall redeem all outstanding receipts at the price prevailing on the date the facility was closed, destroyed, or became insolvent. The holder of ~~such~~the receipts, upon due notice, ~~must~~shall accept this price and surrender the receipts. Any facility-based grain buyer who voluntarily ceases business or fails to renew an existing grain buyer license or whose grain buyer license is revoked shall notify the ~~commission~~commissioner and all receiptholders of such closing and redeem all such receipts at the price prevailing on the date the business closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~must be settled in cash and priced on the market on the day of closing.

SECTION 39. AMENDMENT. Section 60-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-29. Appointment of ~~commission~~commissioner.

Upon the insolvency of any roving grain buyer, the ~~commission~~commissioner shall apply to the district court of Burleigh County for authority to take all action necessary to act as trustee of the trust fund described in section 60-02.1-30. If the insolvency involves a facility-based grain buyer, application must be to the district court of a county in which the licensee operates a licensed facility. Upon notice to the licensee as the court prescribes, but not exceeding twenty days, or upon waiver of notice in writing by the licensee, the court shall hear and determine the application in a summary manner. If the court determines ~~that~~ the licensee is insolvent within the meaning of this chapter and that it would be in the best interests of the receiptholders that the ~~commission~~commissioner secure and execute the trust, the court shall issue an order granting the application, without bond, and the ~~commission~~commissioner shall proceed to exercise ~~its~~the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~commissioner's application, the court may issue ex parte a temporary order to preserve or protect the assets of the trust fund until the court issues ~~its~~an order granting or denying the application.

SECTION 40. AMENDMENT. Section 60-02.1-30 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-30. Trust fund established.

Upon the insolvency of any licensee, a trust fund must be established for the benefit of noncredit-sale receiptholders and to pay the costs incurred by the ~~commission~~commissioner in the administration of the insolvency. The trust fund must consist of the following:

1. Nonwarehouse receipt grain of the insolvent licensee held in storage or the proceeds obtained from the conversion of such grain.
2. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee must be remitted to the ~~commission~~commissioner and included in the trust fund.
3. The proceeds of insurance policies on destroyed grain.
4. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for damages upon bond given by the licensee to ensure faithful performance of the duties of a licensee.

5. The claim for relief, and proceeds ~~therefrom~~from the claim for relief, for the conversion of any grain stored in the warehouse.
6. Unencumbered accounts receivable for grain sold prior to the filing of the claim that precipitated an insolvency.
7. Unencumbered equity in grain hedging accounts.
8. Unencumbered grain product assets.

SECTION 41. AMENDMENT. Section 60-02.1-32 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-32. Notice to receiptholders and credit-sale contract claimants.

Upon ~~its~~the commissioner's appointment, the ~~commissioner~~commissioner may take possession of relevant books and records of the licensee. If the insolvency involves a roving grain buyer, the ~~commissioner~~commissioner shall publish a notice of ~~its~~the commissioner's appointment once each week for two consecutive weeks in all daily newspapers in the state and may notify, by ordinary mail, the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, disclosed by the licensee's records. If the insolvency involves a facility-based grain buyer, the notice must be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located. The notice must require outstanding receiptholders and credit-sale contract claimants to file their claims with the ~~commissioner~~commissioner along with the receipts, contracts, or other evidence of the claims required by the ~~commissioner~~commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time set by the ~~commissioner~~commissioner, the ~~commissioner~~commissioner is relieved of further duty in the administration of the insolvency on behalf of the receiptholder or credit-sale contract claimant and the receiptholder may be barred from participation in the trust fund, and the credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

SECTION 42. AMENDMENT. Section 60-02.1-33 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-33. Remedy of receiptholders.

~~No~~A receiptholder ~~has~~does not have a separate claim for relief upon any insolvent licensee's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commissioner~~commissioner fails or refuses to apply for ~~its~~the commissioner's own appointment or unless the district court denies the application. This chapter does not prohibit any receiptholder, either individually or in conjunction with other receiptholders, from pursuing concurrently any other remedy against the person or property of the licensee.

SECTION 43. AMENDMENT. Section 60-02.1-34 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-34. ~~Commissioner~~Commissioner to marshal trust assets.

Upon ~~its~~the commissioner's appointment, the ~~commissioner~~commissioner shall marshal all of the trust fund assets. The ~~commissioner~~commissioner may maintain suits in the name of the state of North Dakota for the benefit of all receiptholders against the licensee's bonds, insurers of grain, any person who may have converted any grain, and any person who may have received preferential treatment by being paid by the insolvent licensee after the first default.

SECTION 44. AMENDMENT. Section 60-02.1-35 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-35. Power of ~~commission~~commissioner to prosecute or compromise claims.

The ~~commission~~commissioner may:

1. Prosecute any action provided in sections 60-02.1-28 through 60-02.1-38 in any court in this state or in any other state.
2. Appeal from any adverse judgment to the courts of last resort.
3. Settle and compromise any action ~~when~~if it will be in the best interests of the receiptholders.
4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.
5. Upon payment of the amount of any settlement or of the full amount of any bond, exonerate the person so paying from further liability growing out of the action.

SECTION 45. AMENDMENT. Section 60-02.1-36 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-36. Money received by trustee - Deposited in Bank of North Dakota.

All funds received by the ~~commission~~commissioner as trustee must be deposited in the Bank of North Dakota.

SECTION 46. AMENDMENT. Section 60-02.1-37 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-37. Report of trustee to court - Approval - Distribution.

1. Upon the receipt and evaluation of claims, the ~~commission~~commissioner shall file with the court a report showing the amount and validity of each claim after recognizing:
 - a. Relevant liens or pledges.
 - b. Relevant assignments.
 - c. Relevant deductions due to advances or offsets accrued in favor of the licensee.
 - d. In case of relevant cash claims or checks, the amount of the claim.
 - e. In case of a relevant credit-sale contract or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.
2. The report must also contain the proposed reimbursement to the ~~commission~~commissioner for the expenses of administering the insolvency, the proposed distribution of the trust fund assets to receiptholders, less expenses incurred by the ~~commission~~commissioner in the administration of the insolvency, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants. If the trust fund is insufficient to redeem all receiptholder claims in full, the report should list the funds as prorated.
3. The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~commissioner's report should not be approved and distribution of the trust fund be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~commissioner by certified mail upon the licensee and the

surety and by ordinary mail upon all persons having claims filed with the ~~commission~~commissioner.

4. Any aggrieved person having an objection to the ~~commission's~~commissioner's report shall file the objection with the court and serve copies on the ~~commission~~commissioner, the licensee, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.
5. Following the hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~commissioner from ~~its~~the commissioner's trust.

SECTION 47. AMENDMENT. Section 60-02.1-38 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-38. Filing fees and court costs - Expenses.

The ~~commission~~commissioner may not be required to pay any filing fee or other court costs or disbursements. The attorney general may appoint outside legal counsel to assist the ~~commission~~commissioner in the prosecution of the action and the cost of employing outside counsel must be paid from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission, its~~commissioner, the commissioner's employees, and others engaged in carrying out the provisions of sections 60-02.1-28 through 60-02.1-38, must be reimbursed to the ~~commission~~commissioner from the trust fund and credit-sale contract indemnity funds as appropriate.

SECTION 48. AMENDMENT. Section 60-02.1-39 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-39. Cease and desist.

~~Whenever~~If an entity engages in an activity or practice that is contrary to the provisions of this chapter or related rules, the ~~commission~~commissioner, upon ~~its~~the commissioner's own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the ~~commission~~commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 49. AMENDMENT. Subsection 1 of section 60-04-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "~~Commission~~Commissioner" means the ~~public service-~~agriculture ~~commissioner~~commissioner.

SECTION 50. AMENDMENT. Section 60-04-03 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03. Appointment of ~~commission~~commissioner.

Upon the insolvency of any warehouseman, the ~~commission~~commissioner shall apply to the district court of a county in which the warehouseman operates a licensed warehouse for authority to take all action necessary and appropriate to secure and act as trustee of the trust fund described in section 60-04-03.1. Upon such notice to the warehouseman as the court shall prescribe, but not exceeding twenty days, or upon waiver of such notice in writing by the warehouseman, the court shall proceed to hear and determine such application in a summary manner. If it shall appear to the court ~~that such~~the warehouseman is insolvent within the

meaning of this chapter and that it would be for the best interests of the receipt holders that the ~~commission~~commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon~~at which time the ~~commission~~commissioner shall proceed to exercise ~~its~~the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~commissioner's application, the court may issue ex parte such temporary order as may be necessary to preserve or protect the assets of the trust fund, or the value ~~thereof~~of the trust fund, until the court issues ~~its~~an order granting or denying the application.

SECTION 51. AMENDMENT. Section 60-04-03.1 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.1. Trust fund established.

1. Upon the insolvency of any warehouseman, a trust fund ~~shall~~must be established:
 - a. For the benefit of noncredit-sale receipt holders of the insolvent warehouseman, other than those who have waived their rights as beneficiaries of the trust fund in accordance with section 60-02-11; and
 - b. To pay the costs incurred by the ~~commission~~commissioner in the administration of this chapter.
2. The trust fund consists of the following:
 - a. The grain in the warehouse of the insolvent warehouseman or the proceeds as obtained through the sale of such grain;
 - b. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee;
 - c. The proceeds of insurance policies upon grain destroyed in the elevator;
 - d. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for damages upon any bond given by the warehouseman to ensure faithful performance of the duties of a warehouseman;
 - e. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for the conversion of any grain stored in the warehouse;
 - f. Unencumbered accounts receivable for grain sold ~~prior to~~before the filing of the claim that precipitated an insolvency;
 - g. Unencumbered equity in grain hedging accounts; and
 - h. Unencumbered grain product assets.

SECTION 52. AMENDMENT. Section 60-04-03.2 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.2. Possession of grain.

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner shall seek possession of the grain to be included in the trust fund. Upon ~~its~~the commissioner's possession of any grain in the warehouse, the ~~commission~~commissioner shall sell such grain and apply the proceeds to the trust fund.

SECTION 53. AMENDMENT. Section 60-04-03.3 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.3. Joinder of surety - Deposit of proceeds.

The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the ~~commissioner~~ commissioner if the ~~commissioner~~ commissioner believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. ~~When~~ If it appears in the best interests of the receiptholders, the court may order the surety to deposit the penal sum of the bond, or so much ~~thereof~~ of the sum as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

SECTION 54. AMENDMENT. Section 60-04-04 of the North Dakota Century Code is amended and reenacted as follows:

60-04-04. Notice to receiptholders and credit-sale contract claimants.

Upon ~~its~~ the commissioner's appointment by the district court, the ~~commissioner~~ commissioner may take possession of relevant books and records of the warehouseman. The ~~commissioner~~ commissioner shall cause a notice of ~~its~~ the commissioner's appointment to be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located and may notify by ordinary mail the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, as shown by the warehouseman's records. The notices must require outstanding receiptholders and credit-sale contract claimants to file their claims against the warehouseman with the ~~commissioner~~ commissioner along with the receipts, contracts, or any other evidence of the claims as required by the ~~commissioner~~ commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time as prescribed by the ~~commissioner~~ commissioner, the ~~commissioner~~ commissioner is relieved of further duty or action under this chapter on behalf of the receiptholder or credit-sale contract claimant and the receiptholder or credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

SECTION 55. AMENDMENT. Section 60-04-05 of the North Dakota Century Code is amended and reenacted as follows:

60-04-05. Remedy of receiptholders.

~~No~~ A receiptholder ~~has~~ does not have a separate claim for relief upon the warehouseman's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commissioner~~ commissioner fails or refuses to apply for ~~its~~ the commissioner's own appointment from the district court or unless the district court denies the application for appointment. This chapter does not prohibit or prevent any receiptholder, either individually or in conjunction with other receiptholders, from pursuing concurrently such other remedy against the person or property of ~~such~~ the warehouseman, for the whole, or any deficiency occurring in the redemption, of the receipts.

SECTION 56. AMENDMENT. Section 60-04-06 of the North Dakota Century Code is amended and reenacted as follows:

60-04-06. Commissioner to marshall trust assets.

Upon ~~its~~ the commissioner's appointment by the district court, the ~~commissioner~~ commissioner may maintain suits at law or in equity, or any special proceeding, in the name of the state of North Dakota, upon ~~its~~ the commissioner's own relation, but for the benefit of all such receiptholders against:

1. The insurers of grain;
2. The warehouseman's bond;
3. Any person who may have converted any grain; or
4. Any receiptholder who ~~shall have~~ received more than ~~its~~the receiptholder's just and pro rata share of grain,

for the purpose of marshalling all of the trust fund assets and distributing the same among the receiptholders. The ~~commission~~commissioner shall seek possession of any grain in the warehouse before recourse is had against the insurers of grain, and the remedy against the insurers of grain ~~shall~~must be exhausted before recourse is had against the bond, and against the bond before recourse is had against the person honestly converting grain, unless the ~~commission shall deem~~commissioner deems it necessary to the redemption of the receipts that all the above remedies be pursued at the same time.

SECTION 57. AMENDMENT. Section 60-04-07 of the North Dakota Century Code is amended and reenacted as follows:

60-04-07. Power of ~~commission~~commissioner to prosecute or compromise claims.

The ~~commission~~commissioner may:

1. Prosecute any action provided in this chapter in any court in this state or in any other state.
2. Appeal from any adverse judgment to the courts of last resort.
3. Settle and compromise any action ~~whenever~~if it is in the best interests of the receiptholders.
4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.
5. Upon payment of the amount of the compromise or of the full amount of any insurance policy, bond, or conversion claim, exonerate the person so compromising or paying in full from further liability growing out of the action.

SECTION 58. AMENDMENT. Section 60-04-08 of the North Dakota Century Code is amended and reenacted as follows:

60-04-08. Money received by trustee - Deposited in Bank of North Dakota.

All moneys collected and received by the ~~commission~~commissioner as trustee under this chapter, pending the marshalling of the fund, ~~shall~~must be deposited in the Bank of North Dakota.

SECTION 59. AMENDMENT. Section 60-04-09 of the North Dakota Century Code is amended and reenacted as follows:

60-04-09. Report of trustee to court - Approval - Distribution.

Upon the receipt and evaluation of claims filed with ~~the~~the commissioner, the ~~commission~~commissioner shall file with the court a report showing the amount and validity of each claim after recognizing:

1. Any proper liens or pledges ~~thereon~~on the claims.
2. Assignments ~~thereof~~of the claims.

3. Deductions ~~therefrom~~ from the claims by reason of advances or offsets accrued in favor of the warehouseman.
4. In case of cash claims or checks, the amount ~~thereof~~ of the claims or checks.
5. In the case of scale tickets or warehouse receipts, the amount ~~thereof~~ based upon the market price prevailing on the date the ~~commission~~ commissioner first received a copy of the written demand required by section 60-04-02.
6. In the case of a credit-sale or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.

The report must also contain the proposed reimbursement to the ~~commission~~ commissioner for the expenses of administering the insolvency, a proposed distribution of the trust fund assets, less expenses incurred by the ~~commission~~ commissioner in the administration of this chapter, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants as ~~their~~ the interests of the claimants are determined. If the trust fund is insufficient to redeem all receiptholder claims in full, the fund must be shown prorated in the report in the manner the ~~commission~~ commissioner deems fair and equitable.

The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~ commissioner's report should not be approved and credit-sale contract indemnity fund payments and distribution of the trust fund be made as proposed, and payments from the credit-sale contracts be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~ commissioner by certified mail upon the warehouseman and the surety and by ordinary mail upon all persons having claims filed with the ~~commission~~ commissioner.

Any aggrieved person having an objection to the ~~commission's~~ commissioner's report shall file the objection with the court and serve copies on the ~~commission~~ commissioner, the warehouseman, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.

Following hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~ commissioner from ~~its~~ the commissioner's trust.

SECTION 60. AMENDMENT. Section 60-04-10 of the North Dakota Century Code is amended and reenacted as follows:

60-04-10. Filing fees and court costs - Expenses.

In any action in a state court in this state, the ~~commission~~ ~~shall~~ commissioner may not be required to pay any filing fee or other court costs or disbursements if the fees accrue to the county or to the state. The attorney general may employ outside legal services to assist the ~~commission~~ commissioner in the prosecution of such action as in the attorney general's judgment may be necessary and the ~~commission~~ commissioner shall deduct the expenses of the same from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~ commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission~~, ~~its~~ commissioner, the commissioner's employees, and others engaged in carrying out the provisions of this chapter, must be reimbursed to the ~~commission~~ commissioner from the trust fund and credit-sale indemnity funds as appropriate.

SECTION 61. AMENDMENT. Section 60-05-01 of the North Dakota Century Code is amended and reenacted as follows:

60-05-01. Public elevators and warehouses - ~~Commission~~Commissioner may require uniform accounting system.

The ~~public service commission~~commissioner may require every association, copartnership, corporation, or limited liability company conducting a public elevator or warehouse in this state to adopt a uniform accounting system established by ~~such~~the commissioner.

SECTION 62. AMENDMENT. Section 60-05-02 of the North Dakota Century Code is amended and reenacted as follows:

60-05-02. Examination of financial accounts of elevator or warehouse by competent examiner - Request by percentage of stockholders.

The ~~commission~~commissioner may install, and ~~whenever~~if requested by not less than fifteen percent of the partners, stockholders, or members of any association, copartnership, corporation, or limited liability company conducting such public elevator or warehouse, shall install, the uniform system of accounting mentioned in section 60-05-01. The ~~commission~~commissioner on ~~its~~the commissioner's own motion may, or on request of the required percentage of partners, stockholders, or members, the ~~commission~~commissioner shall, send a competent examiner to examine the books and financial accounts of ~~such~~the elevator or warehouse. ~~Whenever~~If a request for the examination of the accounts of any association, copartnership, corporation, or limited liability company has been made to the ~~commission~~commissioner, as provided for in this section, ~~an~~subsequent examinations must examination thereafter shall must be made at least once every year until the ~~commission~~commissioner is requested to discontinue such examination by resolution adopted by the partners, stockholders, or members at any annual meeting. ~~When~~If such examination has been made, the examiner shall report immediately the results ~~thereof~~of the examination to the president and the secretary of such association, copartnership, corporation, or limited liability company and to the ~~commission~~commissioner.

SECTION 63. AMENDMENT. Section 60-05-03 of the North Dakota Century Code is amended and reenacted as follows:

60-05-03. Certificate issued by ~~commission~~commissioner after its-examination of accounts.

If the ~~commission~~commissioner is satisfied from ~~its~~the commissioner's examination that the person, association, copartnership, corporation, or limited liability company examined is solvent and ~~its~~the method of doing business is such as is likely to be beneficial to all of its members or persons interested therein, the ~~commission~~commissioner shall issue a certificate, countersigned by the examiner, to the agent or manager. Such certificate ~~shall~~must be kept posted conspicuously in the warehouse or elevator of such person, association, copartnership, corporation, or limited liability company and ~~shall~~must state:

1. That said methods of doing business are sound.
2. That such person, association, copartnership, corporation, or limited liability company is solvent.
3. That its books and accounts are kept properly.

If the affairs and methods of doing business of such person, association, copartnership, corporation, or limited liability company ~~shall~~do not seem sound or satisfactory to the ~~commission~~commissioner, ~~it~~the commissioner, ~~the commissioner~~ shall issue a certificate or statement, countersigned by the person who made the examination, stating in what particular and in what respect the business methods practiced or methods of keeping books and accounts of such person, association, copartnership, corporation, or limited liability company are not deemed safe. The ~~commission~~commissioner shall mail a copy of ~~said~~the statement or certificate to each of such shareholders or stockholders as may have requested the

~~commissioner~~ to make such examination. The ~~commissioner~~ also shall send a copy thereof to the president and the secretary of such association, copartnership, corporation, or limited liability company.

SECTION 64. AMENDMENT. Section 60-05-04 of the North Dakota Century Code is amended and reenacted as follows:

60-05-04. Fees of examiner for installing and examining accounting system.

For making installation of a uniform accounting system and examining the financial accounts of an elevator or public warehouse, an association, copartnership, corporation, or limited liability company shall pay the examiner a reasonable fee, as determined by the ~~commissioner~~. In case any such association, copartnership, corporation, or limited liability company shall wrongfully refuse or neglect to pay such fees, then the ~~commissioner~~ may cancel the license to do business. All such fees shall be paid into the state treasury. The expenses incurred by the examiner under the provisions of this chapter ~~shall~~ must be paid out of the appropriations made by the legislative assembly for this purpose and such expenses ~~shall~~ must be audited and paid in the same manner as other expenses are audited and paid.

SECTION 65. AMENDMENT. Section 60-06-05 of the North Dakota Century Code is amended and reenacted as follows:

60-06-05. Sidetracks to be provided by railroad company on its land.

Every railroad company or corporation organized under the laws of this state or doing business ~~therein in this state~~, upon application in writing, shall provide reasonable sidetrack facilities and running connections between its main track and elevators and warehouses upon or contiguous to its right of way at such stations. Every such railroad corporation shall permit connections to be made and maintained in a reasonable manner with its sidetracks to and from any warehouse or elevator without reference to its size, cost, or capacity, ~~whereif~~ grain or potatoes are or may be stored. The railroad company is not required to construct or furnish any sidetracks except upon its own land or right of way. Such elevators and warehouses may not be constructed within one hundred feet [30.48 meters] of any existing structure and must be at safe fire distance from the station buildings so as not to conflict essentially with the safe and convenient operation of the road. ~~Whereif~~ stations are ten miles [16.09 kilometers] or more apart the railroad company, ~~whenif~~ required so to do by the ~~public service commissioner~~, shall construct and maintain a sidetrack for the use of shippers between such stations.

SECTION 66. AMENDMENT. Section 60-06-06.1 of the North Dakota Century Code is amended and reenacted as follows:

60-06-06.1. Determination - Appropriation.

Any party may petition the ~~public service commissioner~~ to determine rights governed under this chapter. The ~~commissioner~~ shall determine the matter in accordance with chapter 28-32 and the parties' rights of appeal are as limited by chapter 28-32. The value of a leaseholder's improvements may not be considered in determining a reasonable lease rate or selling price. The parties to such a proceeding shall pay the expenses of the proceeding, as determined by the ~~commissioner~~, directly to the entities owed. The ~~commissioner~~ may adopt rules to carry out this section.

SECTION 67. AMENDMENT. Section 60-10-01 of the North Dakota Century Code is amended and reenacted as follows:

60-10-01. Credit-sale contracts - Assessment on grain - Submission of assessment.

An assessment at the rate of two-tenths of one percent is placed on the value of all grain sold in this state under a credit-sale contract, as provided for in

sections 60-02-19.1 and 60-02.1-14. The licensee purchasing the grain shall note the assessment on the contract required under sections 60-02-19.1 and 60-02.1-14 and shall deduct the assessment from the purchase price payable to the seller. The licensee shall submit any assessment collected under this section to the ~~public-service-commissioner~~commissioner no later than thirty days after each calendar quarter. The ~~commissioner~~commissioner shall deposit the assessments received under this section in the credit-sale contract indemnity fund.

SECTION 68. AMENDMENT. Section 60-10-02 of the North Dakota Century Code is amended and reenacted as follows:

60-10-02. Credit-sale contract indemnity fund - Creation - Continuing appropriation.

There is created in the state treasury the credit-sale contract indemnity fund. The state treasurer shall invest available moneys in the fund in accordance with section 21-10-07 and in cooperation with the ~~public-service-commissioner~~commissioner and shall deposit any income earned through the investments into the fund. The fund and earnings of the fund are appropriated to the ~~public-service-commissioner~~commissioner on a continuing basis to be used exclusively to carry out the intent and purpose of this chapter.

SECTION 69. AMENDMENT. Section 60-10-03 of the North Dakota Century Code is amended and reenacted as follows:

60-10-03. Credit-sale contract indemnity fund - Suspension of assessment.

At the end of the calendar quarter in which the credit-sale contract indemnity fund reaches a level of six million dollars, the ~~public-service-commissioner~~commissioner shall suspend collection of the assessment required by this chapter. If after suspension of collection the balance in the fund is less than three million dollars, the ~~public-service-commissioner~~commissioner shall require collection of the assessment.

SECTION 70. AMENDMENT. Section 60-10-05 of the North Dakota Century Code is amended and reenacted as follows:

60-10-05. Credit-sale contract indemnity fund - Availability of money.

Upon the insolvency of a licensed warehouse or a grain buyer and a declaration that the ~~public-service-commissioner~~commissioner serve as the trustee, the ~~public-service-commissioner~~commissioner shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to the reimbursement of any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated in accordance with the contract.

SECTION 71. AMENDMENT. Section 60-10-07 of the North Dakota Century Code is amended and reenacted as follows:

60-10-07. Credit-sale contract indemnity fund - Prorated claims.

If claims for indemnity payments from the credit-sale contract indemnity fund exceed the amount in the fund, the ~~public-service-commissioner~~commissioner shall prorate the claims and pay the prorated amounts. As future assessments are collected, the ~~public-service-commissioner~~commissioner shall continue to forward indemnity payments to each eligible person until the person receives the maximum amount payable in accordance with this chapter.

SECTION 72. AMENDMENT. Section 60-10-08 of the North Dakota Century Code is amended and reenacted as follows:

60-10-08. Reimbursement for later insolvencies.

The ~~public service commissioner~~ commissioner shall ensure that all persons eligible for payment from the indemnity fund as a result of an insolvency are fully compensated to the extent permitted by this chapter before any payments from the indemnity fund are initiated as a result of a later insolvency. The chronological order of insolvencies is determined by the date the ~~public service commissioner~~ commissioner is appointed trustee under section 60-02.1-29 or 60-04-03.

SECTION 73. AMENDMENT. Section 60-10-09 of the North Dakota Century Code is amended and reenacted as follows:

60-10-09. Credit-sale contract indemnity fund - Reimbursement for administrative expenses.

Any expense incurred by the ~~public service commissioner~~ commissioner in administering the credit-sale contract indemnity must be reimbursed from the fund before any other claim for indemnity is paid.

SECTION 74. AMENDMENT. Section 60-10-10 of the North Dakota Century Code is amended and reenacted as follows:

60-10-10. Credit-sale contract indemnity fund assessment - Failure to collect assessment - Penalty.

Any person who knowingly or intentionally refuses or fails to collect the assessment required under this chapter from producers or to submit any assessment collected from producers to the ~~public service commissioner~~ commissioner for deposit in the credit-sale contract indemnity fund is guilty of a class A misdemeanor.

SECTION 75. AMENDMENT. Section 60-10-11 of the North Dakota Century Code is amended and reenacted as follows:

60-10-11. Revocation and suspension.

The ~~commissioner~~ commissioner may suspend or revoke the license of any licensee for cause upon notice and hearing for violation of this chapter.

SECTION 76. AMENDMENT. Section 60-10-12 of the North Dakota Century Code is amended and reenacted as follows:

60-10-12. Cease and desist.

If a person engages in an activity or practice that is contrary to this chapter or rules adopted by the ~~commissioner~~ commissioner, the ~~commissioner~~ commissioner, upon ~~its~~ the commissioner's own motion without complaint and with or without a hearing, may order the person to cease and desist from the activity until further order of the ~~commissioner~~ commissioner. The order may include any corrective action up to and including license suspension. A cease and desist order must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 77. AMENDMENT. Section 60-10-14 of the North Dakota Century Code is amended and reenacted as follows:

60-10-14. Subrogation.

Money paid from the credit-sale contract indemnity fund in satisfaction of a valid claim constitutes a debt obligation of the person against whom the claim was made. The ~~commissioner~~ commissioner may take action on behalf of the fund against a person to recover the amount of payment made, plus costs and attorney's fees. Any recovery for reimbursement to the fund must include interest computed at the weight average prime rate charged by the Bank of North Dakota. Upon payment of a claim from the credit-sale contract indemnity fund, the claimant shall subrogate ~~its~~ the interest of the claimant, if any, to the ~~commissioner~~ commissioner in a cause of action

against all parties, to the amount of the loss that the claimant was reimbursed by the fund.

SECTION 78. AMENDMENT. Section 60-10-15 of the North Dakota Century Code is amended and reenacted as follows:

60-10-15. Unlicensed facility-based grain buyer.

This chapter also applies to a facility-based grain buyer, as defined in section 60-02.1-01, which is licensed under the United States Warehouse Act but which does not possess a state grain buyer license. The ~~commission~~ commissioner has the duty and power to examine and inspect, during regular business hours, all books, documents, and records related to collections and remittances pertaining to the credit-sale contract indemnity fund. In the case of insolvency, credit-sale contract payments to valid claimants must be reduced by an amount equal to the credit-sale contract indemnity payments received from payments administered by the United States department of agriculture."

Renumber accordingly

Engrossed SB 2346 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Engrossed SB 2019 as printed on SJ pages 1799-1802 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2019, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2019: A BILL for an Act to provide an appropriation for defraying the expenses of the parks and recreation department; to amend and reenact section 55-08-07.1 of the North Dakota Century Code, relating to the state parks and recreation concession revolving fund; to provide for a report to the legislative assembly; to provide for a transfer; to provide for an exemption; to provide for a contingent loan authorization; to provide a contingent appropriation; to provide for a legislative management study; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 40 YEAS, 7 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Cook; Davison; Dever; Dotzenrod; Dwyer; Erbele; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Lemm; Marcellais; Mathern; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Clemens; Elkin; Fors; Kannianen; Larsen, O.; Luick; Meyer

Reengrossed SB 2019 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KLEIN MOVED that the conference committee report on Engrossed SB 2346 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2346, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2346: A BILL for an Act to create and enact a new section to chapter 60-01 of the North Dakota Century Code, relating to the definition of agriculture commissioner; to amend and reenact section 49-02-01, subsection 1 of section 60-02-01, sections 60-02-02, 60-02-03, 60-02-04, 60-02-05.1, 60-02-07, 60-02-07.2, 60-02-09, 60-02-09.1, 60-02-10.1, 60-02-11, 60-02-14, 60-02-17, 60-02-24, 60-02-27,

60-02-35.1, 60-02-38, 60-02-40, 60-02-41, and 60-02-42, subsection 1 of section 60-02.1-01, sections 60-02.1-02, 60-02.1-03, 60-02.1-04, 60-02.1-06, 60-02.1-07, 60-02.1-07.1, 60-02.1-08, 60-02.1-09, 60-02.1-11, 60-02.1-16, 60-02.1-17, 60-02.1-19, 60-02.1-22, 60-02.1-26, 60-02.1-27, 60-02.1-29, 60-02.1-30, 60-02.1-32, 60-02.1-33, 60-02.1-34, 60-02.1-35, 60-02.1-36, 60-02.1-37, 60-02.1-38, and 60-02.1-39, subsection 1 of section 60-04-01, and sections 60-04-03, 60-04-03.1, 60-04-03.2, 60-04-03.3, 60-04-04, 60-04-05, 60-04-06, 60-04-07, 60-04-08, 60-04-09, 60-04-10, 60-05-01, 60-05-02, 60-05-03, 60-05-04, 60-06-05, 60-06-06.1, 60-10-01, 60-10-02, 60-10-03, 60-10-05, 60-10-07, 60-10-08, 60-10-09, 60-10-10, 60-10-11, 60-10-12, 60-10-14, and 60-10-15 of the North Dakota Century Code, relating to moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide a penalty; and to provide a continuing appropriation.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 3 YEAS, 44 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Klein; Wanzek; Wardner

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa

Reengrossed SB 2346 failed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DAVISON MOVED that the conference committee report on Engrossed HB 1461 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1461, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1461: A BILL for an Act to create and enact two new sections to chapter 15.1-32 of the North Dakota Century Code, relating to reading screenings and a dyslexia screening pilot program; to provide for a report to the legislative management; and to provide for an exemption.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1461, as amended, passed.

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

MR. PRESIDENT: The Speaker has appointed Rep. B. Koppelman to replace Rep. Grueneich on the Conference Committee on HCR 3055.

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

MR. PRESIDENT: The House has not adopted the conference committee report on: HCR 3055.

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 1019, HB 1533.

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 1174.

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 2345.

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 1056.

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: SB 2293.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1004, HB 1025, HB 1040, HB 1157, HB 1202.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: HB 1007, HB 1022, HB 1171, HB 1234, HB 1384, HB 1435, HB 1453, HB 1474, HB 1517, HB 1531.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Sanford presiding.

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 1024, HB 1541.

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 1194.

REPORT OF CONFERENCE COMMITTEE

SB 2010, as engrossed: Your conference committee (Sens. Oehlke, Erbele, Grabinger and Reps. Beadle, Brandenburg, Bellew) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1572-1576, adopt amendments as follows, and place SB 2010 on the Seventh order:

That the House recede from its amendments as printed on pages 1572-1576 of the Senate Journal and pages 1740-1744 of the House Journal and that Engrossed Senate Bill No. 2010 be amended as follows:

Page 1, line 2, remove "chapter 23.1-16 and"

Page 1, line 3, remove "boiler inspections and"

Page 1, line 4, remove "sections 18-04-04, 18-04-04.1, and 18-04-05,"

Page 1, line 5, replace "subsection 1 of section 26.1-03-17, and" with "subdivision c of subsection 8 of section 26.1-04-03, subsection 2 of section 26.1-04-06,"

Page 1, line 6, after "26.1-23.1-01" insert ", and subsection 2 of section 26.1-25-16"

Page 1, line 8, after the second comma insert "insurance rebates,"

Page 1, line 9, remove "to repeal chapter 26.1-22.1 of the North Dakota Century Code, relating to"

Page 1, line 10, replace "boiler inspections; to provide a penalty;" with "to provide for a legislative management study; to provide a statement of legislative intent; to provide for a report;"

Page 1, line 10, remove "and to provide a"

Page 1, line 11, replace "contingent effective date" with "to provide for a penalty; and to declare an emergency"

Page 1, replace lines 20 through 23 with:

"Salaries and wages	\$8,549,567	(\$399,569)	\$8,149,998
Operating expenses	<u>2,179,777</u>	<u>(413,102)</u>	<u>1,766,675</u>
Total special funds	\$10,729,344	(\$812,671)	\$9,916,673
Full-time equivalent positions	46.00	(5.00)	41.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
Health care analysis	\$0	\$200,000
Total special funds	\$0	\$200,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$18,818,030, or so much of the sum as may be necessary, to the insurance commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of \$17,989,505 and payments to the North Dakota firefighter's association in the amount of \$828,525, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, remove lines 4 through 30

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 30

Page 9, remove lines 1 through 31

Page 10, remove lines 1 through 3

Page 10, line 16, replace "one hundred eleven thousand one hundred twenty-two" with "one hundred ten thousand five hundred eighty-two"

Page 10, remove lines 17 through 31

Page 11, replace lines 1 through 7 with:

"SECTION 7. AMENDMENT. Subdivision c of subsection 8 of section 26.1-04-03 of the North Dakota Century Code is amended and reenacted as follows:

- c. Notwithstanding any other provision in this subsection, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subdivision, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subdivision, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotion article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subdivision, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance.

SECTION 8. AMENDMENT. Subsection 2 of section 26.1-04-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance."

Page 13, replace lines 22 through 28 with:

"SECTION 14. AMENDMENT. Subsection 2 of section 26.1-25-16 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured,

policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain a quote or a contract of insurance.

SECTION 15. REPORT TO THE LEGISLATIVE MANAGEMENT - INSURANCE DEPARTMENT ANALYSIS OF HEALTH CARE - HOSPITAL REPORTING - PENALTY. During the 2019-20 interim, the insurance department shall assist the legislative management with the interim study of health insurance premium trends as approved by the sixty-sixth legislative assembly in House Bill No. 1106. During the interim, the insurance department shall conduct a detailed analysis of health care in the state and submit the report to the legislative management. During the interim, upon request of the insurance department, hospitals in cities with a population exceeding ten thousand shall provide the insurance department requested data regarding billing and payment information, financial information, management information, and other information the insurance department deems necessary to complete a detailed analysis of health care in the state. The department may not request data that include personally identifiable information and the hospitals may provide data in the aggregate. If a hospital fails, without just cause, to provide the insurance department with requested data as required under this section, the insurance commissioner may charge the hospital a civil penalty of up to one thousand dollars per day the hospital is in violation.

SECTION 16. LEGISLATIVE INTENT - INSURANCE TAX DISTRIBUTION FUND PAYMENTS TO FIRE DEPARTMENTS. It is the intent of the sixty-sixth legislative assembly that, when feasible, fire departments utilize increased payments from the insurance tax distribution fund to improve their insurance service office rating.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - HEALTH INSURANCE - PRE-EXISTING CONDITIONS. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of state guaranteed issue provisions for health insurance. The study must include consideration of protections for individuals with pre-existing conditions and consideration of whether to restructure the comprehensive health association of North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - VOLUNTEER FIREFIGHTER PENSION. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of establishing a pension for volunteer firefighters. The study must include a review of firefighter needs in the state and benefits provided to volunteer firefighters in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 19. EMERGENCY. Sections 9, 10, 11, 12, and 13 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:**Senate Bill No. 2010 - Insurance Department - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$8,549,567	\$8,134,475	\$15,523	\$8,149,998	\$8,149,998	
Operating expenses	2,179,777	1,566,675	200,000	1,766,675	1,566,675	\$200,000
Insurance tax payments	15,064,086		18,818,030	18,818,030	17,519,422	1,298,608
Total all funds	\$25,793,430	\$9,701,150	\$19,033,553	\$28,734,703	\$27,236,095	\$1,498,608
Less estimated income	25,793,430	9,701,150	19,033,553	28,734,703	27,236,095	1,498,608
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	46.00	41.00	0.00	41.00	41.00	0.00

Department 401 - Insurance Department - Detail of Conference Committee Changes

	Adds Funding for Salary Increases ¹	Adjusts Funding for Fire District Payments ²	Add One-Time Funding for Health Care Analysis ³	Total Conference Committee Changes
Salaries and wages	\$15,523			\$15,523
Operating expenses			\$200,000	200,000
Insurance tax payments		\$18,818,030		18,818,030
Total all funds	\$15,523	\$18,818,030	\$200,000	\$19,033,553
Less estimated income	15,523	18,818,030	200,000	19,033,553
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020.

² Funding from the insurance tax distribution fund for payments to fire districts and the North Dakota Firefighter's Association is restored to reflect the removal of continuing appropriation authority approved by the Senate. The House also removed the continuing appropriation authority. This amendment provides \$17,989,505 to be distributed to fire departments, an increase of \$3,753,944 from the base level. The Senate provided an estimated \$17,783,038 and the House provided \$16,773,750 for fire department payments. The amendment also provides \$828,525 to be distributed to the North Dakota Firefighter's Association, the same as the base level. The Senate provided an estimated \$1,034,992 and the House provided \$745,672 for the North Dakota Firefighter's Association. This results in a general fund revenue reduction of \$3,753,944 compared to the base level, the same as the Senate version and \$1,298,608 more than the House version.

³ One-time funding of \$200,000 is appropriated for an analysis of health care in the state to assist the Legislative Management in its study of health insurance premium trends pursuant to House Bill No. 1106. Neither the House nor the Senate included funding for the health care analysis.

Senate Bill No. 2010 - Other Changes - Conference Committee Action

This amendment also:

- Removes sections added by the Senate to provide continuing appropriation authority to the Insurance Commissioner for fire department and North Dakota Firefighter's Association payments from the insurance tax distribution fund. The House also removed these sections.
- Removes sections added by the Senate to provide for the transfer of the boiler inspection program to the Department of Environmental Quality. The transfer of the program is provided for in the Senate version of House Bill No. 1024.
- Adjusts the section providing statutory changes necessary to increase the salary of the Insurance Commissioner, the same as the House version.
- Adds sections to provide statutory changes relating to rebates associated with

obtaining an insurance quote, the same as the House version.

- Adds a section to provide for the Insurance Department to conduct a detailed analysis of health care in the state to assist the Legislative Management with its interim study of health insurance premium trends pursuant to House Bill No. 1106. Neither the House nor the Senate included this section.
- Does not include a section added by the House to provide accident and health insurance policies may not take into account any pre-existing condition of an applicant. The Conference Committee amendment provides for a Legislative Management study of health insurance coverage for pre-existing conditions.
- Adds a section to provide legislative intent that fire departments utilize increased distributions from the insurance tax distribution fund to improve their Insurance Service Office (ISO) ratings, the same as the House version.
- Adds a section to provide for a Legislative Management study of the feasibility and desirability of establishing a pension for volunteer firefighters, the same as the House version.
- Adds a section to declare the sections providing for the transfer of administration of the state bonding fund and the state fire and tornado fund to be an emergency.

Engrossed SB 2010 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2014, as engrossed: Your conference committee (Sens. Sorvaag, Krebsbach, Grabinger and Reps. B. Anderson, Meier, Holman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1308-1309, adopt amendments as follows, and place SB 2014 on the Seventh order:

That the House recede from its amendments as printed on pages 1308 and 1309 of the Senate Journal and page 1500 of the House Journal and that engrossed Senate Bill No. 2014 be amended as follows:

Page 1, replace lines 12 through 16 with:

"Protection and advocacy operations	<u>\$6,447,600</u>	<u>\$859,100</u>	<u>\$7,306,700</u>
Total all funds	<u>\$6,447,600</u>	<u>\$859,100</u>	<u>\$7,306,700</u>
Less estimated income	<u>3,488,601</u>	<u>505,534</u>	<u>3,994,135</u>
Total general fund	<u>\$2,958,999</u>	<u>\$353,566</u>	<u>\$3,312,565</u>
Full-time equivalent positions	27.50	1.00	28.50"

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Protection and Advocacy Project - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Protection and advocacy operations	\$6,447,600	\$7,311,466	(\$4,766)	\$7,306,700	\$7,061,780	\$244,920
Total all funds	\$6,447,600	\$7,311,466	(\$4,766)	\$7,306,700	\$7,061,780	\$244,920
Less estimated income	3,488,601	3,993,330	805	3,994,135	3,917,423	76,712
General fund	\$2,958,999	\$3,318,136	(\$5,571)	\$3,312,565	\$3,144,357	\$168,208
FTE	27.50	28.50	0.00	28.50	27.50	1.00

Department 360 - Protection and Advocacy Project - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Reduces Funding for Operating Expenses ²	Total Conference Committee Changes
Protection and advocacy operations	\$2,234	(\$7,000)	(\$4,766)
Total all funds	\$2,234	(\$7,000)	(\$4,766)
Less estimated income	805	0	805
General fund	\$1,429	(\$7,000)	(\$5,571)
FTE	0.00	0.00	0.00

¹ Funding of \$2,234 of which \$1,429 is from the general fund and \$805 is from federal funds, is added to provide funding for state employee salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and an increase of 2.5 percent on July 1, 2020, to provide total salary increases of \$161,814. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020 providing total salary increases of \$159,580.

² Funding for operating expenses is reduced by \$7,000 from the general fund, the same as the House version. The Senate did not reduce funding for operating expenses.

The House removed one FTE Olmstead Commission position. The Conference Committee included the FTE Olmstead Commission position, the same as the Senate. Engrossed SB 2014 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2214, as engrossed: Your conference committee (Sens. Schaible, Rust, Marcellais and Reps. Owens, Monson, Sanford) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1269-1270, adopt amendments as follows, and place SB 2214 on the Seventh order:

That the House recede from its amendments as printed on pages 1269 and 1270 of the Senate Journal and pages 1472 and 1473 of the House Journal and that Engrossed Senate Bill No. 2214 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a transfer from the foundation aid stabilization fund to the school construction assistance revolving loan fund; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND - USES.

The office of management and budget shall transfer the sum of \$75,000,000 from the foundation aid stabilization fund to the school construction assistance revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the \$75,000,000 transferred from the foundation aid stabilization fund, \$35,000,000 is from funding available in the fund on June 30, 2019, and \$40,000,000 is from earnings anticipated to be deposited into the fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Pursuant to the continuing appropriation authority under section 15.1-36-08, \$5,000,000, or so much of the sum as may be necessary, is available from the school construction assistance revolving loan fund to the Bank of North Dakota to provide interest rate buydowns associated with loans issued under section 15.1-36-06. In addition, provided sufficient funding is available for loans to local school districts, the Bank of North Dakota may utilize funding from the school construction assistance revolving loan fund to repay a portion of the outstanding principal balance of loans issued under section 15.1-36-06 for the purpose of transferring a portion of the loans issued under that section from the Bank of North Dakota to the school construction assistance revolving loan fund. The remaining amount transferred to the school construction assistance revolving loan fund is available for new school construction loans.

SECTION 2. LEGISLATIVE INTENT - FOUNDATION AID STABILIZATION

FUND. It is the intent of the sixty-sixth legislative assembly that, for the biennium beginning July 1, 2021, and ending June 30, 2023, the sixty-seventh legislative assembly appropriate \$110,000,000 from the foundation aid stabilization fund to the department of public instruction for providing ongoing funding for state school aid and transfer \$75,000,000 from the foundation aid stabilization fund to the school construction assistance revolving loan fund."

Renumber accordingly

Engrossed SB 2214 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1019, as engrossed: Your conference committee (Sens. Poolman, Erbele, Robinson and Reps. Schatz, Monson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1521-1523, adopt amendments as follows, and place HB 1019 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1521-1523 of the House Journal and pages 1284-1286 of the Senate Journal and that Engrossed House Bill No. 1019 be amended as follows:

Page 1, line 2, remove "create and enact sections 15-20.1-26 and 15-20.1-27 of the"

Page 1, replace lines 3 through 7 with "provide a statement of legislative intent; and to provide for a report to the sixty-seventh legislative assembly."

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$4,699,975	\$112,790	\$4,812,765
Operating expenses	1,240,589	1,117,207	2,357,796
Grants	30,106,356	(20,899,007)	9,207,349
Grants - secondary	0	24,587,780	24,587,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	(39,225)	256,982
Adult farm management	579,822	1,314,427	1,894,249
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	9,351,188	9,351,188
Total all funds	\$38,922,949	\$15,845,160	\$54,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
Total general fund	\$29,306,283	\$10,758,705	\$40,064,988
Full-time equivalent positions	24.50	27.80	52.30"

Page 2, remove lines 15 through 30

Page 3, remove lines 1 through 31

Page 4, remove lines 1 through 30

Page 5, replace lines 1 through 17 with:

"SECTION 3. CENTER FOR DISTANCE EDUCATION - FUNDING DESIGNATION - LEGISLATIVE INTENT - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.

Section 1 of this Act includes the sum of \$9,351,188, of which \$6,301,188 is from the general fund and \$3,050,000 is from other funds for the center for distance education for the biennium beginning July 1, 2019, and ending June 30, 2021. The general fund appropriation of \$6,301,188 includes a sum of \$102,759 that may only be used for new enrollments during the biennium beginning July 1, 2019, and ending June 30, 2021. It is the intent of the sixty-sixth legislative assembly that the center for distance education develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the biennium beginning July 1, 2021, and ending June 30, 2023. The department of career and technical education shall report to the appropriations committees of the sixty-seventh

legislative assembly regarding the development of the new center for distance education fee structure."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1019 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$4,699,975	\$4,793,318	\$19,447	\$4,812,765	\$4,812,765	
Operating expenses	1,240,589	2,315,589	42,207	2,357,796	2,357,796	
Grants	30,106,356	9,065,142	142,207	9,207,349	9,207,349	
Grants - Postsecondary	296,207	341,396	(84,414)	256,982	256,982	
Adult farm management	579,822	1,794,242	100,007	1,894,249	2,144,249	(\$250,000)
Workforce training	2,000,000	2,000,000		2,000,000	2,000,000	
Educational Technology Council		770,978	(770,978)			
Grants - Secondary		22,537,780	2,050,000	24,587,780	24,937,780	(350,000)
Center for Distance Education		8,994,167	357,021	9,351,188	9,751,188	(400,000)
Marketplace for Kids		300,000		300,000	300,000	
Total all funds	\$38,922,949	\$52,912,612	\$1,855,497	\$54,768,109	\$55,768,109	(\$1,000,000)
Less estimated income	9,616,666	15,203,121	(500,000)	14,703,121	14,703,121	0
General fund	\$29,306,283	\$37,709,491	\$2,355,497	\$40,064,988	\$41,064,988	(\$1,000,000)
FTE	24.50	52.80	(0.50)	52.30	52.30	0.00

Department 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes Funding for the Educational Technology Council ²	Line Item Transfers ³	Restores Funding for Adult Farm Management Grants ⁴	Adds Funding to Maintain Reimbursement Rates ⁵	Adds Funding for New and Expanding Programs ⁶
Salaries and wages	\$19,447					
Operating expenses			\$42,207			
Grants			142,207			
Grants - Postsecondary			(84,414)			
Adult farm management				\$100,007		
Workforce training						
Educational Technology Council		(\$770,978)				
Grants - Secondary			(100,000)		\$1,000,000	\$1,150,000
Center for Distance Education	34,262					
Marketplace for Kids						
Total all funds	\$53,709	(\$770,978)	\$0	\$100,007	\$1,000,000	\$1,150,000
Less estimated income	0	(500,000)	0	0	0	0
General fund	\$53,709	(\$270,978)	\$0	\$100,007	\$1,000,000	\$1,150,000
FTE	0.00	(0.50)	0.00	0.00	0.00	0.00

	Adds Funding for the Center for Distance Education ²	Total Conference Committee Changes
Salaries and wages		\$19,447
Operating expenses		42,207
Grants		142,207
Grants - Postsecondary		(84,414)
Adult farm management		100,007
Workforce training		
Educational Technology Council		(770,978)
Grants - Secondary		2,050,000
Center for Distance Education	\$322,759	357,021
Marketplace for Kids		
Total all funds	\$322,759	\$1,855,497
Less estimated income	0	(500,000)
General fund	\$322,759	\$2,355,497
FTE	0.00	(0.50)

¹ Funding of \$53,709 from the general fund is added for 2019-21 biennium salary increases

of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020, the same as the Senate. The House approved 2019-21 biennium salary increases of 2 percent per year.

² Funding of \$770,978 for the Educational Technology Council (ETC) is removed, of which \$270,978 is from the general fund and \$500,000 is from federal funds. Of the amount removed, \$82,412 was for salaries, \$103,566 was for operating expenses, \$85,000 was for grants, and \$500,000 was for capital assets. A 0.50 FTE administrative assistant II position related to the \$82,412 of salaries is also removed. The Senate also removed the funding and FTE for the ETC.

³ Funding of \$184,414 from the general fund is transferred between the following line items:

<u>Line Item Transfer</u>	<u>General Fund</u>
Grants - secondary line item to the grants line item	\$100,000
Grants - postsecondary line item to the grants line item	42,207
Grants - postsecondary line item to the operating expenses line item	<u>42,207</u>
Total	\$184,414

The Senate also provided for these transfers.

⁴ Funding of \$100,007 is restored for adult farm management grants to provide a total appropriation of \$1,894,249 from the general fund. The Senate approved \$2,144,249 and the House approved \$1,794,242 from the general fund for this program.

⁵ Funding of \$1 million is added from the general fund for the cost to continue and to maintain current reimbursement rates for Department of Career and Technical Education center expenditures, including instructor salaries and supplies, the same as provided by the Senate. The House did not provide funding for the cost to continue and to maintain reimbursement rates.

⁶ Funding of \$1.15 million is added from the general fund for new and expanding Department of Career and Technical Education secondary programs. The Senate provided \$1.5 million for new and expanding programs. The House did not provide funding for new and expanding programs.

⁷ Funding of \$322,759 is added from the general fund for the Center for Distance Education (CDE), of which \$102,759 may be used only for new enrollments during the 2019-21 biennium. The Conference Committee approved a total appropriation of \$9,351,188 for CDE, of which \$6,301,188 is from the general fund and \$3,050,000 is from the independent study operating fund, including 28.80 FTE.

The Senate provided a total appropriation of \$9,751,188 for CDE, of which \$6,701,188 was from the general fund and \$3,050,000 was from the independent study operating fund, including 28.80 FTE positions. The House provided a total of \$8,994,167, of which \$5,944,167 was from the general fund and \$3,050,000 was from the independent study operating fund, including 28.80 FTE positions.

This amendment also:

- Removes sections amending statutory provisions related to the Center for Distance Education and the Educational Technology Council. These sections were also removed by the Senate.
- Adds a section requiring \$102,759 of funding from the general fund provided for the Center for Distance Education be used only for new enrollments. The section also provides a statement of legislative intent that the Center for Distance Education develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the 2021-23 biennium. The Senate version included \$502,759 from the general fund for this purpose.

Engrossed HB 1019 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1024, as engrossed: Your conference committee (Sens. Bekkedahl, Hogue, Mathern and Reps. Schobinger, B. Anderson, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1667-1669, adopt amendments as follows, and place HB 1024 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1667-1669 of the House Journal and pages 1354-1357 of the Senate Journal and that Engrossed House Bill No. 1024 be amended as follows:

Page 1, line 2, after "enact" insert "a new section to chapter 23.1-12 and"

Page 1, line 3, after "inspections" insert "and the petroleum tank release compensation fund"

Page 1, line 6, remove "and"

Page 1, line 6, after "23.1-12-30" insert ", and 23.1-16-13"

Page 1, line 8, remove "and"

Page 1, line 9, replace "for a contingent" with "an"

Page 1, line 9, after "date" insert "; and to provide a contingent expiration date"

Page 1, remove lines 19 through 24

Page 2, replace line 1 with:

"Salaries and wages	\$27,040,544	\$3,546,814	\$30,587,358
Operating expenses	8,005,878	1,996,302	10,002,180
Capital assets	1,258,249	1,005,180	2,263,429
Grants	<u>13,407,000</u>	<u>2,454,529</u>	<u>15,861,529</u>
Total all funds	\$49,711,671	\$9,002,825	\$58,714,496
Less estimated income	<u>38,987,520</u>	<u>7,246,054</u>	<u>46,233,574</u>
Total general fund	\$10,724,151	\$1,756,771	\$12,480,922"

Page 2, line 22, replace "\$879,312" with "\$882,249"

Page 2, after line 25, insert:

"SECTION 5. ESTIMATED INCOME - PETROLEUM RELEASE COMPENSATION FUND. The estimated income line item included in section 1 of this Act includes \$297,217, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the petroleum release compensation fund for expenses related to the petroleum tank release program, for the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 2, line 26, remove "**CONTINGENT**"

Page 3, line 1, remove "The funding may be spent only upon certification by the"

Page 3, remove lines 2 through 4

Page 3, line 5, replace "**CONTINGENT APPROPRIATION**" with "**FUNDING**"

Page 3, line 6, replace "\$1,248,945" with "\$1,056,767"

Page 3, line 6, replace "ten" with "eight"

Page 3, line 6, after "positions" insert ", related to the state assuming primacy over the quad O and quad Oa federal air pollution programs,"

Page 3, line 7, remove ", and may be spent only upon certification by"

Page 3, remove lines 8 and 9

Page 3, line 10, remove "assuming primacy over the quad O and quad Oa federal air pollution programs"

Page 10, after line 6, insert:

"**SECTION 17.** A new section to chapter 23.1-12 of the North Dakota Century Code is created and enacted as follows:

Registration fees before adoption of rules.

Until the department adopts rules establishing a schedule of registration fees under section 23.1-12-17, registration fees must comply with this section. An owner or operator of a tank shall pay an annual registration fee of fifty dollars for each aboveground or underground tank owned or operated by the person. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is less than six million dollars, the annual registration fee of fifty dollars is increased to one hundred dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is five million five hundred thousand dollars or more and the annual registration fee has been increased to one hundred dollars, the fee must be reduced to fifty dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance exceeds nine million dollars, the annual registration fee is reduced to five dollars. Annual registration fees must continue at five dollars until the fund balance does not exceed nine million dollars."

Page 22, after line 5, insert:

"**SECTION 30. AMENDMENT.** Section 23.1-16-13 of the North Dakota Century Code is amended and reenacted as follows:

23.1-16-13. Disposition of funds.

All funds collected and received under this chapter must be paid to the state treasurer and deposited in the state fire and tornado department of environmental quality operating fund to be used to defray the costs of boiler inspections."

Page 22, after line 6, insert:

"**SECTION 32. BOILER INSPECTION PROGRAM EVALUATION - PLAN - REPORT TO LEGISLATIVE MANAGEMENT.** The department of environmental quality shall evaluate the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the legislative management regarding the plan before June 30, 2020."

Page 22, line 7, remove "Sections 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19,"

Page 22, replace lines line 8 through 14 with "Section 30 of this Act becomes effective on July 1, 2020.

SECTION 34. CONTINGENT EXPIRATION DATE. Section 17 of this Act is effective until the date the legislative council receives certification from the department of environmental quality that rules establishing a schedule of registration fees under section 23.1-12-17 have been adopted, and after that date is ineffective."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Department of Environmental Quality - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$27,040,544	\$30,196,953	\$390,405	\$30,587,358	\$30,587,358	

Operating expenses	8,005,878	10,002,180		10,002,180	10,002,180	
Capital assets	1,258,249	2,263,429		2,263,429	2,263,429	
Grants	13,407,000	15,861,529		15,861,529	15,861,529	
Total all funds	\$49,711,671	\$58,324,091	\$390,405	\$58,714,496	\$58,714,496	\$0
Less estimated income	38,987,520	46,415,932	(182,358)	46,233,574	45,648,542	585,032
General fund	\$10,724,151	\$11,908,159	\$572,763	\$12,480,922	\$13,065,954	(\$585,032)
FTE	152.50	165.50	0.00	165.50	165.50	0.00

Department 303 - Department of Environmental Quality - Detail of Conference Committee Changes

	Adds Funding for Salary Increases ¹	Adds Funding for Health Insurance Increases ²	Adds 2 FTE Positions for the Supremacy of Federal Programs ³	Removes 2 FTE Positions for the Supremacy of Federal Programs ⁴	Adjusts the Funding Source of the Petroleum Tank Release Program ⁵	Total Conference Committee Changes
Salaries and wages	\$184,841	\$13,386	\$384,356	(\$192,178)		\$390,405
Operating expenses						
Capital assets						
Grants						
Total all funds	\$184,841	\$13,386	\$384,356	(\$192,178)	\$0	\$390,405
Less estimated income	111,289	3,570	0	0	(297,217)	(182,358)
General fund	\$73,552	\$9,816	\$384,356	(\$192,178)	\$297,217	\$572,763
FTE	0.00	0.00	2.00	(2.00)	0.00	0.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and a 2 percent increase on July 1, 2020.

² Funding is added for health insurance increases related to an information technology unification FTE position not removed and the 2 FTE positions related to the supremacy of federal programs, the same as the Senate version.

³ Two of the FTE positions provided by the House in the 2nd year of the biennium and related funding for salaries and wages are added in the 1st year of the biennium for the supremacy of federal programs, the same as the Senate version. The House provided contingent funding and 10 FTE positions in the 2nd year of the biennium for the supremacy of federal programs.

⁴ Two of the contingent 10 FTE positions provided by the House in the 2nd year of the biennium for the supremacy of federal programs and related funding for salaries and wages are removed because they are added in the 1st year of the biennium, the same as the Senate version, to provide 8 FTE positions in the 2nd year of the biennium.

⁵ Funding for 50 percent of the total provided for defraying the expenses of the petroleum tank release program is provided from the general fund, instead of the petroleum release compensation fund. The House and the Senate provided \$594,434, including funding for salaries and wages of \$355,846 and operating expenses of \$238,588, from the petroleum release compensation fund for the program.

This amendment also:

- Amends a section identifying funding from the state fire and tornado fund for the boiler inspection program. The Senate provided the funding for the program from the general fund;
- Adds a section to identify funding from the petroleum release compensation fund for 50 percent of the funding related to the petroleum release program. Both the House and Senate had provided 100 percent of the funding for the program from the petroleum release compensation fund;
- Adjusts the section relating to the appropriation from the general fund for federal program supremacy to reduce total funding and FTE added in the 2nd year of the biennium;

- Adds a section to provide for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees, the same as the Senate version;
- Amends the section related to the disposition of funds in the boiler inspection program, created to transfer the boiler inspection program to the Department of Environmental Quality, to require fees collected under the section are deposited in the Department of Environmental Quality operating fund beginning July 1, 2020. The House had continued to deposit the fees in the state fire and tornado fund and the senate had provided the fees be deposited in the general fund;
- Adds a section to require that the Department of Environmental Quality review the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the Legislative Management regarding the plan before June 30, 2020, the same as the Senate version;
- Removes the contingent effective date related to Department of Environmental Quality programs because the department has received federal certification of the transfer of authority, powers, and duties to the Department of Environmental Quality; and
- Adds a section to provide for a contingent expiration date for the section which provides for petroleum tank fees to be assessed until the Department of Environmental Quality adopts rules regarding fees, the same as the Senate version.

House Bill No. 1024 - Other Changes - Conference Committee Action

The Conference Committee provided \$882,249 for the boiler inspection program, including funding for salaries and wages of \$793,249 and operating expenses of \$89,000, from the state fire and tornado fund, the same as the House version, instead of the general fund which was included in the Senate version. The Conference Committee also amended North Dakota Century Code Section 23.1-16-13, related to the disposition of boiler inspection funds, to provide, effective July 1, 2020, fees related to the boiler inspection program are deposited in the Department of Environmental Quality operating fund. The Senate provided for fees to be deposited in the general fund effective July 1, 2019, which would have increased general fund revenues by \$600,000.

Engrossed HB 1024 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1056, as engrossed: Your conference committee (Sens. Davison, Meyer, Marcellais and Reps. B. Koppelman, Louser, Johnston) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1324, adopt amendments as follows, and place HB 1056 on the Seventh order:

That the Senate recede from its amendments as printed on page 1324 of the House Journal and page 1049 of the Senate Journal and that Engrossed House Bill No. 1056 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 section 48-05-01.1 of the North Dakota Century Code, relating to the display of the prisoner of war and missing in action flag on the state capitol grounds; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 48-05-01.1 of the North Dakota Century Code is created and enacted as follows:

48-05-01.1. Display of prisoner of war and missing in action flag - State capitol grounds.

The prisoner of war and missing in action flag:

1. Must be flown daily on the state capitol grounds at the following flagpole locations:
 - a. Immediately south of the state capitol building;
 - b. In front of the all veterans memorial; and
 - c. On the east side of the heritage center.
2. May be flown either below the flag of the United States on the same flagpole or alone on a separate flagpole.
3. Must be displayed using proper flag etiquette."

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Renumber accordingly

Engrossed HB 1056 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1174: Your conference committee (Sens. Kannianen, Cook, Dotzenrod and Reps. Dockter, Headland, Mitskog) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1440-1441, adopt amendments as follows, and place HB 1174 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1440 and 1441 of the House Journal and pages 1190 and 1191 of the Senate Journal and that House Bill No. 1174 be amended as follows:

Page 2, remove line 30

Page 3, line 2, remove the overstrike over "; and"

Page 3, remove the overstrike over line 3

Page 3, line 4, remove the overstrike over "~~Revenue Code~~" and insert immediately thereafter "to the extent included in North Dakota taxable income"

Page 3, line 14, replace "~~Reduced~~" with "For taxpayers with federal adjusted gross income of fifty thousand dollars or less, or one hundred thousand dollars or less if married filing jointly, reduced"

Renumber accordingly

HB 1174 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1194, as reengrossed: Your conference committee (Sens. Anderson, K. Roers, Hogan and Reps. Rohr, D. Anderson, Dobervich) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1326-1327, adopt amendments as follows, and place HB 1194 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1326-1327 of the House Journal and pages 868 of the Senate Journal and that Reengrossed House Bill No. 1194 be amended as follows:

Page 1, line 2, remove "to amend and reenact"

Page 1, line 3, remove "section 50-24.1-37 of the North Dakota Century Code, relating to Medicaid expansion;"

Page 1, remove lines 7 through 22

Page 2, remove lines 1 through 30

Page 3, remove lines 1 and 2

Page 3, line 18, replace "fifty" with "sixty"

Page 3, line 18, replace "fifty" with "forty"

Page 3, line 26, after "include" insert "population"

Page 3, line 27, remove "and"

Page 3, line 28, replace "capital construction directly related to health-related programs or services" with "or developing or enhancing community health representative programs or services. Health-related purposes may not include capital construction, stipends to individuals for services, or services that are covered by Indian health services, Medicaid, or other third-party payers, or state-funded programs"

Page 4, line 1, replace "four" with "two"

Page 4, line 6, replace "four" with "two"

Renumber accordingly

Reengrossed HB 1194 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1533, as engrossed: Your conference committee (Sens. Cook, Kannianen, Dotzenrod and Reps. Headland, Dockter, Mitskog) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1326, adopt amendments as follows, and place HB 1533 on the Seventh order:

That the Senate recede from its amendments as printed on page 1326 of the House Journal and page 1052 of the Senate Journal and that Engrossed House Bill No. 1533 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 sections 50-06-22, 53-06.1-08.2, and 53-06.1-12 of the North Dakota Century Code, relating to deposits in the gambling disorder prevention and treatment fund, electronic pull tab device requirements and limitations, and the charitable gaming tax; to provide for a legislative management study; to provide a continuing appropriation; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 50-06-22 of the North Dakota Century Code is amended and reenacted as follows:

50-06-22. Gambling disorder prevention and treatment fund - Continuing appropriation.

Funds deposited in the gambling disorder prevention and treatment fund under ~~sections~~sections 53-06.1-12 and 53-12.1-09 are appropriated to the department on a continuing basis for the purpose of providing the services under section 50-06-21.

SECTION 2. AMENDMENT. Section 53-06.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-08.2. Electronic pull tab device requirements and limitations.

A licensed organization may not install more than ten electronic pull tab devices in a site. An electronic pull tab device must display an electronic pull tab in which the player may win credits that can be redeemed for cash or used to purchase

more pull tabs. The device may not directly dispense coins, cash, tokens, or anything else of value other than a credit ticket voucher.

SECTION 3. AMENDMENT. Section 53-06.1-12 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-12. Gaming tax - Deposits and allocations - Continuing appropriation.

1. A gaming tax is imposed on the total gross proceeds received by a licensed organization in a quarter and it must be computed and paid to the attorney general on a quarterly basis on the tax return. This tax must be paid from adjusted gross proceeds and is not part of the allowable expenses. ~~For a licensed organization with gross proceeds~~The tax is:
 - a. ~~Not exceeding one million five hundred thousand dollars the tax is one~~Three-fourths of one percent of gross proceeds from electronic pull tabs.
 - b. One percent of gross proceeds from all other games for a licensed organization with gross proceeds not exceeding one million five hundred thousand dollars.
 - b. ~~Exceeding one million five hundred thousand dollars the tax is fifteen~~
 - c. Fifteen thousand dollars plus two and twenty-five hundredths percent of gross proceeds exceeding one million five hundred thousand dollars from all other games for a licensed organization with gross proceeds exceeding one million five hundred thousand dollars.
2. The tax must be paid to the attorney general at the time tax returns are filed.
3. Except as provided in subsection 4, the attorney general shall deposit gaming taxes, monetary fines, and interest and penalties collected in the general fund in the state treasury.
4. The attorney general shall ~~deposit:~~
 - a. Transfer thirty-one thousand two hundred fifty dollars of the taxes collected under this section each quarter to the state treasurer for deposit in the gambling disorder prevention and treatment fund.
 - b. Deposit thirty-one thousand two hundred fifty dollars of the taxes collected under this section each quarter into the gaming tax allocation fund. Funds deposited pursuant to this subdivision are appropriated to the attorney general on a continuing basis for purposes of the distributions listed in subdivision c.
 - c. Deposit seven percent of the total taxes, less refunds, collected under this section each quarter into the gaming tax allocation fund. Pursuant to legislative appropriation, moneys in the gaming tax allocation fund must be distributed quarterly to cities and counties in proportion to the taxes collected under this section from licensed organizations conducting games within each city, for sites within city limits, or within each county, for sites outside city limits. If a city or county allocation under this subsection is less than two hundred dollars, that city or county is not entitled to receive a payment for the quarter and the undistributed amount must be included in the total amount to be distributed to other cities and counties for the quarter. Each city or county entitled to distributions under this subsection shall report to the attorney general the total number of electronic pull tab devices located at sites within the city or county. The attorney general shall verify the information reported by the city or county before making distributions under this subsection.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;
2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;
3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and
4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 5. EXPIRATION DATE. Sections 1 through 3 of this Act are effective through June 30, 2021, and after that date are ineffective."

Renumber accordingly

Engrossed HB 1533 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1541, as engrossed: Your conference committee (Sens. Luick, Myrdal, Bakke and Reps. Paulson, Karls, Vetter) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1377, adopt amendments as follows, and place HB 1541 on the Seventh order:

That the Senate recede from its amendments as printed on page 1377 of the House Journal and page 1096 of the Senate Journal and that Engrossed House Bill No. 1541 be amended as follows:

Page 1, line 16, overstrike "public"

Page 1, line 16, after "awareness" insert "and provide information to education personnel and the general public"

Page 2, line 1, remove "Provide information to teachers and administrators in this state regarding human"

Page 2, line 2, replace "trafficking awareness and prevention" with "Present annually regarding human trafficking awareness and prevention at professional development conferences directed toward teachers, administrators, and support staff which are hosted by educational organizations in this state or by the department of public instruction"

Renumber accordingly

Engrossed HB 1541 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Engrossed SB 2014 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2014, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2014: A BILL for an Act to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide a report to the legislative assembly.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2014 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHAIBLE MOVED that the conference committee report on Engrossed SB 2214 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2214, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2214: A BILL for an Act to provide for a transfer from the foundation aid stabilization fund to the school construction assistance revolving loan fund; 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, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2214 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. OEHLKE MOVED that the conference committee report on Engrossed SB 2010 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2010, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2010: A BILL for an Act to provide an appropriation for defraying the expenses of the insurance commissioner; to create and enact section 26.1-22-03.1 of the North Dakota Century Code, relating to North Dakota reserve fund use of producers; to amend and reenact subsection 2 of section 26.1-01-07, section 26.1-01-09, subdivision c of subsection 8 of section 26.1-04-03, subsection 2 of section 26.1-04-06, sections 26.1-21-03, 26.1-21-17, 26.1-22-03, and 26.1-23-1-01, and subsection 2 of section 26.1-25-16 of the North Dakota Century Code, relating to the state fire and tornado fund, the state bonding fund, fees chargeable by the insurance commissioner, the salary of the insurance commissioner, insurance rebates, and government self-insurance pools; to provide for a legislative management study; to provide a statement of legislative intent; to provide for a report; to provide a continuing appropriation; to provide for a penalty; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2010 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. POOLMAN MOVED that the conference committee report on Engrossed HB 1019 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1019, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1019: A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education; to provide a statement of legislative intent; and to provide for a report to the sixty-seventh legislative assembly.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1019, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. COOK MOVED that the conference committee report on Engrossed HB 1533 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1533, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1533: A BILL for an Act to amend and reenact sections 50-06-22, 53-06.1-08.2, and 53-06.1-12 of the North Dakota Century Code, relating to deposits in the gambling disorder prevention and treatment fund, electronic pull tab device requirements and limitations, and the charitable gaming tax; to provide for a legislative management study; to provide a continuing appropriation; and to provide an expiration 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 4 YEAS, 43 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Mathern; Meyer; Piepkorn; Roers, K.

NAYS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Myrdal; Oban; Oehlke; Patten; Poolman; Robinson; Roers, J.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1533, as amended, failed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BEKKEDAHL MOVED that the conference committee report on Engrossed HB 1024 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1024, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1024: A BILL for an Act to provide an appropriation for defraying the expenses of the department of environmental quality; to create and enact a new section to chapter 23.1-12 and chapter 23.1-16 of the North Dakota Century Code, relating to boiler inspections and the petroleum tank release compensation fund; to amend and reenact sections 23.1-12-02, 23.1-12-04, 23.1-12-05, 23.1-12-06, 23.1-12-10, 23.1-12-11, 23.1-12-14, 23.1-12-15, 23.1-12-17, 23.1-12-18, 23.1-12-19, 23.1-12-20, 23.1-12-23, 23.1-12-24, 23.1-12-25, 23.1-12-26, 23.1-12-27, 23.1-12-28, 23.1-12-29, 23.1-12-30, and 23.1-16-13 of the North Dakota Century Code, relating to the duties of the department of environmental quality; to repeal chapter 26.1-22.1 of the North Dakota Century Code, relating to boiler inspections; to provide for a report; to provide an effective date; and to provide a contingent expiration 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 46 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Larsen, O.

Engrossed HB 1024, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DAVISON MOVED that the conference committee report on Engrossed HB 1056 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1056, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1056: A BILL for an Act to create and enact section 48-05-01.1 of the North Dakota Century Code, relating to the display of the prisoner of war and missing in action flag on the state capitol grounds; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1056, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KANNIANEN MOVED that the conference committee report on Engrossed HB 1174 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1174, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1174: A BILL for an Act to create and enact a new subdivision to subsection 2 of section 57-38-30.3 of the North Dakota Century Code, relating to an individual income tax deduction for social security benefits; to amend and reenact subsection 5 of section 57-02-08.1 and section 57-38-01.28 of the North Dakota Century Code, relating to the homestead tax credit and the marriage penalty credit; and to provide an 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 36 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Bakke; Burckhard; Clemens; Dever; Dotzenrod; Dwyer; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Vedaa; Wanzek; Wardner

NAYS: Anderson; Bekkedahl; Cook; Davison; Elkin; Kannianen; Lee, G.; Lee, J.; Oehlke; Sorvaag; Unruh

HB 1174, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. LUICK MOVED that the conference committee report on Engrossed HB 1541 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1541, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1541: A BILL for an Act to amend and reenact section 54-12-33 of the North Dakota Century Code, relating to presentations by the human trafficking commission.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Schaible; Sorvaag; Vedaa; Wanzek; Wardner

NAYS: Lee, J.; Roers, J.; Rust; Unruh

Engrossed HB 1541, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ANDERSON MOVED that the conference committee report on Reengrossed HB 1194 be adopted, which motion prevailed on a voice vote.

Reengrossed HB 1194, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1194: A BILL for an Act to create and enact section 50-24.1-40 of the North Dakota Century Code, relating to medical assistance tribal health care coordination agreements; to provide for a report to the legislative management; to provide a continuing appropriation; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 4 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner

NAYS: Hogue; Larsen, O.; Lee, G.; Unruh

Reengrossed HB 1194, as amended, passed and the emergency clause was declared carried.

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 2019.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: SB 2346.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1461.

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: SB 2001.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2005, SB 2224.

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

MR. PRESIDENT: The Speaker has signed: SB 2005, SB 2224.

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

MR. SPEAKER: The President has signed: HB 1004, HB 1025, HB 1040, HB 1157, HB 1202.

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

MR. PRESIDENT: The Speaker has signed: HB 1004, HB 1025, HB 1040, HB 1157, HB 1202.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 24, 2019: SB 2022, SB 2140, SB 2146.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 4:30 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Sanford presiding.

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 1006, HB 1374, HB 1429.

REPORT OF CONFERENCE COMMITTEE

SB 2003, as reengrossed: Your conference committee (Sens. Sorvaag, Bekkedahl, Grabinger and Reps. Kempenich, Howe, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1479-1482, adopt amendments as follows, and place SB 2003 on the Seventh order:

That the House recede from its amendments as printed on pages 1479-1482 of the Senate Journal and pages 1670-1674 of the House Journal and that Reengrossed Senate Bill No. 2003 be amended as follows:

Page 1, line 2, after "sections" insert "31-01-16,"

Page 1, line 2, after "53-12.1-09" insert a comma

Page 1, line 3, after the first "to" insert "prosecution witness fees,"

Page 1, line 4, after "fund" insert a comma

Page 1, line 4, after the second semicolon insert "to provide a statement of legislative intent;"

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$41,179,043	\$4,775,938	\$45,954,981
Operating expenses	15,977,281	411,365	16,388,646
Capital assets	2,742,372	429,964	3,172,336
Grants	2,440,000	1,978,440	4,418,440
Litigation fees	150,000	0	150,000
Intellectual property attorney	426,924	15,161	442,085
Medical examinations	660,000	0	660,000
North Dakota lottery	5,336,797	(145,343)	5,191,454
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	(1)	7,489
Criminal justice information sharing	3,386,645	244,476	3,631,121
Law enforcement	2,901,608	80,676	2,982,284
Human trafficking victims grants	125,000	1,275,000	1,400,000
Forensic nurse examiners grants	<u>0</u>	<u>250,000</u>	<u>250,000</u>
Total all funds	\$75,343,160	\$9,315,676	\$84,658,836
Less estimated income	<u>30,647,320</u>	<u>8,206,920</u>	<u>38,854,240</u>
Total general fund	\$44,695,840	\$1,108,756	\$45,804,596
Full-time equivalent positions	237.00	8.00	245.00"

Page 2, replace lines 12 through 27 with:

"SAVIN cost-share program	\$315,000	\$0
Uniform crime reporting rewrite	280,000	0
DOS-based deposit system rewrite	100,000	0
Pipeline protest law enforcement support	200,000	0
Court-ordered payments	15,872,000	0
Forensic nurse examiner grants	150,000	0
Additional income	250,000	0
SAVIN program enhancements	500,000	0
Criminal history improvement project	0	400,000
Capital assets	0	1,851,956
Undercover vehicles	0	200,000
Finger identification system replacement project	0	316,000
Charitable gaming technology system	<u>0</u>	<u>400,000</u>
Total all funds	\$17,667,000	\$3,167,956
Total other funds	<u>17,567,000</u>	<u>2,967,956</u>
Total general fund	\$100,000	\$200,000"

Page 3, after line 3, insert:

"SECTION 4. AMENDMENT. Section 31-01-16 of the North Dakota Century Code is amended and reenacted as follows:

31-01-16. Compensation and mileage and travel expense of witness.

A witness in a civil or criminal case is entitled to receive:

1. A sum of twenty-five dollars for each day necessarily in attendance before the district court or before any other board or tribunal, except municipal court.
2. A sum for mileage and travel expense reimbursement equal to the reimbursement rates provided for state employees in sections 44-08-04 and 54-06-09.

In all criminal cases in district court, the attorney general shall pay prosecution witness fees and expenses, in an amount not to exceed twenty-five thousand dollars per county per biennium, and the commission on legal counsel for indigents shall pay witness fees and expenses for witnesses in those cases in which counsel has been provided by the commission. Prisoners may not be compensated as witnesses under this section."

Page 4, line 11, remove "one hundred sixty thousand one hundred forty-nine"

Page 4, line 12, replace "dollars" with "one hundred fifty-nine thousand four hundred nine dollars"

Page 4, line 12, remove "one hundred"

Page 4, line 13, replace "sixty-four thousand nine hundred fifty-four dollars" with "one hundred sixty-three thousand three hundred ninety-four dollars"

Page 4, line 27, replace "the general fund" with "other funds"

Page 5, line 5, replace "\$1,625,000" with "\$1,400,000"

Page 6, after line 9, insert:

"SECTION 14. LEGISLATIVE INTENT - ATTORNEY SALARY EQUITY INCREASES - ATTORNEY GENERAL REFUND FUND. It is the intent of the sixty-sixth legislative assembly that the attorney general use up to \$425,000 from moneys deposited in the attorney general refund fund relating to an April 2019 lawsuit settlement of \$1,215,561 and investment earnings on the settlement amount for providing salary equity increases to attorney positions in the attorney general's office for the biennium beginning July 1, 2019, and ending June 30, 2021. It is further the intent of the legislative assembly that the remaining settlement proceeds and investment earnings on the remaining proceeds be retained in the attorney general refund fund and be used for the cost to continue the salary equity increases provided during the 2019-21 biennium during the 2021-23 and 2023-25 bienniums, subject to legislative appropriations.

SECTION 15. ATTORNEY GENERAL - INVESTMENT OF LAWSUIT SETTLEMENT PROCEEDS - STATE INVESTMENT BOARD. The attorney general may invest up to \$1,215,561 of lawsuit settlement proceeds received by the attorney general and deposited in the attorney general refund fund during the biennium beginning July 1, 2017, and ending June 30, 2019, under the supervision of the state investment board for the period beginning July 1, 2019, and ending June 30, 2025."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Attorney General - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$41,179,043	\$45,354,323	\$600,658	\$45,954,981	\$44,601,280	\$1,353,701
Operating expenses	15,977,281	16,453,262	(64,616)	16,388,646	16,302,602	86,044
Capital assets	2,742,372	3,272,336	(100,000)	3,172,336	3,073,576	98,760
Grants	2,440,000	4,418,440		4,418,440	4,418,440	
Litigation fees	150,000	150,000		150,000	150,000	
Intellectual property attorney	426,924	444,761	(2,676)	442,085	442,085	
Medical examinations	660,000	660,000		660,000	660,000	
North Dakota lottery	5,336,797	5,188,950	2,504	5,191,454	5,191,454	
Arrest and return of fugitives	10,000	10,000		10,000	10,000	
Gaming commission	7,490	7,489		7,489	7,489	
Criminal justice information sharing	3,386,645	3,631,014	107	3,631,121	4,013,378	(382,257)
Law enforcement	2,901,608	2,979,744	2,540	2,982,284	2,982,284	
Human trafficking victims grants	125,000	1,625,000	(225,000)	1,400,000	1,000,000	400,000
Additional expenses		250,000		250,000		250,000
Forensic nurse examiners grants		250,000		250,000	250,000	
Total all funds	\$75,343,160	\$84,695,319	\$213,517	\$84,908,836	\$83,102,588	\$1,806,248
Less estimated income	30,647,320	38,826,145	278,095	39,104,240	37,798,123	1,306,117
General fund	\$44,695,840	\$45,869,174	(\$64,578)	\$45,804,596	\$45,304,465	\$500,131
FTE	237.00	244.00	1.00	245.00	242.00	3.00

Department 125 - Attorney General - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Reduces Funding for the Medicaid Fraud Control Unit Program ²	Transfers 2 FTE from the Department of Emergency Services ³	Reduces Funding for the Human Trafficking Victims Grant Program ⁴	Reduces One- Time Funding for Undercover Vehicles ⁵	Adds Funding for Attorney Salary Increases ⁶
Salaries and wages	\$17,805	(\$214,702)	\$372,555			\$425,000
Operating expenses		(74,004)	9,388			
Capital assets					(\$100,000)	
Grants						
Litigation fees						
Intellectual property attorney	(2,676)					
Medical examinations						
North Dakota lottery	2,504					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing		107				
Law enforcement	2,540					
Human trafficking victims grants				(\$225,000)		
Additional expenses						
Forensic nurse examiners grants						
Total all funds	\$20,280	(\$288,706)	\$381,943	(\$225,000)	(\$100,000)	\$425,000
Less estimated income	1,165	(259,836)	111,766	0	0	425,000
General fund	\$19,115	(\$28,870)	\$270,177	(\$225,000)	(\$100,000)	\$0
FTE	0.00	(1.00)	2.00	0.00	0.00	0.00

Total Conference Committee Changes	
Salaries and wages	\$600,658
Operating expenses	(64,616)
Capital assets	(100,000)
Grants	
Litigation fees	
Intellectual property attorney	(2,676)
Medical examinations	
North Dakota lottery	2,504
Arrest and return of fugitives	
Gaming commission	
Criminal justice information sharing	107
Law enforcement	2,540
Human trafficking victims grants	(225,000)
Additional expenses	
Forensic nurse examiners grants	
Total all funds	\$213,517
Less estimated income	278,095
General fund	(\$64,578)
FTE	1.00

¹ Funding of \$24,742 is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020, to provide total salary increases of \$1,431,585, of which \$1,053,211 is from the general fund and \$378,374 is from other funds. The Senate approved salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020, to provide total salary increases of \$1,406,843, of which \$1,033,650 was from the general fund and \$373,193 was from other funds.

This amendment also reduces funding by \$4,462, of which \$446 is from the general fund and \$4,016 is from other funds, for health insurance premiums related to the Conference Committee removing 1 FTE Medicaid Fraud Control Unit attorney position.

² Funding of \$288,706, of which \$28,870 is from the general fund and \$259,836 is from federal funds, is reduced for the Medicaid Fraud Control Unit program, to provide total funding of \$1,528,620 for the program, of which \$152,863 is from the general fund and \$1,375,757 is from federal funds. The Senate approved a total of \$1,817,326 for the program, of which \$181,733 was from the general fund and \$1,635,593 was from federal funds. The House approved a total of \$1,046,802, of which \$104,680 was from the general fund and \$942,122 was from federal funds.

The reduction includes the removal of 1 FTE attorney position to provide for 6 FTE positions, including 1 attorney, 2 auditors, 2 criminal investigators, and 1 administrative assistant. The Senate approved 7 FTE positions for the program, including 2 attorneys, 2 auditors, 2 criminal investigators, and 1 administrative assistant. The House approved 4 FTE positions, including 1 attorney, 1 auditor, and 2 criminal investigators.

³ Funding of \$381,943, of which \$270,177 is from the general fund, \$74,510 is from federal funds, and \$37,256 is from special funds, is transferred from the Adjutant General to the Attorney General, including 2 Criminal Justice Information Sharing FTE positions. The House also provided for this transfer.

⁴ Funding for the human trafficking victims grant program is reduced by \$225,000 from the general fund, to provide a total of \$1,400,000 from the general fund for the program. The Senate approved \$1,625,000 and the House approved \$1,000,000 from the general fund for the program.

⁵ One-time funding from the general fund is reduced by \$100,000 for the replacement of 8 Bureau of Criminal Investigation undercover vehicles to provide a total appropriation of \$200,000 from the general fund. The Senate approved one-time funding of \$300,000 from the general fund for the replacement of 12 undercover vehicles. The House approved one-time funding of \$150,000 from the general fund for the replacement of 6 undercover vehicles.

⁶ One-time funding of \$425,000 is added from the Attorney General refund fund to provide salary equity increases for attorneys during the 2019-21 biennium. Of this amount, \$400,000

relates to a lawsuit settlement received by the Consumer Protection Division of the Attorney General's office and \$25,000 relates to anticipated interest and earnings on the settlement amount.

The House removed \$169,924 from the Attorney General's operating fund for 1 FTE Deputy Fire Marshal position. The Conference Committee did not remove funding for the position, the same as the Senate.

The House removed \$250,000 for additional federal or other funds received during the 2019-21 biennium. The Conference Committee did not remove this funding, the same as the Senate.

This amendment also:

- Amends the section providing for the Attorney General's salary increase for the 2019-21 biennium.
- Amends a section related to the human trafficking victims grant program.
- Adds a section of legislative intent regarding salary equity increases for attorneys in the Attorney General's office for the 2019-21 biennium.
- Adds a section authorizing the Attorney General to invest certain lawsuit settlement proceeds deposited in the refund fund under the supervision of the State Investment Board.
- Adds statutory sections to limit the amount of prosecution witness fees the Attorney General can reimburse to each county to \$25,000 in a biennium. The House added a section regarding prosecution witness fees that identified \$150,000 in the operating expenses line item for prosecution witness fees, which included a reallocation of funding in the operating expenses line item to increase prosecution witness fees from \$95,000 to \$150,000 and decreased other operating expenses by \$55,000. The Conference Committee did not include the House's section related to prosecution witness fees.

Reengrossed SB 2003 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2004, as engrossed: Your conference committee (Sens. Oehlke, Dever, Grabinger and Reps. Brandenburg, Howe, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1270-1272, adopt amendments as follows, and place SB 2004 on the Seventh order:

That the House recede from its amendments as printed on pages 1270-1272 of the Senate Journal and pages 1461-1464 of the House Journal and that Engrossed Senate Bill No. 2004 be amended as follows:

Page 1, line 2, replace "section" with "sections 54-10-01 and"

Page 1, line 2, after "to" insert "the powers and duties of the state auditor and"

Page 1, replace lines 12 through 19 with:

"Salaries and wages	\$11,767,312	\$900,906	\$12,668,218
Operating expenses	1,142,783	19,037	1,161,820
Capital assets	0	16,000	16,000
Information technology consultants	0	450,000	450,000
Total all funds	\$12,910,095	\$1,385,943	\$14,296,038
Less estimated income	3,411,487	761,691	4,173,178
Total general fund	\$9,498,608	\$624,252	\$10,122,860
Full-time equivalent positions	56.00	2.00	58.00"

Page 2, after line 7, insert:

"SECTION 3. AMENDMENT. Section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

54-10-01. Powers and duties of state auditor.

The state auditor shall:

1. Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of the state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.
2. Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state and perform or provide for the audits and reviews of state agencies. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit or review each state agency once every two years. The state auditor shall determine the contents of the audits and reviews of state agencies. The state auditor may conduct any work required by the federal government. The state auditor may not contract for work required by the federal government without the prior approval of the legislative audit and fiscal review committee. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for any agency that receives and expends both general fund and nongeneral fund moneys. State agencies must use nongeneral fund moneys to pay for audits performed by the state auditor. If nongeneral fund moneys are not available, the agency may, upon approval of the legislative assembly, or the budget section if the legislative assembly is not in session, use general fund moneys to pay for audits performed by the state auditor. The budget section reviews and approvals must comply with the new section to chapter 54-35 of the North Dakota Century Code created by section 15 of Senate Bill No. 2055 as adopted by the sixty-sixth legislative assembly. Audits and reviews may be conducted at more frequent intervals if requested by the governor or legislative audit and fiscal review committee.
3. Be vested with the authority to determine whether to audit the International Peace Garden at the request of the board of directors of the International Peace Garden.
4. Perform or provide for performance audits of state agencies, or the agencies' blended component units or discreetly presented component units, as determined necessary by the ~~state auditor or legislative assembly~~; the legislative audit and fiscal review committee; or the state auditor, subject to approval by the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved.
5. For the audits and reviews the state auditor is authorized to perform or provide for under this section, the audit or review may be provided for by contract with a private certified or licensed public accountant or other qualified professional. If the state auditor determines that the audit or review will be done pursuant to contract, the state auditor, except for occupational or professional boards, shall execute the contract, and any executive branch agency, including higher education institutions, shall pay the fees of the contractor.

- 6. Be responsible for the above functions and report thereon to the governor and the secretary of state in accordance with section 54-06-04 or more often as circumstances may require.
- 7. Perform all other duties as prescribed by law."

Page 2, line 13, remove "one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020."

Page 2, line 14, replace "and one hundred eleven thousand one hundred twenty-two dollars thereafter" with "one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020, and one hundred ten thousand five hundred eighty-two dollars thereafter"

Page 2, after line 14, insert:

"SECTION 5. AUDIT STAFF UTILIZATION - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The state auditor shall monitor the number of audit staff hours dedicated to financial audits, performance audits, mineral resource audits, federal single audit procedures, comprehensive annual financial report procedures, fraud investigation, local government audits, and audits of the institutions of higher education, including financial audits and performance audits. The state auditor shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the number of audit staff hours dedicated to each of these audit functions and any other functions of the state auditor's office during the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2004 - State Auditor - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$11,767,312	\$12,755,758	(\$87,540)	\$12,668,218	\$12,343,218	\$325,000
Operating expenses	1,142,783	1,404,676	(242,856)	1,161,820	1,161,820	
Capital assets		16,000		16,000	16,000	
Information technology consultants		450,000		450,000	450,000	
Total all funds	\$12,910,095	\$14,626,434	(\$330,396)	\$14,296,038	\$13,971,038	\$325,000
Less estimated income	3,411,487	4,212,294	(39,116)	4,173,178	4,173,178	0
General fund	\$9,498,608	\$10,414,140	(\$291,280)	\$10,122,860	\$9,797,860	\$325,000
FTE	56.00	61.00	(3.00)	58.00	56.00	2.00

Department 117 - State Auditor - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Restores Positions and Salaries and Wages ²	Removes 2 FTE Local Government Auditors ³	Removes State Audit Division Auditors for NDUS Audit ⁴	Adjusts Funding Source for Information Technology Consultants ⁵	Removes Funding for Consulting Fees ⁶
Salaries and wages	(\$6,497)	\$725,231	(\$318,430)	(\$487,844)		
Operating expenses			(20,000)	(72,856)		(\$150,000)
Capital assets						
Information technology consultants						
Total all funds	(\$6,497)	\$725,231	(\$338,430)	(\$560,700)	\$0	(\$150,000)
Less estimated income	(688)	2	(338,430)	0	300,000	0
General fund	(\$5,809)	\$725,229	\$0	(\$560,700)	(\$300,000)	(\$150,000)
FTE	0.00	2.00	(2.00)	(3.00)	0.00	0.00

Total Conference Committee Changes	
Salaries and wages	(\$87,540)
Operating expenses	(242,856)
Capital assets	
Information technology consultants	
Total all funds	(\$330,396)
Less estimated income	(39,116)
General fund	(\$291,280)
FTE	(3.00)

¹ Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² One FTE local government division auditor and 1 FTE state audit division auditor are restored as well as funding for salaries and wages which was underfunded by the Senate, the same as the House version.

³ Two of the four FTE local government division auditors added by the Senate, including funding from audit fee revenue for related salaries and wages and operating expenses, are removed, the same as the House version.

⁴ Three FTE state audit division auditors and related salaries and wages and operating expenses, added by the Senate to audit the North Dakota University System, are removed, the same as the House version.

⁵ Funding for information technology reviews of the Information Technology Department and the University System is adjusted to provide a total of \$450,000, of which \$150,000 is from the general fund and \$300,000 of other funds, the same as the House version. The Senate provided \$450,000 from the general fund for the information technology reviews.

⁶ Funding for consulting fees added by the Senate is removed, the same as the House version.

The Conference Committee restored 2 FTE state audit division auditors and related salaries and wages removed by the House, but not by the Senate.

This amendment also:

- Adds a section to amend North Dakota Century Code Section 54-10-01 related to the powers and duties of the State Auditor to:
 - Require state agencies to use nongeneral fund moneys to pay for audits performed by the State Auditor. If nongeneral fund moneys are not available, the agency may, upon approval of the Legislative Assembly, or the Budget Section if the Legislative Assembly is not in session, use general fund moneys to pay for audits performed by the State Auditor, the same as the House version; and
 - Require the State Auditor to receive Legislative Audit and Fiscal Review Committee approval to conduct performance audits and to contract for services related to performing the duties of a federal single audit. The Senate and the House did not include these changes;
- Amends the statutory changes related to the State Auditor's salary to provide increases consistent with state employee salary increases, the same as the House version; and
- Adds a section to require the State Auditor to monitor the number of audit staff hours dedicated to financial audits, performance audits, mineral resource audits, federal single audit procedures, comprehensive annual financial report procedures, fraud investigation, local government audits, and audits of the institutions of higher education, including financial audits and performance audits. The State Auditor must report to the Appropriations Committees of the 67th Legislative Assembly regarding the number of audit staff hours dedicated to each of these audit functions and any other functions of the State Auditor's office during the 2019-21 biennium. The Senate

and House did not include this section.

Engrossed SB 2004 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1374, as engrossed: Your conference committee (Sens. J. Lee, Anderson, Hogue and Reps. Kasper, Keiser, M. Nelson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1399, adopt amendments as follows, and place HB 1374 on the Seventh order:

That the Senate recede from its amendments as printed on page 1399 of the House Journal and pages 1003 and 1004 of the Senate Journal and that Engrossed House Bill No. 1374 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 50-24.1 and a new section to chapter 54-52.1 of the North Dakota Century Code, relating to the medical assistance pharmacy management program and public employees retirement system prescription drug coverage benefits; to provide for a legislative management study; to provide for application; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. A new section to chapter 50-24.1 of the North Dakota Century Code is created and enacted as follows:

Pharmacy management program.

The department shall establish a pharmacy management program to be used by the medical assistance program for Medicaid expansion for prescription drug coverage. The department shall process claims through the department's existing pharmacy claims system and Medicaid management information system and provide the contracted managed care plan with a daily pharmacy claims file for Medicaid expansion recipients.

SECTION 2. A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

Prescription drug coverage - Performance audits.

1. Except for Medicare part D, prescription drug coverage, the board may not enter or renew a contract for prescription drug coverage unless the contract authorizes the board during the term of the contract to conduct a performance audit of the prescription drug coverage and any related pharmacy benefits management services. The contract must provide:
 - a. The board must have full access to data regarding:
 - (1) The total dollars paid to the pharmacy benefits manager by the carrier and the board;
 - (2) The total amount of dollars paid to the pharmacy benefits manager by the carrier which were not subsequently paid to a licensed pharmacy in the state; and
 - (3) Payments made to all pharmacy providers.
 - b. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any other fee paid by a pharmacy benefits manager to licensed pharmacies with which the pharmacy benefits manager shares common ownership or control or is affiliated.
 - c. The board must have full access to data regarding the average reimbursement, by drug ingredient cost, dispensing fee, and any

- other fee paid by a pharmacy benefits manager to pharmacies licensed in the state.
- d. The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager on pharmacies licensed with which the pharmacy benefits manager shares common ownership or control or is affiliated.
 - e. The board must have full access to data regarding any direct and indirect fees, charges, or recoupment, or any kind of assessments imposed by the pharmacy benefits manager, on pharmacies licensed in the state.
 - f. The contract must provide that all drug rebates, financial incentives, fees, and discounts must be disclosed to the board.
2. The board shall use an independent auditor who has no conflict of interest with the carrier, pharmacy benefits manager, or board. The board's auditor, the insurance department, and the employee benefits programs committee may access any information the board may access under this section. All information accessed by the board, board's auditor, insurance department, or employee benefits programs committee which is trade secret is a confidential record. This subsection does not limit the information required to be disclosed to the board under subsection 1.
 3. If the board contracts directly with a pharmacy benefits manager or provides prescription drug coverage through a self-insurance plan, the contract must provide the pharmacy benefits manager shall disclose to the board and the board's auditor all rebates and any other fees that provide the pharmacy benefits manager with sources of income under the contract, including under related contracts the pharmacy benefits manager has with third parties, such as drug manufacturers.

SECTION 3. LEGISLATIVE MANAGEMENT STUDY - PUBLIC EMPLOYEES RETIREMENT SYSTEM PRESCRIPTION DRUG COVERAGE.

During the 2019-20 interim, the legislative management shall study the feasibility and desirability of the public employees retirement system entering a separate contract for prescription drug coverage under the uniform group insurance program. The legislative management may contract with a private third party to assist in conducting the study and identifying pros and cons relating to a carve out for prescription drug coverage under the uniform group insurance program. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 4. APPLICATION. Section 2 of this Act applies to contracts entered by the public employees retirement system board on and after the effective date of this Act.

SECTION 5. EFFECTIVE DATE. Section 1 of this Act becomes effective on January 1, 2020."

Renumber accordingly

Engrossed HB 1374 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1429, as engrossed: Your conference committee (Sens. Schaible, Elkin, Oban and Reps. Owens, Heinert, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1282-1284, adopt amendments as follows, and place HB 1429 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1282-1284 of the House Journal and pages 1006-1009 of the Senate Journal and that Engrossed House Bill No.

1429 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 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; to provide for a transfer; to provide an exemption; to provide an effective date; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-04. Superintendent of public instruction - Duties.

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.
5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.

SECTION 2. AMENDMENT. Section 15.1-02-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-04. Superintendent of public instruction - Duties.

The superintendent of public instruction:

1. Shall supervise the provision of elementary and secondary education to the students of this state.
2. Shall supervise the establishment and maintenance of schools and provide advice and counsel regarding the welfare of the schools.
3. Shall supervise the development of course content standards.
4. Shall supervise the assessment of students.

5. Shall serve as an ex officio member of the board of university and school lands.
6. Shall keep a complete record of all official acts and appeals.
7. As appropriate, shall determine the outcome of appeals regarding education matters.
8. Shall direct school district annexation, reorganization, and dissolution and employ and compensate personnel necessary to enable the state board of public school education to carry out its powers and duties regarding school district annexation, reorganization, and dissolution.
9. ~~Shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need.~~

SECTION 3. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

Loans - Teacher shortages - Loan forgiveness.

1. The superintendent of public instruction shall administer a student loan forgiveness program for individuals teaching at grade levels, in content areas, and in geographical locations identified as having a teacher shortage or critical need. The superintendent may approve loan forgiveness for no more than two teachers per year in a school district. The superintendent shall adopt rules to implement the program.
2. The superintendent annually shall identify grade levels, content areas, and geographical locations in which a teacher shortage or critical need exists.
3. To be eligible for loan forgiveness under this section, an individual:
 - a. Must have graduated from an accredited teacher preparation program and signed a contract to teach at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as having an existing teacher shortage or critical need; and
 - b. Must have an existing student loan.
4. For purposes of this section, the definitions of rural school district and remote town school district have the same meaning as the definitions under the national center for education statistics locale codes.
5. If an individual is receiving loan forgiveness under any other provision, the individual may not receive loan forgiveness under this section during the same application year.
6. Subject to appropriation, an eligible individual may receive loan forgiveness under the program as follows:
 - a. If the individual accepts one of up to five positions of critical need in a nonrural school district or nonremote town school district, the individual may receive up to three thousand dollars per year for a maximum of four consecutive years.
 - b. If the individual accepts a position in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to four thousand five hundred dollars per year for a maximum of four consecutive years.

- c. If the individual accepts one of up to five positions of critical need in a rural school district or remote town school district with an enrollment of fewer than one thousand students, the individual may receive up to six thousand five hundred dollars per year for a maximum of four consecutive years.
7. The superintendent shall consider all applications under this section based on the number of unfilled school vacancies, prioritized by critical need and geographic location.
8. Upon notification the individual has completed a full year of teaching in a school district, state-supported school, or nonpublic school in this state at a grade level or in a content area and in a geographical location identified by the superintendent as one in which a teacher shortage or critical need exists, the superintendent shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The superintendent shall terminate loan forgiveness payments to eligible individuals if the loan principal balance of the eligible individual is paid in full.
9. The superintendent of public instruction shall administer the program only for eligible individuals receiving teacher loan forgiveness benefits for the 2018-19 school year. The superintendent of public instruction shall provide benefits under this program to eligible individuals until the individual has received the maximum benefit under this section or has become ineligible to receive benefits under the program.

SECTION 4. REPEAL. Section 15-10-38 of the North Dakota Century Code is repealed.

SECTION 5. TRANSFER. The commissioner of higher education shall transfer the funding continued into the 2019-21 biennium to the superintendent of public instruction to defray the expenses of the teacher loan forgiveness program.

SECTION 6. EXEMPTION - TEACHER LOAN FORGIVENESS PROGRAM FUNDING. Pursuant to provisions of section 54-44.1-11 the unexpended amount remaining from the appropriation for the teacher loan forgiveness program, as authorized in section 1 of chapter 28 of the 2017 Session Laws, at the end of the 2017-19 biennium, may be continued into the 2019-21 biennium for the purpose of providing teacher loan forgiveness.

SECTION 7. EFFECTIVE DATE. Section 2 of this Act becomes effective July 1, 2023.

SECTION 8. EXPIRATION DATE. Section 3 of this Act is effective through June 30, 2022, and after that date is ineffective."

Renumber accordingly

Engrossed HB 1429 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1006, as engrossed: Your conference committee (Sens. Sorvaag, Bekkedahl, Grabinger and Reps. Beadle, Kempenich, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1515-1517, adopt amendments as follows, and place HB 1006 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1515-1517 of the House Journal and pages 1276 and 1277 of the Senate Journal and that Engrossed House Bill No. 1006 be amended as follows:

Page 1, line 2, after "commission" insert "; and to provide an exemptions"

Page 1, replace lines 12 through 19 with:

"Salaries and wages	\$1,431,222	\$95,106	\$1,526,328
Operating expenses	2,204,190	(199,436)	2,004,754
Capital assets	100,000	(100,000)	0
Grants	<u>7,150,000</u>	<u>38,650,000</u>	<u>45,800,000</u>
Total all funds	\$10,885,412	\$38,445,670	\$49,331,082
Less estimated income	<u>9,985,412</u>	<u>38,845,670</u>	<u>48,831,082</u>
Total general fund	\$900,000	(\$400,000)	\$500,000
Full-time equivalent positions	7.00	0.00	7.00"

Page 2, replace lines 2 and 3 with:

"Airport grants	\$0	\$20,000,000
Total special funds	\$0	\$20,000,000"

Page 2, line 9, remove "ENERGY IMPACT"

Page 2, line 9, after "GRANTS" insert "- EXEMPTION"

Page 2, line 10, replace "\$5,000,000" with "\$20,000,000"

Page 2, line 11, remove "energy impact"

Page 2, line 12, after the period, insert "Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for providing grants to airports."

SECTION 4. AIRPORT INFRASTRUCTURE FUND - AIRPORT GRANTS - EXEMPTION. The estimated income line item in section 1 of this Act includes \$20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2019, and ending June 30, 2021. Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for providing grants to airports."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1006 - Aeronautics Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$1,431,222	\$1,520,679	\$5,649	\$1,526,328	\$1,526,328	
Operating expenses	2,204,190	2,004,754		2,004,754	2,004,754	
Capital assets	100,000					
Grants	<u>7,150,000</u>	<u>10,800,000</u>	<u>35,000,000</u>	<u>45,800,000</u>	<u>52,800,000</u>	<u>(\$7,000,000)</u>
Total all funds	\$10,885,412	\$14,325,433	\$35,005,649	\$49,331,082	\$56,331,082	(\$7,000,000)
Less estimated income	<u>9,985,412</u>	<u>13,825,433</u>	<u>35,005,649</u>	<u>48,831,082</u>	<u>55,831,082</u>	<u>(7,000,000)</u>
General fund	\$900,000	\$500,000	\$0	\$500,000	\$500,000	\$0
FTE	7.00	7.00	0.00	7.00	7.00	0.00

Department 412 - Aeronautics Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Adds Funding for Airport Infrastructure Grants ²	Adds Funding for Airport Grants ³	Total Conference Committee Changes
Salaries and wages	\$5,649			\$5,649
Operating expenses				
Capital assets				
Grants		<u>\$20,000,000</u>	<u>\$15,000,000</u>	<u>35,000,000</u>
Total all funds	\$5,649	\$20,000,000	\$15,000,000	\$35,005,649
Less estimated income	<u>5,649</u>	<u>20,000,000</u>	<u>15,000,000</u>	<u>35,005,649</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding is added to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the Senate version. The House provided funding for salary increases of 2 percent per year.

² Funding of \$20 million is added from funds available in the airport infrastructure fund, which was created in House Bill No. 1066, for the Aeronautics Commission to provide grants to airports, the same as the Senate version. The House version did not include this appropriation.

³ The Conference Committee added one-time funding of \$15 million from the strategic investment and improvements fund to provide a total of \$20 million for grants to airports. The Senate provided one-time funding of \$27 million from the strategic investment and improvements fund for grants to airports. The House provided one-time funding of \$5 million from the strategic investment and improvements fund for energy impact grants to airports.

This amendment also:

- Includes a section to identify \$20 million in the estimated income line item from the strategic investment and improvements fund and provides an exemption to allow the funds to be continued into the 2021-23 biennium. The Senate version included a section to identify \$27 million in the estimated income line item from the strategic investment and improvements fund. The House version identified \$5 million from the strategic investment and improvements fund.
- Adds a section to identify \$20 million in the estimated income line item from the airport infrastructure fund for grants to airports, and provides an exemption to allow the funds to be continued into the 2021-23 biennium, the same as the Senate version. The House version did not include this section.

Engrossed HB 1006 was placed on the Seventh order of business on the calendar.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Reengrossed SB 2003 be adopted, which motion prevailed on a voice vote.

Reengrossed SB 2003, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2003: A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact sections 31-01-16, 53-12.1-09, and 54-12-11 of the North Dakota Century Code, relating to prosecution witness fees, transfers from the lottery operating fund to the multijurisdictional drug task force grant fund, and the salary of the attorney general; to provide an exemption; to provide a statement of legislative intent; and to provide for a report.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 2 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Kannianen; Larsen, O.

ABSENT AND NOT VOTING: Roers, J.

Reengrossed SB 2003 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. OEHLKE MOVED that the conference committee report on Engrossed SB 2004 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2004, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2004: A BILL for an Act to provide an appropriation for defraying the expenses of the state auditor; to amend and reenact sections 54-10-01 and 54-10-10 of the North Dakota Century Code, relating to the powers and duties of the state auditor and the salary of the state auditor; to provide for a report; and to declare an emergency.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Roers, J.

Reengrossed SB 2004 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. J. LEE MOVED that the conference committee report on Engrossed HB 1374 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1374, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1374: A BILL for an Act to create and enact a new section to chapter 50-24.1 and a new section to chapter 54-52.1 of the North Dakota Century Code, relating to the medical assistance pharmacy management program and public employees retirement system prescription drug coverage benefits; to provide for a legislative management study; to provide for application; and to provide an 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 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Dever

ABSENT AND NOT VOTING: Roers, J.

Engrossed HB 1374, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHAIBLE MOVED that the conference committee report on Engrossed HB 1429 be

adopted, which motion prevailed on a voice vote.

Engrossed HB 1429, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1429: A BILL for an Act to create and enact a new section to chapter 15.1-02 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the superintendent of public instruction; to amend and reenact section 15.1-02-04 of the North Dakota Century Code, relating to the duties of the superintendent of public instruction; to repeal section 15-10-38 of the North Dakota Century Code, relating to a teacher shortage loan forgiveness program administered by the state board of higher education; to provide for a transfer; to provide an exemption; to provide an effective date; and to provide an expiration 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 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Roers, J.

Engrossed HB 1429, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on Engrossed HB 1006 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1006, as amended, was placed on the Fourteenth order of business.

SECOND READING OF HOUSE BILL

HB 1006: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; and to provide an exemption.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Clemens; Cook; Davison; Dever; Dotzenrod; Dwyer; Elkin; Erbele; Fors; Grabinger; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Robinson; Roers, K.; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Roers, J.

Engrossed HB 1006, as amended, passed.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2003.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1006, HB 1374, HB 1429.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has adopted the conference committee report on: HCR 3055.

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 1010, HB 1393.

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 2014, SB 2214.

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: SB 2010.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has not adopted the conference committee report on: HB 1333.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2014, SB 2214.

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 2010.

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: HB 1056, HB 1194.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: HB 1533.

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 2215.

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 2004.

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: SB 2019, SB 2317.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1019, HB 1024, HB 1174, HB 1541.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2019, SB 2215, SB 2317.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1407, HB 1461.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: SB 2005, SB 2224.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: Your signature is respectfully requested on: SB 2293, SB 2345.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)
MR. SPEAKER: The President has signed: HB 1407, HB 1461.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The Speaker has signed: SB 2293, SB 2345.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: Your signature is respectfully requested on: HB 1056.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 24, 2019: SB 2005, SB 2224.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 23, 2019, I have signed the following: SB 2007, SB 2037, SB 2040, SB 2078, SB 2090, SB 2100, SB 2102, SB 2195, SB 2245, SB 2247, SB 2249, SB 2258, SB 2261, SB 2342, and SB 2358.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 24, 2019, I have signed the following: SB 2018, SB 2094, SB 2114, and SB 2221.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m., Thursday, April 25, 2019, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2211, as engrossed: Your conference committee (Sens. Unruh, Schaible, Piepkorn and Reps. Keiser, Martinson, Porter) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1677-1680, adopt amendments as follows, and place SB 2211 on the Seventh order:

That the House recede from its amendments as printed on pages 1677-1680 of the Senate Journal and pages 1909-1911 of the House Journal and that Engrossed Senate Bill No. 2211 be amended as follows:

Page 1, line 1, after "enact" insert "section 61-33-01.1 and"

Page 1, line 2, remove "and"

Page 1, line 3, after "sections" insert "61-33-01 and 61-33.1-02, subdivision e of subsection 3 of section 61-33.1-03, sections"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "61-33.1-05" insert ", and 61-33.1-07"

Page 1, line 4, after "to" insert "sovereign lands, determining the ordinary high water mark, and"

Page 1, line 4, replace "inundated" with "subject to inundation"

Page 1, line 5, after "dams" insert "; to provide for application; and to declare an emergency"

Page 1, after line 6, insert:

"SECTION 1. AMENDMENT. Section 61-33-01 of the North Dakota Century Code is amended and reenacted as follows:

61-33-01. Definitions.

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

1. "Board" means the sovereign lands advisory board.
2. "Board of university and school lands" means that entity created by section 15-01-01.

3. "Ordinary high water mark" means that line below which the presence and action of the water upon the land is continuous enough so as to prevent the growth of terrestrial vegetation, destroy its value for agricultural purposes by preventing the growth of what may be termed an ordinary agricultural crop, including hay, or restrict its growth to predominantly aquatic species.
4. "Sovereign lands" means those areas, including beds and islands, lying within the ordinary high water mark of navigable lakes and streams. Lands established to be riparian accretion or reliction lands pursuant to section 47-06-05 are considered to be above the ordinary high water mark and are not sovereign lands.
- 4.5. "State engineer" means the person appointed by the state water commission pursuant to section 61-03-01.

SECTION 2. Section 61-33-01.1 of the North Dakota Century Code is created and enacted as follows:

61-33-01.1. Ordinary high water mark determination - Factors to be considered.

The state engineer shall maintain ordinary high water mark delineation guidelines consistent with this section.

1. When determining the ordinary high water mark for delineating the boundary of sovereign lands, vegetation and soils analysis must be considered the primary physical indicators. When considering vegetation, the ordinary high water mark is the line below which the presence and action of the water is frequent enough to prevent the growth of terrestrial vegetation or restrict vegetation growth to predominately aquatic species. Generally, land, including hay land, where the high and continuous presence of water has destroyed the value of the land for agricultural purposes must be deemed within the ordinary high water mark.
2. When feasible, direct hydrological and hydraulic measurements from stream gauge data, elevation data, historic records of water flow, high resolution light detection and ranging systems, prior elevation and survey maps, and statistical hydrological evidence must be considered when determining the ordinary high water mark. The state engineer shall establish appropriate guidelines, technical standards, and other criteria, including use of light detection and ranging systems or other future technological advancements, as necessary, for conducting hydrologic and hydraulic modeling required by this section.
3. Secondary physical indicators, including litter, debris, or staining, may be considered to supplement the analysis of the ordinary high water mark investigation but may not supersede primary physical indicators unless primary physical indicators are deemed inadequate or inconclusive. Physical indicators directly affected by influent non-navigable tributaries, adjoining water bodies, or wetlands may not be used to delineate the sovereign land boundary of a navigable body of water.

SECTION 3. AMENDMENT. Section 61-33.1-02 of the North Dakota Century Code is amended and reenacted as follows:

61-33.1-02. Mineral ownership of land inundatedsubject to inundation by Pick-Sloan Missouri basin project dams. (Retroactive application - See note)

The state sovereign land mineral ownership of the riverbed segments inundatedsubject to inundation by Pick-Sloan Missouri basin project dams extends only to the historical Missouri riverbed channel up to the ordinary high water mark. The state holds no claim or title to any minerals above the ordinary high water mark of the historical Missouri riverbed channel inundatedsubject to inundation by Pick-Sloan Missouri basin project dams, except for original grant lands acquired by

the state under federal law and any minerals acquired by the state through purchase, foreclosure, or other written conveyance. Mineral ownership of the riverbed segments ~~inundated~~subject to inundation by Pick-Sloan Missouri basin project dams which are located within the exterior boundaries of the Fort Berthold reservation and Standing Rock Indian reservation is controlled by other law and is excepted from this section.

SECTION 4. AMENDMENT. Subdivision e of subsection 3 of section 61-33.1-03 of the North Dakota Century Code is amended and reenacted as follows:

- e. Subsection ~~34~~ of section 61-33-01 and section 47-06-05, which provide all accretions are presumed to be above the ordinary high water mark and are not sovereign lands. Accreted lands may be determined to be within the ordinary high water mark of the historical Missouri riverbed channel based on clear and convincing evidence. Areas of low-lying and flat lands where the ordinary high water mark may be impracticable to determine due to inconclusive aerial photography or inconclusive vegetation analysis must be presumed to be above the ordinary high water mark and owned by the riparian landowner."

Page 3, after line 26, insert:

"SECTION 8. AMENDMENT. Section 61-33.1-07 of the North Dakota Century Code is amended and reenacted as follows:

61-33.1-07. State engineer regulatory jurisdiction. (Retroactive application - See note)

This chapter does not affect the authority of the state engineer to regulate the historical Missouri riverbed channel, minerals other than oil and gas, or the waters of the state, provided the regulation does not affect ownership of oil and gas minerals in and under the riverbed or lands above the ordinary high water mark of the historical Missouri riverbed channel ~~inundated~~subject to inundation by Pick-Sloan Missouri basin project dams.

SECTION 9. APPLICATION. Sections 1 and 2 of this Act do not apply to the ordinary high water mark study required for the historical Missouri riverbed channel in chapter 61-33.1. This Act does not affect or limit the authority of the state engineer to regulate waters of this state.

SECTION 10. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2211 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2265, as reengrossed: Your conference committee (Sens. Schaible, Rust, Marcellais and Reps. Owens, Monson, Sanford) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1385-1397, adopt amendments as follows, and place SB 2265 on the Seventh order:

That the House recede from its amendments as printed on pages 1385-1397 of the Senate Journal and pages 1582-1594 of the House Journal and that Reengrossed Senate Bill No. 2265 be amended as follows:

Page 1, line 1, after "Act" insert "to create and enact a new section to chapter 15.1-02 and section 15.1-27-04.3 of the North Dakota Century Code, relating to state school aid local property tax effort and credentialing of title I certified teachers and coordinators;"

Page 1, line 1, after "sections" insert "15.1-06-04 and 15.1-07-34, the new section to chapter 15.1-09, as created by section 1 of Senate Bill No. 2230, as approved by the sixty-sixth legislative assembly, and sections 15.1-18-10, 15.1-21-03, 15.1-27-02,"

Page 1, line 1, replace the second "and" with a comma

Page 1, line 1, after "15.1-27-04.1" insert ", 15.1-27-23, 15.1-27-35, 15.1-29-02.1, 15.1-29-12, and 57-15-14.2"

Page 1, line 2, after "to" insert "teacher professional development days in the school calendar, youth behavioral health training, school board membership, teaching licenses, high school unit instructional time, per student payments,"

Page 1, line 2, replace "and" with a comma

Page 1, line 3, after "districts" insert ", weather emergencies, the calculation of average daily membership, a cross-border attendance contract with South Dakota, the determination of tuition payments, and school district levies; to repeal section 15.1-06-05 of the North Dakota Century Code, relating to applications for reconfiguration of instructional days"

Page 1, line 3, replace "legislative management study" with "a report to legislative management"

Page 1, line 4, remove "and"

Page 1, line 4, after "date" insert "; to provide an expiration date; and to declare an emergency"

Page 1, after line 5, insert:

"SECTION 1. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

Credentials for teachers and coordinators of title I.

The superintendent of public instruction shall create a process to reinstate and recertify title I credentials for individuals in the state who held a valid certification, issued by the department of public instruction, as of July 1, 2018, and continue the process in perpetuity. A school district may advertise employment for a title I certified teacher each year until the position is filled. The board of a school district may authorize the hiring of a teacher who is not certified as a title I teacher for the school year if the school district fails to receive applications from qualified applicants to fill the advertised position by July 1.

SECTION 2. AMENDMENT. Section 15.1-06-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-06-04. School calendar - Length.

1. A school district shall provide for a school calendar that includes:
 - a. At least one hundred seventy five days nine hundred sixty-two and one-half hours of instruction for elementary school students and one thousand fifty hours of instruction for middle and high school students;
 - b. Three holidays, as selected by the board in consultation with district teachers from the list provided for in subdivisions b through j of subsection 1 of section 15.1-06-02;
 - c. No more than two days for:
 - (1) Parent-teacher conferences; or

- (2) Compensatory time for parent-teacher conferences held outside of regular school hours; and
- d. At least ~~two~~three days of professional development not including meals or breaks.
- 2. a. ~~A~~For the first three days of professional development required under subdivision d of subsection 1, a day of professional development must consist of:
 - (~~1~~)a. Six hours of professional development, exclusive of meals and other breaks, conducted within a single day;
 - (~~2~~)b. Six hours of cumulative professional development conducted under the auspices of a professional learning community; or
 - (~~3~~)c. Two four-hour periods of professional development, exclusive of meals and other breaks, conducted over two days.
- b. ~~If a school district offers a four-hour period of professional development, as permitted in this subsection, the school district may schedule instruction during other available hours on that same day and be credited with providing one-half day of instruction to students. This subdivision does not apply unless the one-half day of instruction equals at least one-half of the time required for a full day of instruction, as defined in this section.~~
- 3. If because of weather a school must dismiss before completing a full day of instruction, the school is responsible for making up only those hours and portions of an hour between the time of early dismissal and the conclusion of a full day of classroom instruction if the dismissal will result in the school failing to meet the requirements of subdivision a of subsection 1.
- 4. For purposes of this section, a full day of instruction consists of:
 - a. At least five and one-half hours for kindergarten and elementary students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction; and
 - b. At least six hours for high school students, during which time the students are required to be in attendance for the purpose of receiving curricular instruction.
- 5. If a school district intends to operate under a school calendar that consists of four days of instruction per week, the school district shall apply and be approved for a waiver by the superintendent of public instruction.

SECTION 3. AMENDMENT. Section 15.1-07-34 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-34. Provision of youth behavioral health training to teachers, administrators, and ancillary staff.

- 1. Every two years, each school district shall provide a minimum of eight hours of professional development on youth behavioral health to elementary, middle, and high school teachers, and administrators. Each school district shall encourage ancillary and support staff to participate in the professional development. Based on the annual needs assessment of the school district, these hours must be designated from the following categories:
 - a. Trauma;

- b. Social and emotional learning, including resiliency;
 - c. Suicide prevention;
 - d. Bullying;
 - e. Understanding of the prevalence and impact of youth behavioral health wellness on family structure, education, juvenile services, law enforcement, and health care and treatment providers;
 - f. Knowledge of behavioral health symptoms, and risks;
 - g. Awareness of referral sources and evidence-based strategies for appropriate interventions; or
 - h. Other evidence-based strategies to reduce risk factors for students; or
 - i. Current or new evidence-based behavior prevention or mitigation techniques.
2. Each school district shall report the professional development hours to the department of public instruction.
 3. The superintendent of public instruction shall collaborate with regional education associations to disseminate information, training materials, and notice of training opportunities to school districts and nonpublic schools.

SECTION 4. AMENDMENT. The new section to chapter 15.1-09, as created by section 1 of Senate Bill No. 2230, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

School board membership - Prohibition.

If a tribal government has prescribed by tribal law or resolution qualifications for eligibility for ~~candidates for public office~~ relating to criminal convictions which are more restrictive than the laws of this state, the qualifications of ~~candidates for~~ eligibility for membership of a public school board of a school district located on tribal land may not be less restrictive than the qualifications for eligibility prescribed by tribal law or resolution for public office relating to criminal convictions. For purposes of this section, "tribal land" means that portion of the land within the exterior boundaries of an Indian reservation which is located in the state.

SECTION 5. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:
 - a. Is licensed to teach by the education standards and practices board;
 - b. Is approved to teach in that area by the education standards and practices board; and
 - c. Meets all requirements set forth in rule by the superintendent of public instruction.
2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.

3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.
4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:
 - a. Has a permit issued by the board and has a high school diploma; and
 - b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught;
 - (2) Possesses a certificate, permit, or degree in the subject area to be taught; or
 - (3) Achieves a passing score on the Praxis content test.

SECTION 6. AMENDMENT. Section 15.1-21-03 of the North Dakota Century Code is amended and reenacted as follows:

15.1-21-03. High school unit - Instructional time.

1. Except as provided in subsection 2, each unit must consist of at least one hundred twenty hours of ~~instruction~~student engagement per school calendar.
2. The following units must consist of at least one hundred fifty hours of ~~instruction~~student engagement per school calendar: natural sciences, agriculture, business and office technology, marketing, diversified occupations, trade and industrial education, technology education, and health careers.
3. The hour requirements of this section are subject to reductions resulting from the holidays and nonstudent contact days provided for in section 15.1-06-04.
4. This section does not apply to schools or school districts having block schedules approved by the superintendent of public instruction.

SECTION 7. AMENDMENT. Section 15.1-27-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-02. Per student payments - Required reports.

1. The superintendent of public instruction may not forward state aid payments to a school district beyond the September payment unless the district has filed the September tenth fall enrollment report with the superintendent.
2. The superintendent of public instruction may not forward state aid payments to a school district beyond the October payment unless the district has filed the following with the superintendent:
 - a. The June thirtieth student membership and attendance report;
 - b. An annual school district financial report; and
 - c. ~~The September tenth fall enrollment report;~~ and
 - d. The personnel report forms for licensed and nonlicensed employees.

- 2-3. On or before December fifteenth, each school district shall file with the superintendent of public instruction the taxable valuation and mill levy certifications. If a district fails to file the taxable valuation and mill levy certifications by the required date, the superintendent of public instruction may not forward to the district any state aid payments to which the district is entitled, until the taxable valuation and mill levy certifications are filed."

Page 3, line 3, after the underscored semicolon insert "and"

Page 3, line 4, replace "1.00" with "0.50"

Page 3, line 6, remove "; and"

Page 3, remove lines 7 through 11

Page 3, line 12, remove "students"

Page 3, after line 15, insert:

"SECTION 9. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - b. 0.60 the number of full-time equivalent students enrolled in a summer education program, including a migrant summer education program;
 - c. 0.40 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - d. 0.28 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - e. 0.25 the number of full-time equivalent students under the age of twenty-one enrolled in grades nine through twelve in an alternative high school;
 - f. 0.20 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

- g. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
 - h. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
 - i. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
 - j. 0.082 the number of students enrolled in average daily membership, in order to support the provision of special education services;
 - k. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
 - l. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
 - m. 0.002 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1; and
 - n. ~~0.50~~.60 the number of students by which the district's September tenth enrollment report exceeds the number of students in the prior year's average daily membership increasing the factor annually by 0.10, not to exceed 1.00; and
 - o. For districts paid based on September tenth enrollment in the prior year, 0.50 the number of students determined by deducting the number of students in the prior year's September tenth enrollment from the prior year's average daily membership, increasing the factor annually by 0.10, not to exceed 1.00. If the prior year's September tenth enrollment exceeds the prior year's average daily membership, then a deduction of 0.50 the number of excess students, increasing the factor annually by 0.10, not to exceed 1.00.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership."

Page 3, line 24, overstrike "The district's 2012-13 mill levy reduction grant, as determined in accordance with"

Page 3, overstrike line 25

Page 3, line 26, overstrike "c."

Page 3, line 26, overstrike "that raised by the district's 2012 general fund levy or that"

Page 3, overstrike line 27

Page 3, line 28, overstrike "is less" and insert immediately thereafter "the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment"

Page 3, overstrike lines 29 and 30

Page 4, overstrike line 1

Page 4, line 2, overstrike "program levy;"

Page 4, line 3, overstrike "f." and insert immediately thereafter "c."

Page 4, line 4, replace "2012-13" with "2017-18"

Page 5, line 1, replace "g." with "d."

Page 5, line 2, replace "2012-13" with "2017-18"

Page 5, after line 7, insert;

"e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter."

Page 5, line 8, after "2." insert "a."

Page 5, line 8, overstrike "total"

Page 5, line 8, after "funding" insert "determined in subsection 1"

Page 5, line 9, overstrike "2012-13" and insert immediately thereafter "2017-18"

Page 5, after line 10, insert:

"b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit

in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.

- c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. The superintendent shall reduce the district's baseline funding per weighted student unit by fifteen percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2021-22 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3."

Page 5, line 11, overstrike "In"

Page 5, line 11, after "2017-18" insert "For the"

Page 5, line 11, after "2019-20" insert "school year"

Page 5, line 11, overstrike "multiply the" and insert immediately thereafter "calculate state aid as the greater of:

(1) The"

Page 5, line 12, after "units" insert "multiplied"

Page 5, line 12, overstrike the period

Page 5, overstrike lines 13 and 14 and insert immediately thereafter an underscored semicolon

Page 5, line 15, replace "(1)" with "(2)"

Page 5, line 15, overstrike "eight" and insert immediately thereafter "one"

Page 5, line 17, overstrike "from the previous school year" and insert immediately thereafter ", not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by nine thousand eight hundred thirty-nine dollars"

Page 5, line 18, replace "(2)" with "(3)"

Page 5, line 24, overstrike "In"

Page 5, line 24, after "2018-19" insert "For the"

Page 5, line 24, after "2020-21" insert "school year"

Page 5, line 26, remove "one"

Page 5, line 27, overstrike "hundred"

Page 5, line 27, replace "thirty-four" with "thirty-six"

Page 5, line 29, remove "or"

Page 5, line 30, remove "The amount in paragraph 1 plus the greater of:"

Page 6, line 1, overstrike "(a)"

Page 6, line 1, overstrike "eight" and insert immediately thereafter "two"

Page 6, line 3, overstrike "from the previous school year"

Page 6, remove line 4

Page 6, line 5, replace "percent in 2020-21 and fifteen percent each year thereafter" with "not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand thirty-six dollars"

Page 6, line 6, overstrike "(b)" and insert immediately thereafter "(3)"

Page 6, line 8, replace "five" with "fifteen"

Page 6, line 8, replace "in 2020-21" with "for the 2021-22 school year"

Page 6, line 8, after "each" insert "school"

Page 6, line 9, after "thereafter" insert ", and then the difference added to the amount determined in paragraph 1"

Page 6, line 11, replace "In" with "For the"

Page 6, line 11, after "2019-20" insert "school year"

Page 6, line 11, replace "forty-five" with "five"

Page 6, line 15, replace "In" with "For the"

Page 6, line 15, after "2020-21" insert "school year and each school year thereafter"

Page 6, line 16, replace "fifty" with "ten"

Page 6, line 25, after "percent" insert ", adjusted pursuant to section 15.1-27-04.3"

Page 6, line 29, replace "f" with "c"

Page 6, line 29, replace "g" with "d"

Page 6, line 29, after the period insert "Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:"

(1) Tuition revenue shall be adjusted as follows:

- (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition revenue received for the provision of an adult farm management program as directed in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
- (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

- (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2018 by the school district for sinking and interest relative to the total mills levied in 2018 by the school district for all purposes."

Page 7, after line 6, insert:

- "7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
- a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
 - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
 - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

SECTION 11. AMENDMENT. Subdivision a of subsection 4 of section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

- a. ~~Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and~~

SECTION 12. Section 15.1-27-04.3 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.3. Adjustment to state aid - Local property tax effort.

If the amount subtracted from a school district's state aid payment under subdivision a of subsection 4 of section 15.1-27-04.1 is less than the amount generated by sixty mills, the superintendent of public instruction shall adjust the amount subtracted as follows:

1. For the 2020-21 school year, increase the amount subtracted by an amount equal to ten percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
2. For the 2021-22 school year, increase the amount subtracted by an amount equal to twenty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
3. For the 2022-23 school year, increase the amount subtracted by an amount equal to forty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section;
4. For the 2023-24 school year, increase the amount subtracted by an amount equal to sixty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to

subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section; and

5. For the 2024-25 school year, increase the amount subtracted by an amount equal to eighty percent of the difference between the amount generated by sixty mills and the amount determined pursuant to subdivision a of subsection 4 of section 15.1-27-04.1 before adjustment under this section.

SECTION 13. AMENDMENT. Section 15.1-27-23 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-23. Weather or other emergency conditions - Closure of schools - State aid payments to school districts.

1. ~~The board of each school district shall include in the school calendar days that may be used for the rescheduling of instructional time lost as a result of severe weather or other emergency conditions.~~
2. ~~a. The number of days required under subsection 1 must equal the average number of days per school year, as calculated using the previous five school years, during which the school district remained closed or provided less than a full day of instruction because of severe weather or other emergency conditions.~~
 - b. ~~The number of days determined under subdivision a may be included within the calendar no earlier than the month of January.~~
3. ~~If the number of days during which a public school or school district is closed or provides less than a full day of instruction exceeds the number of days determined under subdivision a of subsection 2, the public school or school district shall make every effort to reschedule the remaining classes, so that students receive at least the number of full instructional days required by section 15.1-06-04 or an equivalent period of instructional time, as determined by the superintendent of public instruction establish the length of a period, day, and week in accordance with the requirements of section 15.1-06-04. If a public school or school district is closed or provides less than a full day of instruction, the public school or school district shall reschedule those hours to ensure students receive at least the minimum number of instructional hours required by subdivision a of subsection 1 of section 15.1-06-04.~~
4. ~~2. Any public school or school district for which the rescheduling of classes would create undue hardship may request that, for purposes of calculating state aid payments to the school district, the governor waive the rescheduling in whole or in part.~~
5. ~~The governor may not grant a waiver for less than a full day of instruction. However, if a public school or school district closes for only a portion of its regular schoolday, the hours during which the school or school district is closed may be added together to determine the number of additional full days of instruction that may be waived under this section.~~

SECTION 14. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1. Average daily membership is calculated at the conclusion of the school year by adding the total number of dayshours that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of dayshours that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by ~~the greater of:~~

- a. ~~The school district's calendar~~Nine hundred sixty-two and one-half hours for elementary school students; or
 - b. ~~One hundred eighty-two~~thousand fifty hours for middle and high school students.
2. ~~For purposes of calculating average daily membership, all students are deemed to be in attendance on:~~
- a. ~~The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;~~
 - b. ~~The two~~three ~~days set aside for professional development activities under section 15.1-06-04; and~~
 - c. ~~The two full days, or portions thereof, during which parent teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent teacher conferences held outside regular school hours.~~
3. For purposes of calculating average daily membership:
- a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 15. AMENDMENT. Section 15.1-29-02.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-02.1. Cross-border attendance - Contract with South Dakota.

- 1. A student who resides in a North Dakota school district contiguous to the South Dakota border may attend school in South Dakota, and a student who resides in a South Dakota school district contiguous to the North Dakota border may attend school in North Dakota, provided the superintendent of public instruction has entered into a contract with the secretary of the South Dakota department of education for the cross-border attendance of eligible students.
- 2. A contract entered under subsection 1 must set forth:
 - a. An application procedure;
 - b. Causes for denial of an application; and
 - c. The manner and notification of acceptance.
- 3. A contract entered under subsection 1 must authorize the superintendent of public instruction to count any South Dakota student participating in cross-border attendance under this section for the purposes of determining the amount of state aid to which a school district in this state is entitled. The superintendent of public instruction may not count a North

Dakota student participating in cross-border attendance in accordance with the contract for purposes of determining the amount of state aid to which a school district in this state is entitled.

4. A contract entered under subsection 1 must provide that if there are more students from North Dakota than South Dakota participating in cross-border attendance under this section, the superintendent of public instruction shall forward to the secretary of the South Dakota department of education, on behalf of each excess student, an amount annually agreed to by the superintendent and the secretary as reflecting the average cost of education per student in the school districts participating in cross-border attendance in accordance with the contract. The contract must also provide that if there are more students from South Dakota than North Dakota participating in cross-border attendance under this section, the secretary shall forward to the superintendent, on behalf of each excess student, an amount annually agreed to by the superintendent and the secretary as reflecting the average cost of education per student in the school districts participating in cross-border attendance in accordance with the contract. The superintendent shall pay the cost of cross-border attendance from funds appropriated by the legislative assembly for state aid to schools. Payments received by the superintendent under this subsection shall be deposited in the general fund.
5. ~~The superintendent of public instruction shall annually reconcile the number of students from each school district in this state who participate in cross-border attendance under this section with the number of students from school districts in South Dakota who participate in cross-border attendance under this section. The superintendent of public instruction shall withhold from each school district's state aid an amount equal to the cost incurred by the state on the part of the school district in permitting the cross-border attendance of students under this section.~~
6. A student who requires special education services may participate in cross-border attendance under this section, provided the contract entered under subsection 1 sets forth each school district's and each state's responsibilities for payment of any excess costs incurred as a result of providing the services to the student.
- ~~7.6.~~ Each school district may provide transportation to students participating in cross-border attendance under this section. However, the superintendent of public instruction may include only transportation provided within this state for purposes of determining the state transportation aid to which a district is entitled.
- ~~8.7.~~ Sections 15.1-29-01 through 15.1-29-13 do not apply to students participating in cross-border attendance under this section.

SECTION 16. AMENDMENT. Section 15.1-29-12 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-12. Tuition payments - Determination.

1. Except as provided in section 15.1-29-13, a school district sending a student to another district for purposes of education shall pay the full cost of education per student incurred by the admitting district.
2.
 - a. The admitting district shall determine the cost of education per student for its kindergarten, elementary, and high school students on the basis of its average daily membership and those expenditures permitted in determining the cost of education per student in section 15.1-27-03.
 - b. To the cost of education per student, the admitting district shall add the latest available statewide average per student cost for

extracurricular activities and the state average capital outlay per student. The state average capital outlay per student is determined by dividing the total of all school districts' annual expenditures for sinking and interest funds, tax receipts to the building funds, and general fund expenditures for capital outlay by the average daily membership of the state.

- c. The admitting district shall subtract the following from the amount arrived at under subdivision b:
 - (1) The per student payment multiplied by the admitting district's school size weighting factor; and
 - (2) Any credit for taxes paid to the admitting district by the student's parent.
 - d. The amount remaining is the full cost of education per student incurred by the admitting district. The tuition amount payable for the individual student is the lesser of:
 - (1) The full cost of education per student incurred by the admitting district; or
 - (2) One hundred fifty percent of the state average full cost of education per student.
 - e. Admitting school districts shall charge the tuition amount payable determined in subdivision d multiplied by two hundred percent or four thousand dollars, whichever is greater, if the admitting school district:
 - (1) Is located in an oil-producing county;
 - (2) Is eligible to receive gross production tax revenue in lieu of property taxes;
 - (3) Is located in cities with populations over twenty-four thousand;
 - (4) Has a tax base fewer than twenty square miles;
 - (5) Levies greater than sixty mills for local property taxes;
 - (6) Has student enrollments of greater than four thousand;
 - (7) Has average student growth of over two hundred per year over the preceding five years;
 - (8) Uses portable classrooms; and
 - (9) Has enrollment exceeding school facility capacity.
3. This section does not affect the right of a school board to charge and collect tuition from students who are not residents of this state, in accordance with section 15.1-29-02.

SECTION 17. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.2. School district levies.

1. ~~For taxable years after 2013, the~~The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent and the dollar amount of the adjustment required in section 15.1-27-04.3, up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be

deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.

2. ~~For taxable years after 2013, the~~The board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.

SECTION 18. AMENDMENT. Subsection 1 of section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent ~~and the dollar amount of the adjustment required in section 15.1-27-04.3,~~ up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.

SECTION 19. REPEAL. Section 15.1-06-05 of the North Dakota Century Code is repealed."

Page 7, line 8, after the first boldfaced hyphen insert "**RAPID ENROLLMENT GRANT**"

Page 8, after line 2, insert:

"SECTION 21. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - FOUNDATION AID STABILIZATION FUND - MUSIC EDUCATION GRANTS. There is appropriated out of any moneys in the foundation aid stabilization fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing music education grants, for the biennium beginning July 1, 2019, and ending June 30, 2021. At the beginning of the biennium, each eligible school may receive a grant disbursement for kindergarten through grade five based on the average daily membership of the school. Upon request, the department of public instruction shall award an eligible school a music education grant. The department must report to the sixty-seventh legislative assembly regarding the grants awarded and outcomes, including the program's impact on student behavior and mental health. The funding provided in this section is considered a one-time funding item."

Page 8, line 5, replace "funding" with "matching funds"

Page 8, line 7, remove "as matching funds for AmeriCorps funding"

Page 8, line 10, replace "**LEGISLATIVE MANAGEMENT**" with "**EDUCATION FUNDING FORMULA -**"

Page 8, line 10, after the second boldfaced period insert "There is created an education funding formula review committee."

Page 8, line 11, replace "legislative management" with "education funding formula review committee"

Page 8, line 11, remove "consider studying minimum and maximum payments to school"

Page 8, line 12, replace "districts included in the state school aid" with "study the kindergarten through grade twelve education funding"

Page 8, line 12, remove "how school districts could be"

Page 8, remove line 13

Page 8, line 14, replace "transitioning from the minimum and maximum payments" with "the components, adjustments, and weighting factors of the formula. The membership of the committee consists of the chairmen of the standing education committees of the house of representatives and the senate; three additional members of the senate, two of which must be appointed by the majority leader of the senate and one of which must be appointed by the minority leader of the senate; and three additional members of the house of representatives, two of which must be appointed by the majority leader of the house of representatives and one of which must be appointed by the minority leader of the house of representatives. Members appointed to the committee must have a secure knowledge of the current kindergarten through grade twelve funding formula"

Page 8, line 14, replace "legislative management" with "committee"

Page 8, after line 16 insert:

"SECTION 24. STUDY - EFFECT OF IMPACT AIDE ON THE FUNDING FORMULA. During the 2019-20 interim, the department of public instruction, the Indian affairs commission, and the kindergarten through grade twelve coordinating council, shall study the effect of impact aide on the funding formula to reservation schools. The department of public instruction, the Indian affairs commission, and the kindergarten through grade twelve coordinating council shall report their findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 25. ALTERNATIVE TEACHER CERTIFICATION PROGRAM - REPORT TO LEGISLATIVE MANAGEMENT. The education standards and practices board shall provide the legislative management a status report during the 2019-20 interim and during the 2021-22 interim regarding the number of teacher permits issued under an alternative teacher certification program, the effectiveness of the program, the quality of instruction provided under the program, and whether the program is accomplishing desired objectives. The report must include a recommendation regarding continuation of the program."

Page 8, line 17, replace "1" with "8"

Page 8, line 17, replace "is" with "becomes"

Page 8, line 17, after "effective" insert "on"

Page 8, line 17, after the period insert "Section 9 of this Act becomes effective on July 1, 2021. Section 17 of this Act is effective for taxable years beginning after

December 31, 2018. Section 18 of this Act is effective for taxable years beginning after December 31, 2024. Section 11 of this Act becomes effective on July 1, 2025.

SECTION 27. EXPIRATION DATE. Section 12 of this Act is effective through June 30, 2025, and after that date is ineffective.

SECTION 28. EMERGENCY. Section 4 of this Act is declared to be an emergency measure."

Renumber accordingly

Reengrossed SB 2265 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1010, as engrossed: Your conference committee (Sens. Bekkedahl, Erbele, Grabinger and Reps. Meier, Schobinger, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1518-1519, adopt amendments as follows, and place HB 1010 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1518 and 1519 of the House Journal and pages 1281 and 1282 of the Senate Journal and that Engrossed House Bill No. 1010 be amended as follows:

Page 1, replace lines 11 through 17 with:

"Salaries and wages	\$905,453	\$63,405	\$968,858
Operating expenses	355,851	(70,077)	285,774
Grants	2,090,494	0	2,090,494
Total all funds	\$3,351,798	(\$6,672)	\$3,345,126
Less estimated income	1,786,922	(48,000)	1,738,922
Total general fund	\$1,564,876	\$41,328	\$1,606,204
Full-time equivalent positions	5.00	0.00	5.00"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1010 - Council on the Arts - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$905,453	\$957,100	\$11,758	\$968,858	\$1,088,274	(\$119,416)
Operating expenses	355,851	277,851	7,923	285,774	285,774	
Grants	2,090,494	2,090,494		2,090,494	2,090,494	
Total all funds	\$3,351,798	\$3,325,445	\$19,681	\$3,345,126	\$3,464,542	(\$119,416)
Less estimated income	1,786,922	1,738,918	4	1,738,922	1,738,922	0
General fund	\$1,564,876	\$1,586,527	\$19,677	\$1,606,204	\$1,725,620	(\$119,416)
FTE	5.00	5.00	0.00	5.00	6.00	(1.00)

Department 709 - Council on the Arts - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases ¹	Adds Funding for Temporary Salaries ²	Restores Funding for Operating Expenses ³	Adds Funding for New Software Costs ⁴	Total Conference Committee Changes
Salaries and wages	\$4,391	\$7,367			\$11,758
Operating expenses			\$113	\$7,810	7,923
Grants					
Total all funds	\$4,391	\$7,367	\$113	\$7,810	\$19,681
Less estimated income	0	0	4	0	4
General fund	\$4,391	\$7,367	\$109	\$7,810	\$19,677
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding is added to provide for state employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200,

and an increase of 2.5 percent on July 1, 2020, to provide a total of \$26,895 for state employee salary increases, the same as provided in the Senate version. The House provided funding for a salary increase of 2 percent on July 1, 2019, and 2 percent on July 1, 2020, to provide a total of \$22,504 for state employee salary increases.

² Funding of \$7,367 is added from the general fund for temporary salaries. The Senate and House versions did not provide additional funding for temporary salaries.

³ A portion of funding removed by the House for operating expenses is restored to provide for a total operating expenses reduction of \$29,887, the same as the Senate version. The House reduced funding for operating expenses by \$30,000.

⁴ Funding from the general fund is added for new software costs, the same as the Senate version.

The Conference Committee did not include funding of \$126,783 from the general fund added by the Senate for an administrative FTE position, the same as the House version.

Engrossed HB 1010 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1393, as engrossed: Your conference committee (Sens. Dwyer, Myrdal, Bakke and Reps. Roers Jones, Vetter, Simons) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1189-1190, adopt amendments as follows, and place HB 1393 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1189 and 1190 of the House Journal and page 909 of the Senate Journal and that Engrossed House Bill No. 1393 be amended as follows:

Page 2, line 27, replace "B" with "A"

Page 3, line 3, replace "B" with "A"

Page 3, line 3, replace "or" with "of subsection 2 and a class C felony for an offense under subdivision"

Page 3, after line 3, insert:

"c. A class B felony for an offense under subdivision b or c of subsection 2 if the victim is under twelve years of age.

4. A person charged with an offense under this section must be prosecuted in district court."

Renumber accordingly

Engrossed HB 1393 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HCR 3055: Your conference committee (Sens. Cook, Unruh, Dotzenrod and Reps. Headland, B. Koppelman, Eidson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1941-1942 and place HCR 3055 on the Seventh order.

HCR 3055 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Klein's motion.

Shanda Morgan, Secretary