

JOURNAL OF THE HOUSE

Sixty-sixth Legislative Assembly

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Bismarck, April 10, 2019

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

The prayer was offered by Pastor Brandon Vetter, Legacy United Methodist Church, Bismarck.

The roll was called and all members were present except Representatives Becker, O'Brien, and Simons.

A quorum was declared by the Speaker.

CORRECTION AND REVISION OF THE JOURNAL

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

Page 1151, line 16, replace "HOUSE" with "SENATE"

Page 1296, line 12, replace "HOUSE" with "SENATE"

Page 1385, line 21, replace "HOUSE" with "SENATE"

Page 1633, line 3, replace "HOUSE" with "SENATE"

Page 1419, after line 13, insert:

"Page 1, line 3, after the second comma insert "and"

Page 1, line 3, remove ", 29-27-02.1, and subsection 1 of"

Page 1, line 4, remove "section 54-12-14"

Page 1, line 5, remove "disposition of statutory fees,"

Page 1, line 6, replace "fines," with "and"

Page 1, line 6, remove ", and the attorney general assets forfeiture fund"

Page 1, line 17, remove the third "or"

Page 1, line 18, after the first "property" insert ", or it can be established beyond a reasonable doubt the property was used in the commission of a crime or constituted the proceeds of criminal activity"

Page 1, remove lines 22 and 23

Page 2, line 6, remove "clear and convincing"

Page 2, line 7, remove "evidence"

Page 2, line 7, overstrike "for instituting the forfeiture action following which" and insert immediately thereafter "the forfeited property meets the requirements of subsection 2 of section 19-03.1-36.2. Following the state's case."

Page 2, line 15, remove "order the proper costs and"

Page 2, remove lines 16 and 17

Page 2, line 18, replace "remaining proceeds to be deposited as provided in subsection 2 of section 29-27-02.1" with "order only the forfeited property or proceeds from the sale of forfeited property to be deposited with a political subdivision if the political subdivision has created a civil asset forfeiture fund. If the political subdivision does not have a civil asset forfeiture fund, any forfeited property and proceeds from the sale of forfeited property must be deposited in the attorney general's asset forfeiture fund."

3. This section does not prohibit the state and a political subdivision from entering an agreement to divide forfeited property and the proceeds from the sale of forfeited property"

Page 3, line 3, remove "Currency with the value of seven hundred and fifty United States dollars or less"

Page 3, remove line 4

Page 3, line 5, remove "c."

Page 3, line 6, replace "d." with "c."

Page 3, line 9, remove "sentence imposed for committing the offense"

Page 3, line 10, replace "subject to forfeiture" with "possible penalty that could be imposed for the alleged or committed offense subject to forfeiture"

Page 3, line 11, replace "e." with "d."

Page 3, line 24, after the underscored semicolon insert "and"

Page 3, line 25, remove ";and"

Page 3, remove line 26

Page 3, line 27 remove "the proceedings for forfeiture and sale under section 19-03.1-36.6"

Page 4, remove lines 13 through 31

Page 5, remove lines 1 through 29

Renumber accordingly"

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

CONSIDERATION OF MESSAGES FROM THE SENATE

REP. LOUSER MOVED that the House do not concur in the Senate amendments to Engrossed HB 1002 as printed on HJ pages 1565-1569, in the Senate amendments to Engrossed HB 1004 as printed on HJ pages 1527-1528, in the Senate amendments to Engrossed HB 1006 as printed on HJ pages 1515-1517, in the Senate amendments to Engrossed HB 1007 as printed on HJ pages 1528-1530, in the Senate amendments to Engrossed HB 1008 as printed on HJ page 1517, in the Senate amendments to Engrossed HB 1009 as printed on HJ page 1518, in the Senate amendments to Engrossed HB 1010 as printed on HJ pages 1518-1519, in the Senate amendments to Engrossed HB 1012 as printed on HJ pages 1569-1570, in the Senate amendments to Engrossed HB 1013 as printed on HJ pages 1556-1557, in the Senate amendments to Engrossed HB 1019 as printed on HJ pages 1521-1523, and in the Senate amendments to Engrossed HB 1022 as printed on HJ pages 1523-1524 and that a conference committee be appointed to meet with a like committee from the Senate on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed HB 1002: Reps. Bellew, Beadle, Mock.

Engrossed HB 1004: Reps. Kreidt, Meier, Holman.

Engrossed HB 1006: Reps. Beadle, Kempenich, Mock.
Engrossed HB 1007: Reps. Kreidt, B. Anderson, Holman.
Engrossed HB 1008: Reps. Howe, Beadle, Bellew.
Engrossed HB 1009: Reps. Schmidt, Martinson, Nathe.
Engrossed HB 1010: Reps. Meier, Schobinger, Holman.
Engrossed HB 1012: Reps. Brandenburg, Vigesaa, Howe.
Engrossed HB 1013: Reps. Kempenich, Bellew, Mock.
Engrossed HB 1019: Reps. Schatz, Monson, Boe.
Engrossed HB 1022: Reps. Howe, Beadle, Mock.

APPOINTMENT OF CONFERENCE COMMITTEE

REP. LOUSER MOVED that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2004 and Engrossed SB 2321, which motion prevailed on a voice vote.

THE SPEAKER APPOINTED as a Conference Committee on:

Engrossed SB 2004: Reps. Brandenburg, Howe, Mock
Engrossed SB 2321: Reps. Bellew, Schatz, D. Ruby

SIXTH ORDER OF BUSINESS

SPEAKER KLEMIN DEEMED approval of the amendments to Engrossed SB 2002, Engrossed SB 2020, Engrossed SB 2172, Engrossed SB 2293, and Engrossed SCR 4001.

Engrossed SB 2002, Engrossed SB 2020, Engrossed SB 2172, Engrossed SB 2293, and Engrossed SCR 4001, as amended, were placed on the Fourteenth order of business on the calendar.

SIXTH ORDER OF BUSINESS

SB 2006, as engrossed: REP. BEADLE (Appropriations Committee) MOVED that the amendments on HJ pages 1574-1577 be adopted and then be placed on the Fourteenth order with **DO PASS**.

REQUEST

REP. BOSCHEE REQUESTED that the House divide the amendments to Engrossed SB 2006, which request was granted.

DIVISION A: Amendments to page 2, line 11 insertion and page 2, line 18 replacement.

Page 2, after line 11, insert:

"SECTION 4. A new section to chapter 54-11 of the North Dakota Century Code is created and enacted as follows:

Legacy income tax rate reduction fund - State treasurer - Tax commissioner - Income tax rate adjustment - Transfers to the general fund - Continuing appropriation.

1. There is created in the state treasury the legacy income tax rate reduction fund. The fund consists of all moneys deposited in the fund pursuant to section 5 of this Act. All moneys in the fund are appropriated to the state treasurer on a continuing basis for the purpose of providing transfers to the general fund to reduce the individual income tax imposed under section 57-38-30.3 and the corporate income tax imposed under section 57-38-30.
2. If money is transferred into the fund pursuant to section 5 of this Act, the tax commissioner shall publish reduced individual and corporate income tax rates and notify taxpayers of the reduced rates by November first of the first fiscal year of the biennium. The tax commissioner may determine the form and manner for publishing the reduced rates and notifying taxpayers, including any notification that taxpayers are not required to file returns or pay taxes. The tax commissioner shall reduce the individual income tax rates and the corporate income tax rates based on the following:

- a. The percentage reduction to the individual and corporate income tax rates is equal to the rate reduction amount divided by the total estimated tax collections, including both the individual tax collections and corporate income tax collections, for the second year of the biennium.
 - b. Any reductions to the individual income tax rates and the corporate income tax rates apply to tax years after December 31, 2021.
 - c. The reductions to the individual income tax rates and the corporate income tax rates must be proportional to the estimated tax collections for each tax relative to the combined total estimated tax collections for both taxes.
 - d. The reductions to the individual income tax rates and the corporate income tax rates must be applied equally to all tax brackets for each tax.
 - e. The reduced individual income tax rates and corporate income tax rates must be rounded to the nearest one-hundredth of a percent.
3. If no money is transferred to the fund pursuant to section 5 of this Act, the tax commissioner may not reduce the individual and corporate income tax rates currently in effect.
 4.
 - a. If the income tax rate reduction results in a disproportionate amount of tax to be deducted and withheld under section 57-38-59, the tax commissioner may adjust the percentage that, when withheld, will as closely as possible pay the income tax liability imposed.
 - b. This section does not limit or suspend any provision in chapter 57-38 which is not in conflict with this section, including provisions for assessment and refund under sections 57-38-34.4, 57-38-38, and 57-38-40.
 5. In April of each year, the state treasurer shall transfer the amounts certified by the tax commissioner from the legacy fund income tax reduction fund to the general fund. The amount transferred to the general fund each year may not be less than the rate reduction amount determined for the current biennium plus the rate reduction amount determined for each preceding biennium.
 6. For purposes of this section:
 - a. "Base funding amount" means the total amount transferred from the legacy income tax rate reduction fund to the general fund in the preceding biennium.
 - b. "Estimated tax collections" means the income tax collection amounts included in the revenue forecast of the current biennial state budget as approved by the most recently adjourned special or regular session of the legislative assembly.
 - c. "Rate reduction amount" means one-third of any legacy fund earnings deposited in the legacy income tax rate reduction fund exceeding the base funding amount.

SECTION 5. A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

Transfer of legacy fund earnings - Limitations.

Fifty percent of any legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota must be transferred immediately by the state treasurer

to the legacy income tax rate reduction fund. The state treasurer may not transfer legacy fund earnings to the income tax rate reduction fund if the amount of legacy fund earnings to be transferred to the legacy income tax rate reduction fund is less than fifty million dollars."

Page 2, after line 18, insert:

"SECTION 7. EFFECTIVE DATE. Sections 4 and 5 of this Act become effective on June 1, 2021."

DIVISION B: Amendments to page 1, lines 15 through 22 replacement and page 2, line 18 insertion.

Page 1, replace lines 15 through 22 with:

"Salaries and wages	\$21,724,004	\$880,914	\$22,604,918
Operating expenses	6,749,295	363,165	7,112,460
Capital assets	6,000	0	6,000
Homestead tax credit	14,800,000	1,000,000	15,800,000
Disabled veterans' tax credit	<u>8,110,200</u>	<u>300,000</u>	<u>8,410,200</u>
Total all funds	\$51,389,499	\$2,544,079	\$53,933,578
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$51,264,499	\$2,544,079	\$53,808,578"

Page 2, line 18, replace "one hundred twenty thousand six hundred" with "one hundred twenty thousand fourteen"

Renumber and adjust the title accordingly.

REQUEST

REP. BOSCHEE REQUESTED a recorded roll call vote on Division A of the proposed amendments to Engrossed SB 2006, which request was granted.

ROLL CALL

The question being the adoption of Division A of the proposed amendments to Engrossed SB 2006, the roll was called and there were 65 YEAS, 28 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Beadle; Becker; Bellew; Blum; Brandenburg; Delzer; Devlin; Dockter; Ertelt; Fegley; Fisher; Grueneich; Hatlestad; Headland; Heinert; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Louser; Magrum; Marschall; McWilliams; Meier; Nathe; Owens; Paulson; Paur; Pollert; Porter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Speaker Klemin

NAYS: Adams; Anderson, P.; Boe; Bosch; Boschee; Buffalo; Damschen; Dobervich; Eidson; Guggisberg; Hager; Hanson; Holman; Keiser; Longmuir; Martinson; Mitskog; Mock; Monson; Nelson, J.; Nelson, M.; Pyle; Richter; Schneider; Schobinger; Schreiber-Beck; Westlind; Zubke

ABSENT AND NOT VOTING: O'Brien

Division A of the proposed amendments to Engrossed SB 2006 was adopted on a recorded roll call vote.

REQUEST

REP. KLEMIN REQUESTED a recorded roll call vote on Division B of the proposed amendments to Engrossed SB 2006, which request was granted.

ROLL CALL

The question being the adoption of Division B of the proposed amendments to Engrossed SB 2006, the roll was called and there were 93 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

ABSENT AND NOT VOTING: O'Brien

Division B of the proposed amendments to Engrossed SB 2006 was adopted on a recorded roll call vote.

Therefore, the question being on the motion to adopt the amendments to Engrossed SB 2006, which includes Division A and Division B, the proposed amendments were adopted on a voice vote.

SECOND READING OF SENATE BILL

SB 2006: A BILL for an Act to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans' credit; to create and enact a new section to chapter 54-11 and a new section to chapter 54-27 of the North Dakota Century Code, relating to an income tax rate reduction fund and the transfer of legacy fund earnings; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the salary of the state tax commissioner; to provide a continuing appropriation; to provide for a transfer; and to provide an effective date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 71 YEAS, 22 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson, D.; Beadle; Becker; Bellew; Blum; Bosch; Brandenburg; Damschen; Delzer; Devlin; Dockter; Ertelt; Fegley; Fisher; Grueneich; Hatlestad; Headland; Heinert; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Monson; Nathe; Owens; Paulson; Paur; Pollert; Porter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schobinger; Simons; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigasaa; Weisz; Westlind; Speaker Klemin

NAYS: Adams; Anderson, B.; Anderson, P.; Boe; Boschee; Buffalo; Dobervich; Eidson; Guggisberg; Hager; Hanson; Holman; Keiser; Mitskog; Mock; Nelson, J.; Nelson, M.; Pyle; Richter; Schneider; Schreiber-Beck; Zubke

ABSENT AND NOT VOTING: O'Brien

Engrossed SB 2006, as amended, passed.

MOTION

REP. D. RUBY MOVED that the House reconsider its action whereby Engrossed SB 2140, as amended, passed, which motion prevailed on a verification vote.

MOTION

REP. LOUSER MOVED that Engrossed SB 2140, as amended, which is on the Fourteenth order, be rereferred to the **Energy and Natural Resources Committee**, which motion prevailed. Pursuant to Rep. Louser's motion, Engrossed SB 2140, as amended, was rereferred.

MOTION

REP. LOUSER MOVED that SB 2346 be moved to the top of the Fourteenth order, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2346: A BILL for an Act to create and enact a new section to chapter 60-01, a new section to chapter 60-02, and three new sections to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner, licensing and bonding for cash grain brokers, and records confidentiality for warehousemen and grain buyers; and 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, 60-02-42, 60-02.1-01, 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, and has committee recommendation of DO PASS, the roll was called and there were 80 YEAS, 13 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Schatz; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Toman; Trottier; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemm

NAYS: Bellew; Ertelt; Johnson, M.; Karls; Laning; Magrum; Nathe; Satrom; Schauer; Skroch; Steiner; Strinden; Tveit

ABSENT AND NOT VOTING: O'Brien

Engrossed SB 2346, as amended, passed.

SECOND READING OF SENATE BILL

SB 2261: A BILL for an Act to amend and reenact subsection 5 of section 49-22-08 of the North Dakota Century Code, relating to conditions imposed on the designation of sites, corridors, and routes.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has

committee recommendation of DO PASS, the roll was called and there were 81 YEAS, 12 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dockter; Ertelt; Fegley; Fisher; Grueneich; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson; Paur; Pollert; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schobinger; Schreiber-Beck; Simons; Skroch; Strinden; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

NAYS: Adams; Buffalo; Dobervich; Eidson; Guggisberg; Hager; Johnson, M.; Nelson, M.; Porter; Schneider; Steiner; Toman

ABSENT AND NOT VOTING: O'Brien

Engrossed SB 2261, as amended, passed.

SECOND READING OF SENATE BILL

SB 2265: A BILL for an Act 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; to amend and reenact sections 15.1-06-04, 15.1-07-34, 15.1-27-03.1, 15.1-27-04.1, 15.1-27-35, 15.1-29-02.1, 15.1-29-12, and 57-15-14.2 of the North Dakota Century Code, relating to teacher professional development days in the school calendar, youth behavioral health training, the determination of weighted average daily membership, state aid payable to school districts, the calculation of average daily membership, a cross-border attendance contract with South Dakota, the determination of tuition payments, and school district levies; to provide for a legislative management study; to provide an appropriation; to provide effective dates; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 74 YEAS, 19 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Strinden; Toman; Trottier; Tveit; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

NAYS: Becker; Ertelt; Fisher; Hoverson; Johnston; Kading; Kiefert; Louser; Magrum; McWilliams; Nelson, M.; Paulson; Paur; Ruby, D.; Ruby, M.; Schatz; Simons; Skroch; Vetter

ABSENT AND NOT VOTING: O'Brien

Reengrossed SB 2265, as amended, passed.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2006, SB 2261, SB 2265, SB 2346.

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

SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

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 8, remove "and"

Page 1, line 9, remove "for"

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>6,661,022</u>	<u>45,648,542</u>
Total general fund	\$10,724,151	\$2,341,803	\$13,065,954"

Page 2, replace lines 21 through 25 with:

"SECTION 4. ESTIMATED INCOME - PETROLEUM RELEASE COMPENSATION FUND. The estimated income line item included in section 1 of this Act includes \$594,434, 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 3, line 5, replace "**APPROPRIATION**" with "**FUNDING**"

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

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

Page 10, after line 6, insert:

"SECTION 16. 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 21, line 15, replace "state fire and tornado fund" with "general fund"

Page 22, after line 6, insert:

"SECTION 30. 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 8, remove "and"

Page 22, line 8, after "28" insert ", and 29"

Page 22, line 13, remove "and"

Page 22, line 13, after "28" insert ", and 29"

Page 22, after line 14, insert:

"SECTION 32. CONTINGENT EXPIRATION DATE. Section 16 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 - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$27,040,544	\$30,196,953	\$390,405	\$30,587,358
Operating expenses	8,005,878	10,002,180		10,002,180
Capital assets	1,258,249	2,263,429		2,263,429
Grants	13,407,000	15,861,529		15,861,529
Total all funds	\$49,711,671	\$58,324,091	\$390,405	\$58,714,496
Less estimated income	38,987,520	46,415,932	(767,390)	45,648,542
General fund	\$10,724,151	\$11,908,159	\$1,157,795	\$13,065,954
FTE	152.50	165.50	0.00	165.50

Department 303 - Department of Environmental Quality - Detail of Senate 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 Boiler Inspection Program ⁵	Total Senate 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	(882,249)	(767,390)
General fund	\$73,552	\$9,816	\$384,356	(\$192,178)	\$882,249	\$1,157,795
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 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.

³ Two of the contingent FTE positions provided by the House and related funding for salaries and wages are added in the 1st year of the biennium for the supremacy of federal programs. 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 by the Senate, to provide 8 FTE positions in the 2nd year of the biennium.

⁵ Funding provided for the boiler inspection program, including funding for salaries and wages of \$793,249 and operating expenses of \$89,000, is provided from the general fund instead of the state fire and tornado fund.

This amendment also:

- Removes a section identifying funding from the state fire and tornado fund for the boiler inspection program because funding for the program is provided from the general fund;
- Adds a section to identify funding from the petroleum release compensation fund for expenses related to the petroleum release program;
- Adjusts the contingent 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;
- Amends the section created to transfer the boiler inspection program to the Department of Environmental Quality to require fees collected under the section are deposited in the general fund, which will result in an estimated increase in general fund revenues of \$600,000;
- 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; 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.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1002, HB 1004, HB 1006, HB 1007, HB 1008, HB 1009, HB 1010, HB 1012, HB 1013, HB 1019, and HB 1022, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1002: Reps. Bellew; Beadle; Mock

HB 1004: Reps. Kreidt; Meier; Holman

HB 1006: Reps. Beadle; Kempenich; Mock

HB 1007: Reps. Kreidt; B. Anderson; Holman

HB 1008: Reps. Howe; Beadle; Bellew

HB 1009: Reps. Schmidt; Martinson; Nathe

HB 1010: Reps. Meier; Schobinger; Holman

HB 1012: Reps. Brandenburg; Vigesaa; Howe

HB 1013: Reps. Kempenich; Bellew; Mock

HB 1019: Reps. Schatz; Monson; Boe

HB 1022: Reps. Howe; Beadle; Mock

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

MR. SPEAKER: The Senate has appointed as a conference committee to act with a like committee from the House on:

HB 1157: Sens. J. Roers; Kreun; Piepkorn

HB 1287: Sens. Rust; Schaible; Oban

HB 1346: Sens. Schaible; Elkin; Marcellais

HB 1359: Sens. J. Lee; Anderson; K. Roers

HB 1461: Sens. Davison; Schaible; Oban

HB 1531: Sens. Rust; Schaible; Oban

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2019, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2019: Sens. Sorvaag; Bekkedahl; Mathern

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

MR. PRESIDENT: The House has appointed as a conference committee to act with a like committee from the Senate on:

SB 2004: Reps. Brandenburg; Howe; Mock

SB 2321: Reps. Bellew; Schatz; D. Ruby

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

MR. SPEAKER: The Senate has adopted the conference committee report on: SB 2035.

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

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2078.

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 2245.

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

MR. SPEAKER: Your signature is respectfully requested on: SB 2041.

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

MR. PRESIDENT: The Speaker has signed: SB 2041.

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

MR. SPEAKER: The President has signed: SB 2011, SB 2041, SCR 4016.

MOTION

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

MOTION

REP. LOUSER MOVED that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Thursday, April 11, 2019, which motion prevailed on a voice vote.

REPORT OF STANDING COMMITTEE

SB 2003, as reengrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (20 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Reengrossed SB 2003 was placed on the Sixth order on the calendar.

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

Page 1, remove lines 13 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$41,179,043	\$3,422,237	\$44,601,280
Operating expenses	15,977,281	325,321	16,302,602

Capital assets	2,742,372	331,204	3,073,576
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	626,733	4,013,378
Law enforcement	2,901,608	80,676	2,982,284
Human trafficking victims grants	125,000	875,000	1,000,000
Forensic nurse examiners grants	0	<u>250,000</u>	<u>250,000</u>
Total all funds	\$75,343,160	\$7,759,428	\$83,102,588
Less estimated income	<u>30,647,320</u>	<u>7,150,803</u>	<u>37,798,123</u>
Total general fund	\$44,695,840	\$608,625	\$45,304,465
Full-time equivalent positions	237.00	5.00	242.00"

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	150,000
Finger identification system replacement project	0	316,000
Charitable gaming technology system	0	<u>400,000</u>
Total all funds	\$17,667,000	\$3,117,956
Total other funds	<u>17,567,000</u>	<u>2,967,956</u>
Total general fund	\$100,000	\$150,000"

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

Page 4, line 12, replace the first "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, remove lines 14 through 20

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

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

Page 6, after line 9, insert:

"SECTION 12. PROSECUTION WITNESS FEES - LEGISLATIVE INTENT - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The operating expenses line item in section 1 of this Act includes \$150,000 from the general fund for prosecution witness fees. It is the intent of the sixty-sixth legislative assembly that if the funding provided for prosecution witness fees is insufficient, the attorney general reduce other operating expenses to the extent necessary to provide adequate funding for prosecution witness fees for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of funding for prosecution witness fees for the biennium beginning July 1, 2019, and ending June 30, 2021."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2003 - Attorney General - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$41,179,043	\$45,354,323	(\$753,043)	\$44,601,280
Operating expenses	15,977,281	16,453,262	(150,660)	16,302,602
Capital assets	2,742,372	3,272,336	(198,760)	3,073,576
Grants	2,440,000	4,418,440		4,418,440
Litigation fees	150,000	150,000		150,000
Intellectual property attorney	426,924	444,761	(2,676)	442,085
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,336,797	5,188,950	2,504	5,191,454
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,489		7,489
Criminal justice information sharing	3,386,645	3,631,014	382,364	4,013,378
Law enforcement	2,901,608	2,979,744	2,540	2,982,284
Human trafficking victims grants	125,000	1,625,000	(625,000)	1,000,000
Additional expenses		250,000	(250,000)	
Forensic nurse examiners grants		250,000		250,000
Total all funds	\$75,343,160	\$84,695,319	(\$1,592,731)	\$83,102,588
Less estimated income	30,647,320	38,826,145	(1,028,022)	37,798,123
General fund	\$44,695,840	\$45,869,174	(\$564,709)	\$45,304,465
FTE	237.00	244.00	(2.00)	242.00

Department 125 - Attorney General - Detail of House 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	Removes 1 FTE Deputy Fire Marshal Position ⁴	Reduces Funding for the Human Trafficking Victims Grant Program ⁵	Reduces One- Time Funding for Undercover Vehicles ⁶
Salaries and wages	(\$12,015)	(\$571,104)		(\$169,924)		
Operating expenses		(150,660)				
Capital assets		(48,760)				(\$150,000)
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	421		\$381,943			
Law enforcement	2,540					
Human trafficking victims grants					(\$625,000)	
Additional expenses						
Forensic nurse examiners grants						
Total all funds	(\$9,226)	(\$770,524)	\$381,943	(\$169,924)	(\$625,000)	(\$150,000)
Less estimated income	(26,393)	(693,471)	111,766	(169,924)	0	0
General fund	\$17,167	(\$77,053)	\$270,177	\$0	(\$625,000)	(\$150,000)
FTE	0.00	(3.00)	2.00	(1.00)	0.00	0.00

	Removes One-Time Funding for Additional Income from Other Sources ⁷	Total House Changes
Salaries and wages		(\$753,043)
Operating expenses		(150,660)
Capital assets		(198,760)
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		382,364
Law enforcement		2,540
Human trafficking victims grants		(625,000)
Additional expenses	(\$250,000)	(250,000)
Forensic nurse examiners grants		
Total all funds	(\$250,000)	(\$1,592,731)
Less estimated income	(250,000)	(1,028,022)
General fund	\$0	(\$564,709)
FTE	0.00	(2.00)

¹ Funding of \$8,622 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 \$1,415,465, of which \$1,052,155 is from the general fund and \$363,310 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 of \$17,848, of which \$1,338 is from the general fund and \$16,510 is from other funds, for health insurance premiums related to the House removing 3 FTE Medicaid Fraud Control Unit positions and 1 FTE Deputy Fire Marshal position previously authorized by the Senate.

² Funding of \$770,524, of which \$77,053 is from the general fund and \$693,471 is from federal funds, is reduced for the Medicaid Fraud Control Unit program, to provide total funding of \$1,046,802 for the program, of which \$104,680 is from the general fund and \$942,122 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 reduction includes the removal of 3 FTE positions, including 1 attorney, 1 auditor, 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.

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.

⁴ Funding of \$169,924 from the Attorney General's operating fund is removed for 1 FTE Deputy Fire Marshal position. The Senate authorized funding of \$169,924 for the position. The position was unfunded during the 2017-19 biennium.

⁵ Funding of \$625,000 from the general fund is reduced for the human trafficking victims grant program, to provide a total of \$1 million from the general fund for the program. The Senate approved a total of \$1,625,000 from the general fund for the program.

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

⁷ One-time funding of \$250,000 included in the Senate version is removed by the House for additional federal or other funds received during the 2019-21 biennium. This amount was appropriated by the Senate in a separate section of the bill. This amendment removes that section.

This amendment also:

- Amends a section related to the Attorney General's salary for the 2019-21 biennium.
- Amends a section related to the human trafficking victims grant program to provide a total appropriation of \$1 million from the general fund for the program compared to the Senate version of \$1,625,000 for the program.
- Adds a section identifying \$150,000 in the operating expenses line item for prosecution witness fees, which includes a reallocation of funding in the operating expenses line item to increase prosecution witness fees from \$95,000 to \$150,000 and to decrease other operating expenses by \$55,000. The section provides legislative intent that if the funding provided for prosecution witness fees is insufficient, the Attorney General further reduce other operating expenses to the extent necessary to provide adequate funding for prosecution witness fees for the 2019-21 biennium. The Attorney General is required to report to the appropriations committees of the 67th Legislative Assembly regarding the use of this funding.

REPORT OF STANDING COMMITTEE

SB 2009, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2009 was placed on the Sixth order on the calendar.

Page 1, line 2, remove "to create and enact a new chapter to title 4.1 of the"

Page 1, line 3, replace "North Dakota Century Code, relating to the agricultural products utilization commission" with "to create and enact a new section to chapter 60-01, a new section to chapter 60-02, and three new sections to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner, licensing and bonding for cash grain brokers, and records confidentiality for warehousemen and grain buyers"

Page 1, line 4, after "4.1-01-02" insert ", 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, 60-02-42, 60-02.1-01, 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"

Page 1, line 5, after "commissioner" insert ", moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner"

Page 1, line 5, remove "to repeal chapter 54-60.3 of the North Dakota Century Code,"

Page 1, line 6, remove "relating to the agricultural products utilization commission;"

Page 1, line 7, after "assembly" insert "to provide a penalty; to provide a continuing appropriation; and to provide for a transfer"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"Salaries and wages	\$12,372,949	\$1,278,273	\$13,651,222
Operating expenses	6,444,336	258,444	6,702,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774

Board of animal health	865,718	0	865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop harmonization board	75,000	0	75,000
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Agricultural products utilization commission	<u>0</u>	<u>4,000,000</u>	<u>4,000,000</u>
Total all funds	\$30,196,777	\$5,594,117	\$35,790,894
Less estimated income	<u>21,087,676</u>	<u>4,279,056</u>	<u>25,366,732</u>
Total general fund	\$9,109,101	\$1,315,061	\$10,424,162
Full-time equivalent positions	73.00	4.00	77.00"

Page 2, line 27, replace "\$6,663,678" with "\$6,725,799"

Page 3, after line 16, insert:

"SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 3, line 20, overstrike "five"

Page 3, line 20, replace "seventeen" with "ten"

Page 3, line 21, replace "eighty-seven" with "eight hundred twenty-nine"

Page 3, line 22, overstrike "eight"

Page 3, line 22, replace "twenty" with "thirteen"

Page 3, remove lines 23 through 31

Page 4, remove lines 1 through 31

Page 5, replace lines 1 through 24 with:

"SECTION 11. 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 12. 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 13. AMENDMENT. Subsection 1 of section 60-02-01 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 14. 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 of enumerated under this chapter and the powers conferred herein devolve upon the commission.~~

SECTION 15. 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 16. 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 under this chapter and may employ other employees as ~~may be necessary~~ to carry out the provisions of this chapter.

SECTION 17. 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 18. 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 19. 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 receiptholder 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 20. 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 ~~when~~if, in ~~its~~the ~~commissioner's~~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 21. 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~~ 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~~, 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~~. ~~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 22. 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~~ 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~~ 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~~.

SECTION 23. 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~~ 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 ~~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 24. 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 25. 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 26. 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 ~~commission~~ 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 ~~commission~~ commissioner deems it necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commission~~ commissioner may make the information available for use by other governmental entities, but the ~~commission~~ commissioner may not release the information in a manner that jeopardizes the confidentiality of individual licensees.
2. File the report with the ~~commission~~ 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 ~~commission~~ commissioner may refuse to renew a license to any public warehouseman who fails to make a required report.

SECTION 27. 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~~ the public warehousemen which must be filed with the ~~commission~~ commissioner and posted in a conspicuous place in ~~their~~ the warehouse of ~~the public warehousemen~~ 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 ~~commission~~ commissioner, after hearing, may prohibit the use of nonfederal grades.

SECTION 28. 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 ~~commission~~ 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 ~~commission~~ 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 ~~commission~~ 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 ~~it~~ the grain will be priced and redeemed in cash in accordance with section 60-02-41.

SECTION 29. 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 30. 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 ~~commission~~ commissioner except when made in accordance with the provisions of this section.

SECTION 31. 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 ~~commission~~commissioner and all outstanding receiptholders 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 32. 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 ~~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 33. A new section to chapter 60-02 of the North Dakota Century Code is created and enacted as follows:

Release of records - Confidentiality.

1. As a condition of licensure under section 60-02-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:
 - a. The issuance or renewal of a public warehouse license; or
 - b. An investigation after issuance or renewal of a public warehouse license.
2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:
 - a. The issuance or renewal of a public warehouse license; or
 - b. An investigation after issuance or renewal of a public warehouse license.
3. Any information obtained by the commissioner under this section is confidential and may be provided only:
 - a. To federal authorities in accordance with federal law;
 - b. To the attorney general, state agencies, and law enforcement agencies, for use in the pursuit of official duties; and
 - c. As directed by an order of a court pursuant to a showing of good cause.

SECTION 34. AMENDMENT. Section 60-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-01. Definitions.

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

1. "CommissionerCash grain broker" means a person who:
 - a. Is involved in the negotiation of cash grain transactions in the state;
 - b. Receives compensation from at least one party to the transaction;
and
 - c. Does not take title to the grain and is not under any financial or contractual obligation related to the transaction.
2. "Commissioner" means the public service commissioneragriculture commissioner.
- ~~2-3.~~ "Credit-sale contract" means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale and which contains the notice provided in subsection 7 of section 60-02.1-14. If a part of the sale price of a contract for the sale of grain is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale, only such part of the contract is a credit-sale contract.
- ~~3-4.~~ "Facility" means a structure in which grain purchased by a grain buyer is received or held.
- ~~4-5.~~ "Facility-based grain buyer" means a grain buyer who operates a facility licensed under the United States Warehouse Act [7 U.S.C. 241-273] where grain is received.
- ~~5-6.~~ "Grain" means wheat, durum, oats, rye, barley, buckwheat, flaxseed, speltz, safflower, sunflower seeds, tame mustard, peas, beans, soybeans, corn, clover, millet, alfalfa, and any other commercially grown grain or grass seed. "Grain" does not include grain or grass seeds owned by or in the possession of the grain buyer which have been cleaned, processed, and specifically identified for an intended use of planting for reproduction and for which a warehouse receipt has not been issued.
- ~~6-7.~~ "Grain buyer" means any person, other than a public warehouseman as defined in chapter 60-02, who purchases or otherwise merchandises grain for compensation. The term does not include:
 - a. A producer of grain who purchases grain from other producers to complete a carload or truckload in which the greater portion of the load is grain grown by the producer or on-farm feedlot operations in which at least fifty percent of the livestock is owned by the owner of the farm.
 - b. A person who is permitted to sell seed under chapter 4.1-53, if that person buys grain only for processing and subsequent resale as seed.
 - c. A person who is an authorized dealer or agent of a seed company holding a permit in accordance with section 4.1-53-38.
- ~~7-8.~~ "Grain processor" means an entity that purchases grain to process into end products that are of a substantially different makeup or nature than the original grain.

9. "Noncredit-sale contract" means a contract for the sale of grain other than a credit-sale contract.
- 8-10. "Receipts" means scale tickets, checks, or other memoranda given by a grain buyer for, or as evidence of, the receipt or sale of grain except when such memoranda was received as a result of a credit-sale contract.
- 9-11. "Roving grain buyer" means a grain buyer who does not operate a facility where grain is received.

SECTION 35. AMENDMENT. Section 60-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-02. ~~Commission~~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 36. 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 ~~commission~~commissioner.

The ~~commission~~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 37. 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 38. 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 39. 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 ~~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. 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 ~~commissioner's~~commissioner's grain buyer inspection program, the ~~commissioner~~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 40. 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 41. A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

Cash grain broker license - Application - Bond - How obtained - Fee - Report - Disclosure.

1. Before conducting business in the state, a cash grain broker must submit an application to obtain an annual license from the commissioner. To conduct business in the state, a cash grain broker must also register and be in good standing with the secretary of state. Except as provided in this section, each license expires on July thirty-first of each year. When 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 of a cash grain broker is two hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee. A license issued under this section is not transferable.
2. An application for licensure must include:
 - a. The name under which the applicant intends to conduct business in the state as a cash grain broker;
 - b. The name of each partner if the cash grain broker is in a partnership;
 - c. The name of each corporate officer and the state of incorporation if the cash grain broker is a corporation;

- d. The name of each manager and the state of organization if the cash grain broker is a limited liability company;
 - e. The mailing address of the applicant; and
 - f. The location of the principal place of business of the applicant.
3. The commissioner may refuse to issue, renew, or may revoke a license if:
 - a. The licensee or applicant has been convicted of a criminal offense;
 - b. The licensee or applicant has failed to comply with the requirements of this section;
 - c. The commissioner has evidence the licensee negotiated in bad faith;
or
 - d. Any other reason determined by the commissioner.
 4. A licensed cash grain broker must submit a monthly report to the commissioner by the tenth day of each month. The report must include:
 - a. The total volume of each commodity brokered in the preceding month; and
 - b. The name and contact information of any buyer who had more than two hundred fifty thousand dollars in total purchases in transactions brokered by the cash grain broker during the preceding month.
 5. A licensed cash grain broker must notify each potential commodity seller of the identity of the potential commodity buyer before the final confirmation of the transaction.
 6. Before a license is effective for a cash grain broker under this section, the licensee or applicant must file a bond with the commissioner for ten thousand dollars.

SECTION 42. A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

Grain processor license - Application - Bond - How obtained - Fee - Report - Disclosure.

1. Before conducting business in the state, a grain processor must submit an application to obtain an annual license from the commissioner. To conduct business in the state, a grain processor must also register and be in good standing with the secretary of state. Except as provided in this section, each license expires on July thirty-first of each year. When 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 of a grain processor is two hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee. A license issued under this section is not transferable.
2. An application for licensure must include:
 - a. The name under which the applicant intends to conduct business in the state as a grain processor;
 - b. The name of each partner if the grain processor is in a partnership;
 - c. The name of each corporate officer and the state of incorporation if the grain processor is a corporation;

- d. The name of each manager and the state of organization if the grain processor is a limited liability company;
 - e. The mailing address of the applicant; and
 - f. The location of the principal place of business of the applicant.
3. The commissioner may refuse to issue, renew, or may revoke a license if:
- a. The licensee or applicant has been convicted of a criminal offense;
 - b. The licensee or applicant has failed to comply with the requirements of this section;
 - c. The commissioner has evidence the licensee negotiated in bad faith;
or
 - d. Any other reason determined by the commissioner.
4. A licensed grain processor must submit a monthly report to the commissioner by the tenth day of each month. The report must include the total volume of each commodity processed in the preceding month.
5. Before a license is effective for a grain processor under this section, the licensee or applicant must file a bond with the commissioner for ten thousand dollars.

SECTION 43. 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 ~~commission~~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 ~~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 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 ~~commission~~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 ~~commission~~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 ~~commission~~commissioner may require an increase in the amount of any bond, from time to time, as ~~if~~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 ~~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 when, ~~in~~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 44. 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 ~~commission~~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 ~~commission~~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 ~~commission~~commissioner.

SECTION 45. 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 ~~commission~~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 ~~commission'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 ~~commission~~commissioner.

SECTION 46. 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 ~~commission~~commissioner and shall make such reports of purchases of grain as may be required by the rules ~~made~~adopted by the ~~commission~~commissioner. The ~~commission~~commissioner at all times shall~~must~~ have access to such accounts, records, and memoranda.

SECTION 47. 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 ~~commission~~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 ~~commission~~commissioner deems it necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commission~~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 ~~commission~~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 48. 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 49. 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 50. 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 51. 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 52. 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 order granting or denying the application.

SECTION 53. 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner is appointed trustee must be remitted to the ~~commissioner~~ 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 54. 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 55. 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 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 56. AMENDMENT. Section 60-02.1-34 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-34. ~~Commission~~ 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 57. AMENDMENT. Section 60-02.1-35 of the North Dakota Century Code is amended and reenacted as follows:

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

The ~~commissioner~~ 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 58. 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 ~~commissioner~~ commissioner as trustee must be deposited in the Bank of North Dakota.

SECTION 59. 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 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 60. 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 61. 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

~~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 62. A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

Release of records - Confidentiality.

1. As a condition of licensure under section 60-02.1-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:
 - a. The issuance or renewal of a grain buyer license; or
 - b. An investigation after issuance or renewal of a grain buyer license.
2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:
 - a. The issuance or renewal of a grain buyer license; or
 - b. An investigation after issuance or renewal of a grain buyer license.
3. Any information obtained by the commissioner under this section is confidential and may be provided only:
 - a. To federal authorities in accordance with federal law;
 - b. To the attorney general, state agencies, and law enforcement agencies for use in the pursuit of official duties; and
 - c. As directed by an order of a court pursuant to a showing of good cause.

SECTION 63. AMENDMENT. Subsection 1 of section 60-04-01 of the North Dakota Century Code is amended and reenacted as follows:

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

SECTION 64. AMENDMENT. Section 60-04-03 of the North Dakota Century Code is amended and reenacted as follows:

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

Upon the insolvency of any warehouseman, the ~~commissioner~~ 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 ~~commissioner~~ commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon at which time~~ the 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 65. 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 66. 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 67. 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 ~~commission~~ when commissioner if the ~~commission~~ commissioner believes that proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman.

When 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 68. 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 69. 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 70. AMENDMENT. Section 60-04-06 of the North Dakota Century Code is amended and reenacted as follows:

60-04-06. ~~Commissioner~~Commissioner to marshal 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 receipt holders. 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 71. 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 receipt holders.
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 72. 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 73. 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

~~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 ~~commissioner~~ for the expenses of administering the insolvency, a proposed distribution of the trust fund assets, less expenses incurred by the ~~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 ~~commissioner~~ deems fair and equitable.

The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~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 ~~commissioner~~ by certified mail upon the warehouseman and the surety and by ordinary mail upon all persons having claims filed with the ~~commissioner~~.

Any aggrieved person having an objection to the ~~commissioner's~~ report shall file the objection with the court and serve copies on the ~~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 ~~commissioner~~ from ~~its~~ the commissioner's trust.

SECTION 74. 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 ~~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 ~~commissioner~~ in the prosecution of such action as in the attorney general's judgment may be necessary and the ~~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 ~~commissioner~~ in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commissioner~~, ~~its~~ the commissioner's employees, and others engaged in carrying out the provisions of this chapter, must be reimbursed to the ~~commissioner~~ from the trust fund and credit-sale indemnity funds as appropriate.

SECTION 75. 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 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~~ ~~commissioner~~ the commissioner.

SECTION 76. 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~~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~~ examination thereafter ~~shall~~subsequent examinations 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 77. 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~~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~~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 ~~commission~~commissioner to make such examination. The ~~commission~~commissioner also shall send a copy thereof to the president and the secretary of such association, copartnership, corporation, or limited liability company.

SECTION 78. 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 ~~commission~~ commissioner. In case any such association, copartnership, corporation, or limited liability company shall wrongfully refuse or neglect to pay such fees, then the ~~commission~~ commissioner may cancel the license to do business. All such fees shall ~~shall~~ must be paid into the state treasury. The expenses incurred by the examiner under the provisions of this chapter shall be paid out of the appropriations made by the legislative assembly for this purpose and such expenses shall ~~shall~~ must be audited and paid in the same manner as other expenses are audited and paid.

SECTION 79. 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 commission~~ commissioner, shall construct and maintain a sidetrack for the use of shippers between such stations.

SECTION 80. AMENDMENT. Section 60-06-06.1 of the North Dakota Century Code is amended and reenacted as follows:

60-06-06.1. Determination - ~~Appropriation~~ Expenses.

Any party may petition the ~~public service commission~~ commissioner to determine rights governed under this chapter. The ~~commission~~ 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 ~~commission~~ commissioner, directly to the entities owed. The ~~commission~~ commissioner may adopt rules to carry out this section.

SECTION 81. 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 commission~~ commissioner no later than thirty days after each calendar quarter. The ~~commission~~ commissioner shall deposit the assessments received under this section in the credit-sale contract indemnity fund.

SECTION 82. 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 83. 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 84. 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 85. 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 86. 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 87. 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 88. 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 89. 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 90. 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 91. 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 92. 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 ~~commissioner~~ 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

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2009 - Department of Agriculture - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,372,949	\$13,049,463	\$601,759	\$13,651,222
Operating expenses	6,444,336	6,577,780	125,000	6,702,780
Capital assets	13,000	15,000		15,000
Grants	8,817,774	8,823,774		8,823,774
State Board of Animal Health	865,718	865,718		865,718
Wildlife services	1,408,000	1,457,400		1,457,400
Crop Harmonization Board	75,000	75,000		75,000
Pipeline restoration and reclamation	200,000	200,000		200,000
Ag. Products Utilization Commission		3,176,791	823,209	4,000,000
Total all funds	\$30,196,777	\$34,240,926	\$1,549,968	\$35,790,894
Less estimated income	21,087,676	24,503,189	863,543	25,366,732
General fund	\$9,109,101	\$9,737,737	\$686,425	\$10,424,162
FTE	73.00	75.00	2.00	77.00

Department 602 - Department of Agriculture - Detail of House Changes

	Adjusts Funding for Salary and Benefit Increases ¹	Removes 1 FTE Position ²	Removes Funding for Agriculture Commissioner Salary Equity Increase ³	Adjusts Funding for Wildlife Services Operating Fees ⁴	Adjusts Funding for APUC ⁵	Transfers Grain Warehouse Inspection Program from the PSC ⁶
Salaries and wages	\$45,913	(\$157,940)	(\$14,713)			\$728,499
Operating expenses						125,000
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					\$823,209	
Total all funds	\$45,913	(\$157,940)	(\$14,713)	\$0	\$823,209	\$853,499
Less estimated income	25,357	(34,423)	0	49,400	823,209	0
General fund	\$20,556	(\$123,517)	(\$14,713)	(\$49,400)	\$0	\$853,499
FTE	0.00	(1.00)	0.00	0.00	(1.00)	4.00

	Total House Changes
Salaries and wages	\$601,759
Operating expenses	125,000
Capital assets	
Grants	
State Board of Animal Health	
Wildlife services	
Crop Harmonization Board	
Pipeline restoration and reclamation	
Ag. Products Utilization Commission	823,209
Total all funds	\$1,549,968
Less estimated income	863,543
General fund	\$686,425
FTE	2.00

¹ Funding of \$45,913, of which \$20,556 is from the general fund and \$25,357 is from other funds, 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 Senate provided funding for a salary increase of 2 percent on July 1, 2019, and a 3 percent increase on July 1, 2020.

² One FTE undesignated position and funding of \$157,940 is removed, of which \$123,517 is from the general fund, \$6,673 is from the Department of Agriculture operating fund, and \$27,750 is from federal funds. The Senate did not remove any FTE positions.

³ Funding of \$14,713 provided by the Senate to increase the Agriculture Commissioner's salary to align with the Tax Commissioner's salary is removed.

⁴ The funding source for \$49,400 for wildlife services operating fees is changed to the environment and rangeland protection fund rather than the general fund to provide total funding of \$1,457,400 for wildlife services, the same amount as the Senate.

⁵ Funding for the Agricultural Products Utilization Commission (APUC) is adjusted as follows:

	<u>FTE</u>	<u>Other Funds</u>
Reduces funding from the APUC special funds	(1.00)	(\$1,176,791)
Adds funding from Bank of North Dakota profits	0.00	2,000,000
Total	(1.00)	\$823,209

Total funding approved by the House for APUC is \$4 million, of which \$2 million is from the APUC fund and \$2 million is from the profits of the Bank of North Dakota. The House approved 1 FTE APUC position for the program. The Senate approved total funding of \$3,176,791 from the APUC fund and 2 FTE positions.

⁶ Transfers grain warehouse license and inspection program from the Public Service Commission to the Agriculture Commissioner as follows:

	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total General Fund</u>
Adds 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Adds 1 FTE accounting budget specialist	165,493	5,000	170,493
Total	\$728,499	\$125,000	\$853,499

This amendment also:

- Amends a section identifying the amount of funding from the environment and rangeland protection fund.
- Amends a section relating to the salary of the Agriculture Commissioner.
- Adds a section related to the transfer of \$2 million of the current earnings and undivided profits of the Bank of North Dakota to the Agriculture Commissioner for deposit in the APUC fund during the 2019-21 biennium.
- Removes statutory sections related to APUC. The statutory changes needed to move APUC to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds statutory sections to transfer grain, grain buyers, warehousing, deposits, and warehousemen programs from the Public Service Commission to the Agriculture Commissioner and increases annual license fees, resulting in additional general fund revenues of approximately \$83,200 during the 2019-21 biennium.

REPORT OF STANDING COMMITTEE

SB 2013, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2013 was placed on the Sixth order on the calendar.

Page 1, line 3, replace "sections 15-10-38," with "section"

Page 1, line 3, remove the second comma

Page 1, line 4, remove "15.1-37-05, 15.1-37-06, and 15.1-37-08"

Page 1, line 4, remove "a student"

Page 1, line 5, remove "loan forgiveness program for teachers,"

Page 1, line 5, remove the second comma

Page 1, remove line 6

Page 1, line 7, remove "grants, and early childhood education provider data collection"

Page 1, line 8, after the first semicolon insert "to provide for a legislative management study;"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 10 with:

"Salaries and wages	\$17,439,176	\$511,859	\$17,951,035
Operating expenses	30,165,005	3,616,942	33,781,947
Integrated formula payments	1,750,204,163	348,398,266	2,098,602,429
Grants - special education	19,300,000	4,700,000	24,000,000
Grants - transportation	55,400,000	1,100,000	56,500,000
Grants - other grants	254,062,705	33,000,000	287,062,705
Grants - program grants	6,210,000	1,470,000	7,680,000
Grants - passthrough grants	2,898,000	(34,236)	2,863,764
PowerSchool	5,500,000	0	5,500,000
Transportation efficiency	30,000	(30,000)	0
National board certification	120,000	(12,000)	108,000
State automated reporting system rewrite	0	1,200,000	1,200,000
Total all funds	\$2,141,329,049	\$393,920,831	\$2,535,249,880
Less estimated income	<u>705,727,065</u>	<u>108,026,678</u>	<u>813,753,743</u>
Total general fund	\$1,435,601,984	\$285,894,153	\$1,721,496,137"

Page 2, replace lines 16 through 21 with:

"Salaries and wages	\$4,152,758	\$147,577	\$4,300,335
Operating expenses	1,604,075	17,842	1,621,917
Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>
Total all funds	\$7,865,861	\$289,919	\$8,155,780
Less estimated income	<u>2,247,560</u>	<u>126,801</u>	<u>2,374,361</u>
Total general fund	\$5,618,301	\$163,118	\$5,781,419"

Page 2, remove lines 27 through 31

Page 3, replace lines 1 and 2 with:

"Salaries and wages	\$7,588,749	\$466,195	\$8,054,944
Operating expenses	2,026,543	(320,957)	1,705,586
Capital assets	158,678	270,000	428,678
Grants	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
Total all funds	\$9,953,970	\$275,238	\$10,229,208
Less estimated income	<u>2,465,444</u>	<u>234,914</u>	<u>2,700,358</u>
Total general fund	\$7,488,526	\$40,324	\$7,528,850"

Page 3, replace lines 8 through 13 with:

"Salaries and wages	\$4,660,995	\$274,296	\$4,935,291
Operating expenses	773,206	42,615	815,821
Capital assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
Total all funds	\$5,473,393	\$577,411	\$6,050,804
Less estimated income	<u>1,079,247</u>	<u>253,568</u>	<u>1,332,815</u>
Total general fund	\$4,394,146	\$323,843	\$4,717,989"

Page 3, replace lines 19 through 21 with:

"Grand total general fund	\$1,453,102,957	\$286,421,438	\$1,739,524,395
Grand total special funds	<u>711,519,316</u>	<u>108,641,961</u>	<u>820,161,277</u>
Grand total all funds	\$2,164,622,273	\$395,063,399	\$2,559,685,672"

Page 4, after line 2, insert:

" State automated reporting system rewrite	0	1,200,000"
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Page 4, replace lines 4 through 8 with:

" Total department of public instruction - all funds	\$191,820,000	\$1,400,000
Total department of public instruction - estimated income	<u>191,820,000</u>	<u>1,200,000</u>
Total department of public instruction -	\$0	\$200,000"

Page 4, replace lines 28 through 30 with:

"Grand total - all funds	\$192,688,500	\$1,950,500
Grand total - estimated income	<u>192,688,500</u>	<u>1,750,500</u>
Grand total - general fund	\$0	\$200,000"

Page 5, line 7, replace "\$379,764,000" with "\$377,764,000"

Page 5, line 13, replace "\$110,000,000" with "\$111,200,000"

Page 5, line 14, after "treasury" insert ", of which \$110,000,000 is"

Page 5, line 14, after "payments" insert "and \$1,200,000 is for a rewrite of the state automated reporting system,"

Page 5, after line 21, insert:

"SECTION 6. EXEMPTION - COMPUTER SCIENCE TRAINING FOR TEACHERS. Up to \$3,000,000 of the unexpended amount remaining from the appropriation for integrated formula payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing computer science training for teachers.

SECTION 7. EXEMPTION - ADVANCED PLACEMENT PROGRAMS. Up to \$600,000 of the unexpended amount remaining from the appropriation for integrated formula payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics programs."

Page 6, line 24, replace "nine" with "eleven"

Page 6, line 26, replace "Fifty-one" with "Fifty-two"

Page 7, line 16, replace "Twenty-nine" with "Thirty"

Page 7, line 23, replace "\$2,136,711" with "\$1,500,000"

Page 8, line 13, replace "\$2,215,764" with "\$2,863,764"

Page 8, line 13, remove "for writing projects, an entrepreneur program,"

Page 8, line 14, remove "governor's school, and a mentoring program"

Page 8, line 15, after "distributed" insert "but no more than one-half of the funding may be provided each year of the biennium"

Page 8, line 15, replace "Grantees" with "Annually grantees"

Page 8, line 17, after "report" insert "annually"

Page 8, line 18, remove "before October 1, 2020"

Page 8, line 18, after the period insert "The superintendent may not distribute the grant payment for the second year of the biennium until the grantee submits the annual report for the first year of the biennium."

Page 9, remove lines 26 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 9

Page 11, line 15, replace "eighteen" with "ten"

Page 11, line 16, remove "one hundred twenty-six thousand five hundred three dollars"

Page 11, line 17, replace "thereafter" with "one hundred twenty-five thousand eight hundred eighty dollars thereafter"

Page 11, remove lines 18 through 31

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 23 with:

"SECTION 19. LEGISLATIVE MANAGEMENT STUDY. During the 2019-20 interim, the legislative management shall consider studying school transportation, including district routes, expenditures, reimbursement, and possible efficiencies. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2013 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Department of Public Instruction				
Total all funds	\$2,141,329,049	\$2,542,794,213	(\$7,544,333)	\$2,535,249,880
Less estimated income	705,727,065	814,542,384	(788,641)	813,753,743
General fund	\$1,435,601,984	\$1,728,251,829	(\$6,755,692)	\$1,721,496,137
FTE	91.75	88.75	0.00	88.75
State Library				
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780
Less estimated income	2,247,560	2,367,446	6,915	2,374,361
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419
FTE	28.75	27.75	0.00	27.75
School for the Deaf				
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208
Less estimated income	2,465,444	2,697,196	3,162	2,700,358
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850
FTE	45.61	44.61	0.00	44.61
Vision Services - School for the Blind				
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804
Less estimated income	1,079,247	1,330,993	1,822	1,332,815
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989
FTE	28.50	27.90	0.00	27.90
Bill total				

	Adjusts the Funding Source for Integrated Formula Payments ⁷	Increases Funding for Transportation Grants ⁸	Reduces Funding for the Superintendent's Program Grant Pool ⁹	Adds Funding for a Leadership Professional Development Program ¹⁰	Removes Funding for Early Childhood Education Grants ¹¹	Adjusts Funding for Passthrough Grants ¹²
Salaries and wages						
Operating expenses						
Integrated formula payments						
Grants - Special education contracts						
Grants - Transportation		\$600,000				
Grants - Other grants						
Grants - Program grants			(\$636,711)	\$200,000	(\$1,500,000)	
Grants - Passthrough grants PowerSchool						\$14,424
Transportation efficiency						
National board certification						
State automated reporting system rewrite						
Total all funds	\$0	\$600,000	(\$636,711)	\$200,000	(\$1,500,000)	\$14,424
Less estimated income	(2,000,000)	0	0	0	0	0
General fund	\$2,000,000	\$600,000	(\$636,711)	\$200,000	(\$1,500,000)	\$14,424
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-time Funding for the State Automated Reporting System Rewrite ¹³	Total House Changes
Salaries and wages		\$9,579
Operating expenses		1,612,000
Integrated formula payments		(8,043,625)
Grants - Special education contracts		(1,000,000)
Grants - Transportation		600,000
Grants - Other grants		
Grants - Program grants		(1,936,711)
Grants - Passthrough grants PowerSchool		14,424
Transportation efficiency		
National board certification		
State automated reporting system rewrite	\$1,200,000	1,200,000
Total all funds	\$1,200,000	(\$7,544,333)
Less estimated income	1,200,000	(788,641)
General fund	\$0	(\$6,755,692)
FTE	0.00	0.00

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 Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

² Funding is added for a Pre K-12 Education Vision Steering Committee to support the facilitation of stakeholder groups to continue developing education initiatives.

³ Funding is added for an increase in the continuous improvement for schools contract with AdvancEd.

⁴ Funding for operating expenses is increased to correct an error in the department's budget request relating to its base budget adjustments.

⁵ Funding for special education contract grants is reduced to provide a total of \$24 million from the general fund, \$4.7 million more than the 2017-19 biennium. The Senate provided \$25 million from the general fund for special education contract grants.

⁶ Funding for integrated formula payments is reduced for the following changes to the state school aid formula in Senate Bill No. 2265:

	<u>General Fund</u>
Reduces funding to provide a 2 percent increase in the integrated formula payment rate each year of the biennium. The Senate provided a 2 percent increase in the 1st year and 3 percent in the 2nd year.	(\$10,615,923)
Increases funding for a state school aid formula baseline reset .	15,106,628
Adds funding to reduce the deduction of in lieu of revenue relative to sinking and interest mill levies .	12,335,458
Reduces funding provided to transition to on-time funding . The House provided a .50 weighted student unit. The Senate provided 1.0 weighted student unit.	(19,289,658)
Reduces funding for changes to funding for new students in certain school districts.	(7,683,575)
Reduces funding due to an increase in the contribution from property tax related to the phase in of a 60 mill contribution for all schools districts.	(2,032,062)
Increases funding for other changes to the formula, including tuition deductions and adjustment to formula minimums .	4,135,507
Total integrated formula payment reduction	(\$8,043,625)

⁷ Increases funding from the general fund and decreases funding from the state tuition fund to provide a total of \$377,764,000 from the state tuition fund for state school aid. Funding from the state tuition fund is reduced due to lower than estimated fines being deposited in the fund.

⁸ Funding for transportation grants is increased to provide a total of \$56.5 million from the general fund. This increase of \$1.1 million from the prior biennium will allow reimbursement rates to remain the same as the 2017-19 biennium. The Senate provided \$55.9 million from the general fund for transportation grants.

⁹ Funding for the program grant pool is reduced by \$636,711, to provide a total of \$1.5 million from the general fund for the following programs:

- Leveraging the senior year;
- Leadership program;
- Continuing education grants;
- Preschool continuing education grants;
- Curriculum alignment grants;
- Teacher and principal evaluation system grants;
- Family engagement initiatives; and
- Transportation efficiency.

¹⁰ Funding is added to implement a leadership professional development program.

¹¹ Funding is removed for early childhood education grants transferred to the Superintendent of Public Instruction from the Department of Commerce. The House did not approve transferring the early childhood service provider grant program from the Department of Commerce to the Superintendent of Public Instruction in Senate Bill No. 2250.

¹² Funding for passthrough grants is adjusted as follows:

	<u>General Fund Increase (Decrease)</u>	<u>Total General Fund</u>
Rural art outreach projects	(\$10,000)	\$350,000
North Central Council for Education Media Services	14,424	238,000
Mentoring program	0	2,125,764
North Dakota Young Entrepreneur education program	(30,000)	0
"We the People" program	0	50,000
National writing projects	10,000	50,000
Governor's School program	(20,000)	0
Cultural heritage and artist in residence grants	50,000	50,000
Total	\$14,424	\$2,863,764

¹³ One-time funding is added from the foundation aid stabilization fund to rewrite the state automated reporting system (STARS) application.

This amendment also:

- Amends the section related to funding provided from the state tuition fund to reduce

- the funding made available from the fund to \$377,764,000;
- Amends the section related to funding provided from the foundation aid stabilization fund to increase the funding made available from the fund to \$111.2 million;
 - Adds a section to allow the department to continue \$3 million of funding, remaining in the integrated formula payments line item at the end of the 2017-19 biennium, to the 2019-21 biennium for the purpose of one-time funding of computer science training for teachers;
 - Adds a section to allow the department to continue \$600,000 of funding, remaining in the integrated formula payments line item at the end of the 2017-19 biennium, to the 2019-21 biennium for the purpose of advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics program;
 - Amends the section related to the distribution of transportation grants to update transportation rates to reflect additional funding;
 - Amends the section related to the program grant pool to adjust the total provided;
 - Amends the section related to passthrough grants to require grantees to receive one-half of the passthrough grant each year of the biennium and require grantees, as a condition of receiving the grant, to establish performance measures to be reviewed by the Superintendent of Public Instruction. Grantees must report to the Superintendent of Public Instruction regarding performance based on the measures each year of the biennium, with the report for the 1st year of the biennium required before receiving funding for the 2nd year of the biennium;
 - Removes the section amending North Dakota Century Code Section 15-10-38 to transfer the teacher loan forgiveness program from the State Board of Higher Education to the Superintendent of Public Instruction. This transfer was included in House Bill No. 1429;
 - Amends the section related to the salary of the Superintendent of Public Instruction to provide increases consistent with state employee salary increases;
 - Removes the sections amending Sections 15.1-37-05, 15.1-37-06, and 15.1-37-08 to transfer the early childhood education grant program from the Department of Commerce to the Superintendent of Public Instruction due to the defeat of Senate Bill No. 2250 by the House; and
 - Adds a section to provide for a study of school district transportation during the 2019-20 interim.

Senate Bill No. 2013 - State Library - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$4,152,758	\$4,268,192	\$32,143	\$4,300,335
Operating expenses	1,604,075	1,621,917		1,621,917
Grants	<u>2,109,028</u>	<u>2,233,528</u>		<u>2,233,528</u>
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780
Less estimated income	<u>2,247,560</u>	<u>2,367,446</u>	6,915	<u>2,374,361</u>
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419
FTE	28.75	27.75	0.00	27.75

Department 250 - State Library - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$32,143	\$32,143
Operating expenses		
Grants		
Total all funds	\$32,143	\$32,143
Less estimated income	<u>6,915</u>	<u>6,915</u>
General fund	\$25,228	\$25,228
FTE	0.00	0.00

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 Senate provided funding for salary increases of

2 percent on July 1, 2019, and 3 percent on July 1, 2020.

Senate Bill No. 2013 - School for the Deaf - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$7,588,749	\$8,020,847	\$34,097	\$8,054,944
Operating expenses	2,026,543	1,705,586		1,705,586
Capital assets	158,678	428,678		428,678
Grants	180,000	40,000		40,000
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208
Less estimated income	2,465,444	2,697,196	3,162	2,700,358
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850
FTE	45.61	44.61	0.00	44.61

Department 252 - School for the Deaf - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$34,097	\$34,097
Operating expenses		
Capital assets		
Grants		
Total all funds	\$34,097	\$34,097
Less estimated income	3,162	3,162
General fund	\$30,935	\$30,935
FTE	0.00	0.00

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 Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

Senate Bill No. 2013 - Vision Services - School for the Blind - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$4,660,995	\$4,914,756	\$20,535	\$4,935,291
Operating expenses	773,206	815,821		815,821
Capital assets	39,192	299,692		299,692
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804
Less estimated income	1,079,247	1,330,993	1,822	1,332,815
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989
FTE	28.50	27.90	0.00	27.90

Department 253 - Vision Services - School for the Blind - Detail of House Changes

	Adjusts Funding for Salary Increases ¹	Total House Changes
Salaries and wages	\$20,535	\$20,535
Operating expenses		
Capital assets		
Total all funds	\$20,535	\$20,535
Less estimated income	1,822	1,822
General fund	\$18,713	\$18,713
FTE	0.00	0.00

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 Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

REPORT OF STANDING COMMITTEE

SB 2315, as engrossed: Agriculture Committee (Rep. D. Johnson, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (9 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2315

was placed on the Sixth order on the calendar.

Page 1, line 1, remove "to create and enact chapter 20.1-18 of the North Dakota Century Code,"

Page 1, line 2, remove "relating to a database identifying whether private land is open to hunters;"

Page 1, line 3, after the first comma insert "20.1-01-17,"

Page 1, line 5, remove "legislative management"

Page 1, line 5, after "study" insert "of access to land"

Page 1, line 5, replace "and to provide a penalty" with "to repeal sections 20.1-01-17 and 20.1-01-20; to provide for a report to the legislative management and interim legislative committees; to provide a penalty; to provide a contingent effective date; to provide a contingent expiration date; and to declare an emergency"

Page 1, line 19, after "in" insert "subsection 3 and"

Page 1, line 19, after the third underscored comma insert "and"

Page 1, line 19, remove ", and" and

Page 1, line 20, remove "20.1-18-03"

Page 1, line 21, overstrike "a. An individual is guilty of a class B misdemeanor if, knowing that that individual is"

Page 1, overstrike lines 22 through 24

Page 2, overstrike lines 1 through 10

Page 2, line 11, overstrike "4."

Page 2, line 11, remove the overstrike over "a. An individual"

Page 2, line 11, remove the overstrike over "may"

Page 2, line 12, remove the overstrike over "not"

Page 2, line 12, remove the overstrike over "remain"

Page 2, line 13, after "intruders" insert "on property that is privately owned and open to the public after being requested to leave the property by a duly authorized individual"

Page 2, line 13, remove the overstrike over "A"

Page 2, remove the overstrike over line 14

Page 2, line 15, remove the overstrike over "~~b. A peace officer shall cite an individual who violates subdivision a~~" and insert immediately thereafter "or commits a noncriminal offense under section 20.1-01-18"

Page 2, line 15, remove the overstrike over "with a fine of"

Page 2, remove the overstrike over lines 16 through 31

Page 3, remove the overstrike over lines 1 through 12

Page 3, line 13, overstrike "An individual is guilty of a class B misdemeanor if that individual remains upon the"

Page 3, overstrike lines 14 through 16

Page 3, line 17, overstrike "a" and insert immediately thereafter ":

a. A"

Page 3, line 18, after "duties" insert: "; or

b. An individual who enters land to access buried and aboveground infrastructure for operations, inspection, repair, or maintenance purposes, if the individual has a right to operate, inspect, repair, or maintain the infrastructure"

Page 3, after line 18, insert:

"SECTION 2. AMENDMENT. Section 12.1-22-03 of the North Dakota Century Code is amended and reenacted as follows:

12.1-22-03. Criminal trespass - Noncriminal offense on posted property.

1. An individual is guilty of a class C felony if, knowing that that individual is not licensed or privileged to do so, the individual enters or remains in a dwelling or in highly secured premises.
2. An individual is guilty of a class A misdemeanor if, knowing that that individual is not licensed or privileged to do so, the individual:
 - a. ~~Enters~~enters or remains in or on any building, occupied structure, or storage structure, or separately secured or occupied portion thereof;
of
 - b. ~~Enters or remains in any place so enclosed as manifestly to exclude intruders of a building or structure, or any other place the individual is not licensed or privileged to be, except as provided in subsection 3.~~
3. a. ~~An individual is guilty of a class B misdemeanor if, knowing that that individual is not licensed or privileged to do so, the individual enters or remains in any place as to which notice against trespass is given by actual communication to the actor by the individual in charge of the premises or other authorized individual or by posting in a manner reasonably likely to come to the attention of intruders. The name of the person posting the premises must appear on each sign in legible characters.~~
 - b. ~~Even if the conduct of the owner, tenant, or individual authorized by the owner varies from the provisions of subdivision a, an individual may be found guilty of violating subdivision a if the owner, tenant, or individual authorized by the owner substantially complied with subdivision a and notice against trespass is clear from the circumstances.~~
 - e. ~~An individual who violates subdivision a is guilty of a class A misdemeanor for the second or subsequent offense within a two-year period.~~
4. a. ~~An individual, knowing the individual is not licensed or privileged to do so, may not enter or remain in a place as to which notice against trespass is given by posting in a manner reasonably likely to come to the attention of intruders on property that is privately owned and open to the public after being requested to leave the property by a duly authorized individual. A violation of this subdivision is a noncriminal offense.~~
 - b. A peace officer shall cite an individual who violates subdivision a with a fine of two hundred fifty dollars for each violation.
 - c. The peace officer citing the individual shall:

- (1) Take the name and address of the individual; and
 - (2) Notify the individual of the right to request a hearing if posting bond by mail.
- d. The peace officer may not take the individual into custody or require the individual to proceed with the peace officer to any other location for the purpose of posting bond. The officer shall provide the individual with an envelope for use in mailing the bond.
 - e. An individual cited may appear before the designated official and pay the statutory fine for the violation at or before the time scheduled for hearing.
 - f. If the individual has posted bond, the individual may forfeit bond by not appearing at the designated time.
 - g. If the individual posts bond by mail, the bond must be submitted within fourteen days of the date of the citation and the individual cited shall indicate on the envelope or citation whether a hearing is requested. If the individual does not request a hearing within fourteen days of the date of the citation, the bond is deemed forfeited and the individual is deemed to have admitted to the violation and to have waived the right to a hearing on the issue of commission of the violation. If the individual requests a hearing, the court for the county in which the citation is issued shall issue a summons to the individual requesting the hearing notifying the individual of the date of the hearing before the designated official.
 - h. Upon appearing at the hearing scheduled in the citation or otherwise scheduled at the individual's request, the individual may make a statement in explanation of the individual's action. The official may at that time waive or suspend the statutory fine or bond.
 - i. A citing peace officer may not receive the statutory fine or bond.
 - j. The bond required to secure appearance before the judge must be identical to the statutory fine established in subdivision b.
5. ~~An individual is guilty of a class B misdemeanor if that individual remains upon the property of another after being requested to leave the property by a duly authorized individual. An individual who violates this subsection is guilty of a class A misdemeanor for the second or subsequent offense within a two-year period.~~
- 6.4. This section does not apply to a:
- a. A peace officer in the course of discharging the peace officer's official duties; or
 - b. An individual who enters land to access buried and aboveground infrastructure for operations, inspection, repair, or maintenance purposes, if the individual has a right to operate, inspect, repair, or maintain the infrastructure.

SECTION 3. AMENDMENT. Section 20.1-01-17 of the North Dakota Century Code is amended and reenacted as follows:

20.1-01-17. Posting of lands by owner to prohibit hunting - How posted - Signs defaced.

1. Only the owner or tenant or an individual authorized by the owner of land may post the land. Land may be posted by placing signs alongside the public highway or the land giving notice that hunting is not permitted on the land or by designating the land as closed to hunters in a database or

other electronic application available to the public which is operated and maintained by the state for purposes of electronic posting. The land is physically posted. the name of the person posting the land must appear on each sign in legible characters. The signs must be readable from the outside of the land and must be placed conspicuously not more than eight hundred eighty yards [804.68 meters] apart. As to land entirely enclosed by a fence or other enclosure, posting of signs at or on all gates through the fence or enclosure constitutes a posting of all the enclosed land.

2. A person may not deface, take down, destroy posting signs, or post property without the permission of the owner or tenant or an individual authorized by the owner.
3. Even if the conduct of the owner, tenant, or individual authorized by the owner varies from the provisions of subsection 1, an individual may be found guilty of violating section 20.1-01-18 if the owner, tenant, or individual authorized by the owner substantially complied with subsection 1 and notice against hunting or trespassing is clear from the circumstances."

Page 3, line 21, remove the overstrike over "~~on-posted land~~"

Page 3, line 25, after the underscored comma insert "unless the land is legally posted or the individual is requested to leave by a duly authorized person"

Page 3, line 25, after "person" insert "A person"

Page 3, line 25, remove the overstrike over "may" and insert immediately thereafter "not"

Page 3, line 25, remove the overstrike over "~~enter upon privately owned land for the~~"

Page 3, remove the overstrike over line 26

Page 3, line 27, remove the overstrike over "~~the owner or operator of that land. A person who violates this section is guilty of a~~"

Page 3, line 28, after the first "misdemeanor" insert "noncriminal offense subject to the fines and procedures under subsection 3 of section 12.1-22-03"

Page 3, line 28, remove the overstrike over "~~for the first offense and a class A misdemeanor for a subsequent offense within a~~"

Page 3, line 29, remove the overstrike over "~~two year period~~"

Page 3, line 29, remove "unless the land is designated as closed to hunters or open to hunters with"

Page 3, remove line 30

Page 3, line 31, remove "20.1-01-17"

Page 3, line 31, remove the overstrike over the overstruck period

Page 3, after line 31, insert:

"SECTION 5. AMENDMENT. Section 20.1-01-18 of the North Dakota Century Code is amended and reenacted as follows:

20.1-01-18. Hunting on posted land and trapping on private land without permission unlawful - Penalty.

No person may hunt or pursue game, or enter for those purposes, upon ~~legally posted privately owned~~ land belonging to another without first obtaining the permission of the person legally entitled to grant the same. No person may enter

upon privately owned land for the purpose of trapping protected fur-bearing animals without first gaining the written permission of the owner or operator of that land. A person who violates this section is guilty of a ~~class B misdemeanor for the first offense and a class A misdemeanor for a subsequent offense within a two-year period.~~

Page 4, line 12, after "individual" insert "or a group including the individual"

Page 4, line 12, overstrike "legally posted"

Page 4, line 13, after "individual" insert "or the group including the individual"

Page 4, line 24, remove "that are"

Page 4, line 25, overstrike "against hunting or trespassing"

Page 4, line 25, remove "under section 20.1-01-17 or private lands that are"

Page 4, remove line 26

Page 4, line 27, remove "20.1-18-02."

Page 4, remove lines 30 and 31

Page 5, remove lines 1 through 30

Page 6, replace lines 1 through 23 with:

"SECTION 9. REPEAL. Sections 20.1-01-17 and 20.1-01-20 of the North Dakota Century Code are repealed."

Page 6, line 24, remove "**LEGISLATIVE MANAGEMENT**"

Page 6, line 24, remove "**FOR**"

Page 6, line 25, replace "**HUNTING AND TRAPPING**" with "**- REPORT TO LEGISLATIVE MANAGEMENT AND INTERIM LEGISLATIVE COMMITTEES**"

Page 6, line 25, after the boldfaced period insert:

"1."

Page 6, line 25, replace "legislative management" with "land access committee"

Page 6, line 26, replace "consider studying" with "study"

Page 6, line 26, remove "for hunting, trapping,"

Page 6, line 26, after "issues" insert "and shall provide recommendations regarding electronic posting of land. The study must include consideration of the numbers of calls to law enforcement regarding trespassers and hunting violations, the number of citations and convictions for trespass and hunting violations, the locations where trespass and hunting violations occur the most and least in the state, how sportsmen are impacted by legislation regarding access to land in the state, and whether and how state laws regarding land access affect tribal lands"

Page 6, line 27, replace "The legislative management" with "Before August 1, 2020, the land access committee"

Page 6, line 28, remove "sixty-seventh legislative"

Page 6, line 29, replace "assembly." with "legislative management, interim energy and natural resources committee, and interim agriculture committee."

2. a. The voting members of the committee, who must be appointed by the legislative management are:
 - (1) Two members representing landowners;
 - (2) Two members representing sportsmen;
 - (3) Four members of the legislative assembly, one of whom must be selected by the committee as chairman of the committee, including:
 - (a) One member of the majority party in the house of representatives;
 - (b) One member of the minority party in the house of representatives;
 - (c) One member of the majority party in the senate; and
 - (d) One member of the minority party in the senate; and
 - (4) A representative of the North Dakota association of counties.
- b. The nonvoting members of the committee are:
 - (1) The agriculture commissioner or the commissioner's designee;
 - (2) The director of the game and fish department or the director's designee;
 - (3) The chief information officer or the officer's designee; and
 - (4) A game warden.
3. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the legislative council. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency. A member of the committee who is a member of the legislative assembly is entitled to receive per diem compensation at the rate provided under section 54-35-10 for each day performing official duties of the committee. The legislative council shall pay the per diem compensation and reimbursement for travel and expenses as provided by law for any member of the committee who is a member of the legislative assembly.

SECTION 11. EDUCATION AND MARKETING. The game and fish department and the tourism division of the department of commerce shall provide public education and marketing regarding the changes to land access in this Act.

SECTION 12. CONTINGENT EFFECTIVE DATE. If the legislative management does not receive agreed upon recommendations regarding electronic posting of land from the land access committee in section 9 of this Act before August 1, 2020, sections 2, 5, 6, 8, and 9 become effective on August 1, 2020.

SECTION 13. CONTINGENT EXPIRATION DATE. If the legislative management does not receive agreed upon recommendations regarding electronic posting of land from the land access committee in section 9 of this Act before August 1, 2020, sections 1, 3, 4, and 7 are effective until July 31, 2020, and after that date are ineffective.

SECTION 14. EMERGENCY. Sections 1, 3, 4, 7, 10, and 11 of this Act are declared to be an emergency measure."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

HB 1074, as engrossed: Your conference committee (Sens. Myrdal, Lemm, Bakke and Reps. McWilliams, Buffalo, Magrum) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1044 and place HB 1074 on the Seventh order.

Engrossed HB 1074 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1417, as engrossed: Your conference committee (Sens. J. Lee, Anderson, K. Roers and Reps. Westlind, Fegley, Schneider) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1309-1312 and place HB 1417 on the Seventh order.

Engrossed HB 1417 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1469, as engrossed: Your conference committee (Sens. Anderson, K. Roers, O. Larsen and Reps. Kasper, Schauer, Adams) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1376, adopt amendments as follows, and place HB 1469 on the Seventh order:

That the Senate recede from its amendments as printed on page 1376 of the House Journal and page 1096 of the Senate Journal and that Engrossed House Bill No. 1469 be amended as follows:

Page 1, line 14, after "manager" insert "or health plan"

Renumber accordingly

Engrossed HB 1469 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2078: Your conference committee (Sens. Kannianen, D. Larson, Dotzenrod and Reps. Hatlestad, Magrum, Guggisberg) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 894 and place SB 2078 on the Seventh order.

SB 2078 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2245, as engrossed: Your conference committee (Sens. Anderson, K. Roers, Hogan and Reps. Damschen, Skroch, Fegley) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1135-1137, adopt amendments as follows, and place SB 2245 on the Seventh order:

That the House recede from its amendments as printed on pages 1135-1137 of the Senate Journal and pages 1259-1261 of the House Journal and that Engrossed Senate Bill No. 2245 be amended as follows:

Page 1, line 3, remove "and"

Page 1, line 3, after "50-11.1-17" insert ", and subsection 13 of section 50-25.1-02"

Page 1, line 4, after "services" insert "and the definition of a neglected child; and to declare an emergency"

Page 2, line 2, remove the overstrike over "~~whether public or private,~~"

Page 2, line 7, remove the overstrike over "~~Child care, preschool, and prekindergarten services~~"

Page 2, line 7, remove "Early childhood education"

Page 2, line 8, remove "program"

Page 2, line 8, remove the overstrike over "~~to children under six years of age~~"

Page 2, line 9, remove the overstrike over "~~by the superintendent of public instruction~~"

Page 2, line 9, remove "pursuant"

Page 2, line 10, remove "to chapter 15.1-37"

Page 2, line 26, remove ""Educational facility" means a public or nonpublic school."

Page 2, line 27, remove "9."

Page 3, line 1, remove the overstrike over "9:"

Page 3, line 1, remove "10."

Page 3, line 3, remove the overstrike over " 40:"

Page 3, line 3, remove "11."

Page 3, line 6, remove the overstrike over " 41:"

Page 3, line 6, remove "12."

Page 3, line 8, remove the overstrike over " 42:"

Page 3, line 8, remove "13."

Page 3, line 10, remove the overstrike over " 43:"

Page 3, line 10, remove "14."

Page 3, line 12, remove the overstrike over " 44:"

Page 3, line 12, remove "15."

Page 3, line 14, remove the overstrike over " 45:"

Page 3, line 14, remove "16."

Page 3, line 17, remove the overstrike over " 46:"

Page 3, line 17, remove "17."

Page 3, line 19, remove the overstrike over " 47:"

Page 3, line 19, remove "18."

Page 3, line 21, remove the overstrike over "~~and which serves no child for more~~"

Page 3, line 22, remove the overstrike over "~~than three hours per day~~"

Page 3, line 23, remove the overstrike over "48:"

Page 3, line 23, remove "19."

Page 3, line 25, remove the overstrike over " 49:"

Page 3, line 25, remove "20."

Page 3, line 27, remove the overstrike over " 20:"

Page 3, line 27, remove "21."

Page 4, line 1, remove the overstrike over "21."

Page 4, line 1, remove "22."

Page 4, line 4, remove the overstrike over " 22."

Page 4, line 4, remove "23."

Page 4, line 7, remove the overstrike over " 23."

Page 4, line 7, remove "24."

Page 4, line 9, remove the overstrike over " 24."

Page 4, line 9, remove "25."

Page 4, line 12, remove the overstrike over " 25."

Page 4, line 12, remove "26."

Page 5, line 27, after "and" insert ", including"

Page 5, line 27, remove the overstrike over "~~the use of an automated external defibrillator~~"

Page 5, line 29, remove the overstrike over "~~and automated external defibrillator~~"

Page 6, line 4, after "and" insert ", including"

Page 6, line 4, remove the overstrike over "~~the use of an automated external defibrillator~~"

Page 6, line 6, remove the overstrike over "~~and automated external defibrillator~~"

Page 8, line 21, replace "license" with "self-declaration document"

Page 8, line 24, replace "license" with "self-declaration document"

Page 8, line 26, replace "license" with "self-declaration document"

Page 8, after line 28, insert:

"SECTION 8. AMENDMENT. Subsection 13 of section 50-25.1-02 of the North Dakota Century Code is amended and reenacted as follows:

13. "Neglected child" means a ~~deprived child as defined in chapter 27-20~~who, due to the action or inaction of a person responsible for the child's welfare:
 - a. Is without proper care or control, subsistence, education as required by law, or other care or control necessary for the child's physical, mental, or emotional health, or morals, and is not due primarily to the lack of financial means of a person responsible for the child's welfare;
 - b. Has been placed for care or adoption in violation of law;
 - c. Has been abandoned;
 - d. Is without proper care, control, or education as required by law, or other care and control necessary for the child's well-being because of the physical, mental, emotional, or other illness or disability of a person responsible for the child's welfare, and that such lack of care is not due to a willful act of commission or act of omission, and care is requested by a person responsible for the child's welfare;

- e. Is in need of treatment and a person responsible for the child's welfare has refused to participate in treatment as ordered by the juvenile court;
- f. Was subject to prenatal exposure to chronic or severe use of alcohol or any controlled substance as defined in chapter 19-03.1 in a manner not lawfully prescribed by a practitioner;
- g. Is present in an environment subjecting the child to exposure of a controlled substance, chemical substance, or drug paraphernalia as prohibited by section 19-03.1-22.2; or
- h. Is a victim of human trafficking as defined in title 12.1.

SECTION 9. EMERGENCY. Section 8 of this Act is declared to be an emergency measure."

Renumber accordingly

Engrossed SB 2245 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2035: Your conference committee (Sens. Anderson, D. Larson, Kannianen and Reps. Pyle, Hatlestad, Toman) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 894 and place SB 2035 on the Seventh order.

SB 2035 was placed on the Seventh order of business on the calendar.

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

Buell J. Reich, Chief Clerk