

JOURNAL OF THE SENATE

Sixty-seventh Legislative Assembly

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Bismarck, February 19, 2021

The Senate convened at 12:30 p.m., with President Sanford presiding.

The prayer was offered by Reverend Bob Copenhaver, Healing Rooms of the Northern Plains, Bismarck.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF AMENDMENTS

SB 2288: SEN. J. ROERS (Finance and Taxation Committee) MOVED that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

MOTION

SEN. KLEIN MOVED that after action taken on the Sixth order, SB 2217, SB 2011, SB 2004, and SB 2046 be placed on the Eleventh order for immediate second reading and final passage, which motion prevailed.

CONSIDERATION OF AMENDMENTS

SB 2217: SEN. PATTEN (Finance and Taxation Committee) MOVED that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2217: A BILL for an Act to create and enact a new section to chapter 47-16 of the North Dakota Century Code, relating to the deduction or recovery of losses incurred in the sale or disposition of natural gas from the proceeds of oil production; and to provide for a legislative management study.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 32 YEAS, 15 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Conley; Davison; Dever; Dwyer; Erbele; Heckaman; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Lee; Lemm; Luick; Marcellais; Mathern; Oban; Patten; Piepkorn; Rust; Schaible; Vedaa; Wanzek; Wardner; Weber; Wobbema

NAYS: Bell; Clemens; Elkin; Fors; Heitkamp; Larsen, D.; Larsen, O.; Larson, D.; Meyer; Myrdal; Oehlke; Poolman; Roers, J.; Roers, K.; Sorvaag

Engrossed SB 2217 passed.

CONSIDERATION OF AMENDMENTS

SB 2011: SEN. HECKAMAN (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2011: A BILL for an Act to provide an appropriation for defraying the expenses of the highway patrol; to provide a report; and to provide for a transfer.

ROLL CALL

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

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

NAYS: Larsen, O.

Engrossed SB 2011 passed.

CONSIDERATION OF AMENDMENTS

SB 2004: SEN. SORVAAG (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2004: A BILL for an Act to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact section 23-01-02 of the North Dakota Century Code, relating to compensation of members of the health council; to provide for a report; and to provide for a legislative management study.

ROLL CALL

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

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

NAYS: Heitkamp; Larsen, D.; Larsen, O.; Wobbema

Engrossed SB 2004 passed.

CONSIDERATION OF AMENDMENTS

SB 2046: SEN. VEDAA (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Eleventh order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2046: A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 2 of section 54-52-05, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02, and section 54-52.6-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.

ROLL CALL

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

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

Engrossed SB 2046 passed.

SECOND READING OF SENATE BILL

SB 2043: A BILL for an Act to amend and reenact section 39-03.1-10 of the North Dakota Century Code, relating to contributions to the highway patrolmen's retirement system by the state.

ROLL CALL

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

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

SB 2043 passed.

SECOND READING OF SENATE BILL

SB 2042: A BILL for an Act to amend and reenact subsection 1 of section 54-52-02.9, subsection 1 of section 54-52-06, subsection 6 of section 54-52.6-02, and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to increased employer and employee contributions under the public employees retirement system defined benefit and defined contribution plans; and to provide a penalty.

ROLL CALL

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

YEAS: Oehlke

NAYS: Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wanzek; Wardner; Weber; Wobbema

SB 2042 failed.

SECOND READING OF SENATE BILL

SB 2218: A BILL for an Act to create and enact section 54-03-02.2 and a new section to chapter 54-35 of the North Dakota Century Code, relating to introduction of bills and interim committees; and to amend and reenact section 54-03-02, subsection 1 of section 54-03-20, subsection 2 of section 54-03.2-14, subsection 3 of section 54-35-02.4, sections 54-35-02.7 and 54-35-16, subsection 1 of section 54-35-22, and sections 54-35-26 and 54-44.1-07 of the North Dakota Century Code, relating to

annually reconvened sessions of the legislative assembly and interim committee meetings.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 23 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bakke; Bekkedahl; Bell; Davison; Dever; Heckaman; Hogan; Holmberg; Kannianen; Larsen, D.; Larson, D.; Luick; Marcellais; Mathern; Meyer; Oban; Patten; Piepkorn; Roers, J.; Roers, K.; Vedaa; Weber; Wobbema

NAYS: Anderson; Burckhard; Clemens; Conley; Dwyer; Elkin; Erbele; Fors; Heitkamp; Hogue; Klein; Krebsbach; Kreun; Larsen, O.; Lee; Lemm; Myrdal; Oehlke; Poolman; Rust; Schaible; Sorvaag; Wardner

ABSENT AND NOT VOTING: Wanzek

President Ssanford announced he was voting to cast the 24th "YEA" vote, thus passing Senate Bill No. 2218.

SB 2218 passed.

SECOND READING OF SENATE BILL

SB 2249: A BILL for an Act to amend and reenact section 57-51.1-07.5 of the North Dakota Century Code, relating to deposits of the state's share of oil and gas taxes; and to provide an effective date.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Wanzek

SB 2249 passed.

SECOND READING OF SENATE BILL

SB 2257: A BILL for an Act to provide an appropriation to the department of public instruction for afterschool programming.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 9 YEAS, 37 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Bakke; Davison; Heckaman; Hogan; Holmberg; Marcellais; Mathern; Oban; Piepkorn

NAYS: Anderson; Bekkedahl; Bell; Burckhard; Clemens; Conley; Dever; Dwyer; Elkin; Erbele; Fors; Heitkamp; Hogue; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Meyer; Myrdal; Oehlke; Patten; Poolman;

Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wardner; Weber; Wobbema

ABSENT AND NOT VOTING: Wanzek

SB 2257 failed.

SECOND READING OF SENATE BILL

SB 2275: A BILL for an Act to provide for an appropriation to the department of human services relating to a director for the task force on prevention of sexual abuse of children.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO NOT PASS, the roll was called and there were 23 YEAS, 23 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Clemens; Davison; Elkin; Heckaman; Hogan; Larsen, D.; Larson, D.; Lee; Lemm; Marcellais; Mathern; Meyer; Oban; Patten; Piepkorn; Poolman; Roers, J.; Schaible; Vedaa; Wardner; Weber

NAYS: Bekkedahl; Bell; Burckhard; Conley; Dever; Dwyer; Erbele; Fors; Heitkamp; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, O.; Luick; Myrdal; Oehlke; Roers, K.; Rust; Sorvaag; Wobbema

ABSENT AND NOT VOTING: Wanzek

President Ssanford announced he was voting to cast the 24th "YEA" vote, thus passing Senate Bill No. 2275.

SB 2275 passed.

SECOND READING OF SENATE BILL

SB 2289: A BILL for an Act to create and enact a new section to chapter 15.1-21 of the North Dakota Century Code, relating to the creation of a North Dakota scholarship; to amend and reenact sections 15-10-59, 15.1-21-02.6, 15.1-21-02.8, and 15.1-21-02.9 of the North Dakota Century Code, relating to references to the North Dakota scholarship, North Dakota academic scholarship, and North Dakota career and technical education scholarship; to repeal sections 15.1-21-02.4 and 15.1-21-02.5 of the North Dakota Century Code, relating to the North Dakota academic and career and technical education scholarships; and to provide an effective date.

ROLL CALL

The question being on the final passage of the bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 43 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wardner; Weber; Wobbema

NAYS: Larsen, D.; Larsen, O.; Myrdal

ABSENT AND NOT VOTING: Wanzek

SB 2289 passed.

SECOND READING OF SENATE BILL

SB 2344: A BILL for an Act to amend and reenact section 37-17.1-29 of the North Dakota Century Code, relating to governmental regulation of firearms and ammunition; and to provide a penalty.

ROLL CALL

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

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

ABSENT AND NOT VOTING: Wanzek

Engrossed SB 2344 passed.

SECOND READING OF SENATE BILL

SB 2206: A BILL for an Act to amend and reenact section 49-06-02 of the North Dakota Century Code, relating to value of property for ratemaking purposes.

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

YEAS: Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wardner; Weber; Wobbema

NAYS: Piepkorn

ABSENT AND NOT VOTING: Wanzek

Engrossed SB 2206 passed.

SECOND READING OF SENATE BILL

SB 2086: A BILL for an Act to create and enact a new section to chapter 50-01.1 of the North Dakota Century Code, relating to gifts and donations received by human service zones; to amend and reenact sections 11-16-01, 11-16-06, 11-23-01, 14-09-06.3, 14-09-06.4, 14-15-09, 14-15-11, 50-01.1-01, 50-01.1-04, 50-01.1-08, 50-01.2-01, 50-01.2-05, 50-06-05.8, 50-12-08, 50-33-01, 50-33-02, 50-35-01, 50-35-02, 50-35-03, 50-35-04, 50-35-05, and 50-35-07 of the North Dakota Century Code, relating to the operation and financing of human service zones; to repeal chapter 50-11.2 of the North Dakota Century Code, relating to foster care parent grievance; to provide for legislative management reports; to provide for a legislative management study; to provide for the transfer of employees; 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 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Bell; Burckhard; Clemens; Conley; Davison; Dever; Dwyer; Elkin; Erbele; Fors; Heckaman; Heitkamp; Hogan; Hogue; Holmberg; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larson, D.; Lee; Lemm; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Patten; Piepkorn; Poolman; Roers, J.; Roers, K.; Rust; Schaible; Sorvaag; Vedaa; Wardner; Weber; Wobbema

NAYS: Larsen, O.

ABSENT AND NOT VOTING: Wanzek

Engrossed SB 2086 passed.

SECOND READING OF SENATE BILL

SB 2170: A BILL for an Act to create and enact chapter 19-03.7 of the North Dakota Century Code, relating to prescription drug costs; and to provide a penalty.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 24 YEAS, 22 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Bakke; Bekkedahl; Burckhard; Conley; Davison; Dever; Dwyer; Heckaman; Hogan; Holmberg; Lee; Luick; Marcellais; Mathern; Oban; Patten; Piepkorn; Poolman; Roers, K.; Rust; Sorvaag; Wardner; Weber

NAYS: Bell; Clemens; Elkin; Erbele; Fors; Heitkamp; Hogue; Kannianen; Klein; Krebsbach; Kreun; Larsen, D.; Larsen, O.; Larson, D.; Lemm; Meyer; Myrdal; Oehlke; Roers, J.; Schaible; Vedaa; Wobbema

ABSENT AND NOT VOTING: Wanzek

Engrossed SB 2170 passed.

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

MR. SPEAKER: The Senate has passed, and your favorable consideration is requested on: SB 2002, SB 2020, SB 2030, SB 2137, SB 2258.

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

MR. SPEAKER: The Senate has passed, the emergency clause carried, and your favorable consideration is requested on: SB 2146.

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

MR. PRESIDENT: The House has passed, and your favorable consideration is requested on: HB 1134, HB 1287, HB 1314, HB 1332, HB 1345, HB 1359, HB 1393, HB 1413, HB 1429, HB 1441, HB 1478, HB 1479, HB 1493, HCR 3021.

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

MR. PRESIDENT: The House has passed, the emergency clause carried, and your favorable consideration is requested on: HB 1316, HB 1391.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:30 a.m., Monday, February 22, 2021, which motion prevailed.

REPORT OF STANDING COMMITTEE

SB 2014: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2014 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "to provide contingent funding" with "to create and enact a new section to chapter 6-09.4 and subsections 7 and 8 of section 54-17-07.3 of the North Dakota Century Code, relating to bonded debt repayments and housing finance agency programs; to amend and reenact sections 6-09-49, 6-09.4-06, 6-09.4-10, 6-09.16-02, 6-09.16-03, 6-09.16-05, 15-11-40, 50-30-04, 54-17-40, and 57-51.1-07.9 of the North Dakota Century Code, relating the infrastructure revolving loan fund, borrowing and lending authority of the public finance authority, reserve funds associated with bonds, the long-term care facility loan fund, the state energy research center, and the housing incentive fund; to provide a continuing appropriation; to repeal section 54-17-07.12 of the North Dakota Century Code, relating to the housing finance agency participating as a wholesale servicing mortgage lender"

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; to provide a statement of legislative intent; to provide for a study; and to provide for a legislative management report"

Page 1, replace lines 13 through 22 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,409,450	\$536,548	\$23,945,998
Operating expenses	5,830,227	(704,669)	5,125,558
Capital assets	0	100,660	100,660
Grants - bond payments	10,508,767	11,531,954	22,040,721
Contingencies	<u>229,544</u>	<u>(229,544)</u>	<u>0</u>
Total all funds	\$39,977,988	\$11,234,949	\$51,212,937
Less estimated income	<u>12,723,790</u>	<u>11,647,897</u>	<u>24,371,687</u>
Total general fund	\$27,254,198	(\$412,948)	\$26,841,250
Full-time equivalent positions	112.25	(4.00)	108.25"

Page 2, replace lines 1 through 6 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$62,847,799	\$3,246,572	\$66,094,371
Capital assets	<u>1,510,000</u>	<u>0</u>	<u>1,510,000</u>
Total special funds	\$64,357,799	\$3,246,572	\$67,604,371
Full-time equivalent positions	181.50	(10.00)	171.50"

Page 2, replace lines 9 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,509,015	\$1,128,509	\$9,637,524
Operating expenses	5,346,276	797,784	6,144,060
Capital assets	0	150,000	150,000
Grants	33,466,600	9,508,600	42,975,200
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$47,421,891	\$11,584,893	\$59,006,784
Full-time equivalent positions	44.00	5.00	49.00"

Page 2, replace lines 20 through 27 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$46,447,824	\$4,112,385	\$50,560,209
Operating expenses	29,837,000	6,980,000	36,817,000
Contingencies	500,000	0	500,000
Agriculture promotion	<u>210,000</u>	<u>290,000</u>	<u>500,000</u>
Total special funds	\$76,994,824	\$11,382,385	\$88,377,209
Full-time equivalent positions	156.00	0.00	156.00"

Page 2, remove lines 30 and 31

Page 3, replace lines 1 through 3 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$27,254,198	(\$412,948)	\$26,841,250
Grand total special funds	<u>201,498,304</u>	<u>37,861,747</u>	<u>239,360,051</u>
Grand total all funds	\$228,752,502	\$37,448,799	\$266,201,301"

Page 3, line 4, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY"

Page 3, line 5, after "biennium" insert "and the 2021-23 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 3, replace lines 7 through 15 with:

"Temporary employees	\$175,000	\$0
Rare earth elements study	160,000	0
Fracturing sand study	110,000	0
Oil database software upgrade	5,000,000	0
High-level radioactive fund	20,000	0
Housing finance agency - housing incentive fund	7,500,000	0
Paleontology and geological equipment	<u>0</u>	<u>106,206</u>
Total all funds	\$12,965,000	\$106,206
Less estimated income	5,270,000	<u>0</u>
Total general fund	\$7,695,000	\$106,206

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The industrial commissioner shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 3, line 16, replace "\$10,508,767" with "\$22,040,721"

Page 3, replace lines 19 through 31 with:

"North Dakota university system	\$17,204,639
North Dakota university system - energy conservation projects	415,114
Department of corrections and rehabilitation	492,354
Department of corrections and rehabilitation - energy conservation projects	8,181
State department of health	341,365
Job service North Dakota	230,600
Office of management and budget	564,515
Attorney general's office	648,055
State historical society	1,179,015
Parks and recreation department	66,165
Research and extension service	483,447
Veterans' home	<u>407,271</u>
Total	\$22,040,721"

Page 4, replace lines 8 through 16 with:

"SECTION 5. APPROPRIATION - GENERAL FUND - TRANSFER TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 6. APPROPRIATION - GENERAL FUND - TRANSFER TO OIL AND GAS RESEARCH FUND - INTENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$14,000,000, or so much of the sum as may be necessary, which the office of

management and budget shall transfer to the oil and gas research fund during the biennium beginning July 1, 2021, and ending June 30, 2023. The office of management and budget shall transfer the funds as requested by the industrial commission. It is the intent of the sixty-seventh legislative assembly that the funds appropriated under this section be derived from legacy fund earnings transferred to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. PUBLIC FINANCE AUTHORITY - BOND ISSUE LIMITATION - BANK OF NORTH DAKOTA - APPROPRIATION.

1. Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may issue up to \$100,000,000 of bonds for transfer to the Bank of North Dakota for allocations to the long-term care facility loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023.
2. The term of any bonds issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes or borrow from the Bank of North Dakota to support the allocations to the long-term care facility loan fund to a bond issue. The public finance authority shall make available up to ten percent of the bonds for sale directly to North Dakota residents and financial institutions.
3. After payment of any issuance costs or any transfers to a reserve fund, \$100,000,000 from the bond proceeds issued by the public finance authority is appropriated to the Bank of North Dakota for allocations to the long-term care facility loan fund, for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 4, line 18, replace "\$1,172,603" with "\$1,215,980"

Page 5, line 7, replace "\$4,000,000" with "\$5,000,000"

Page 5, line 17, replace "\$6,000,000" with "\$8,000,000"

Page 5, line 30, replace "the lignite vision 21 program" with "advanced energy technology and other technology development programs"

Page 6, after line 4, insert:

"SECTION 15. OIL AND GAS RESEARCH FUND - UNDERGROUND ENERGY STORAGE STUDY - REPORT TO LEGISLATIVE MANAGEMENT.

Pursuant to the continuing appropriation under section 57-51.1-07.3, the industrial commission shall use up to \$14,000,000, or so much of the sum as may be necessary, from the oil and gas research fund to contract with the energy and environmental research center for an underground energy storage study. The study must include consideration of the potential capacity of salt caverns in geological formations in North Dakota for the development of underground storage of energy resources, including natural gas, liquified natural gas, natural gas liquids, and hydrogen. The energy and environmental research center may collaborate with other entities as needed on the study. Prior to contracting with the energy and environmental research center, the commission must receive from at least one nonstate entity assurance of financial or other types of support that demonstrate a commitment to the study. During the 2021-22 interim, the energy and environmental research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the results and recommendations of the study.

SECTION 16. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to

political subdivisions, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is the lesser of thirty years or the useful life of the project, except for projects under subdivisions n, o, and p of subsection 2, which may have a maximum term of up to the lesser of forty years or the useful life of the project. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.

2. For purposes of this section, "essential infrastructure projects" means capital construction projects ~~for to construct new infrastructure or to replace existing infrastructure, which provide the fixed installations necessary for the function of a political subdivision. Capital construction projects exclude routine maintenance and repair projects, but include the following:~~
 - a. The Red River valley water supply project;
 - b. ~~New or replacement of existing water~~Water treatment plants;
 - c. ~~New or replacement of existing wastewater~~Wastewater treatment plants;
 - d. ~~New or replacement of existing sewer lines and water lines~~Sewerlines and waterlines, including lift stations and pumping systems; and
 - e. ~~New or replacement of existing storm water and transportation~~Storm water infrastructure, including curb and gutter construction;
 - f. Water storage systems, including dams, water tanks, and water towers;
 - g. Road and bridge infrastructure, including paved and unpaved roads and bridges;
 - h. Airport infrastructure;
 - i. Electricity transmission infrastructure;
 - j. Natural gas transmission infrastructure;
 - k. Communications infrastructure;
 - l. Emergency services facilities, excluding hospitals;
 - m. Political subdivision buildings;
 - n. Flood control and conveyance infrastructure;
 - o. Water supply infrastructure, including rural water supply; and
 - p. General water management infrastructure.
3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed ~~fifteen~~forty million dollars per loan ~~for projects under subdivisions a through m of subsection 2. Loans for projects under subdivisions n, o, and p of subsection 2 are not limited to a specific amount per loan.~~ The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.

4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.
6. If a political subdivision applies for a loan under this section for a county road or bridge project, the department of transportation shall review and approve the project before the Bank may issue a loan. If a political subdivision applies for a loan under this section for a water-related project under subdivisions n, o, and p of subsection 2, the state water commission shall review and approve the project before the Bank may issue a loan. The department of transportation and state water commission may develop policies for reviewing and approving projects under this section.

SECTION 17. AMENDMENT. Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-06. Lending and borrowing powers generally.

1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
2. The public finance authority may lend money to the Bank of North Dakota under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2.
3. The public finance authority may transfer money to the Bank for allocations to the long-term care facility loan fund under chapter 6-09.16.

The obligation of the state to pay the bond payments is subject to the biennial appropriations by the legislative assembly. Neither the obligation of the state to pay the bonds nor the obligation of the issuer to pay debt service will constitute a debt of the state or any agency or political subdivision of the state within the meaning of any constitutional or statutory provision. The issuance of the bond does not directly or contingently obligate the state to pay the bond payments beyond the appropriation for the current biennium of the state. The issuer has no taxing power.

4. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
5. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

SECTION 18. AMENDMENT. Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

6-09.4-10. Reserve fund.

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate amount equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar

year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.

2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.
4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
6. The industrial commission may determine ~~that this section is inapplicable in whole or in part for bonds issued under section:~~
 - a. Section 6-09.4-06;
 - b. Section 6-09.4-24; or under the
 - c. The public finance authority's state revolving fund program.

SECTION 19. A new section to chapter 6-09.4 of the North Dakota Century Code is created and enacted as follows:

Debt service requirements - Bonds for long-term care facility loan fund.

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund, derived from legacy fund earnings, Bank of North Dakota profits, or other sources to meet the debt service requirements

or bonds issued by the authority for allocations to the long-term care facility loan fund under chapter 6-09.16.

SECTION 20. AMENDMENT. Section 6-09.16-02 of the North Dakota Century Code is amended and reenacted as follows:

6-09.16-02. Long-term care facility loan fund - Continuing appropriation - Transfer to general fund.

1. A revolving loan fund must be maintained in the Bank of North Dakota for the purpose of making loans to nursing facilities, basic care facilities, or assisted living facilities for capital construction and renovation projects.
2. All moneys transferred into the fund, ~~interest upon moneys in the fund, and collections of interest and principal on loans made from the fund~~ are appropriated to the Bank on a continuing basis for administrative expenses and loan disbursement pursuant to the requirements of this chapter.
3. All interest upon moneys in the fund and payments of principal and interest on loans made from the fund must be transferred by the Bank to the state general fund at the beginning of each biennium.

SECTION 21. AMENDMENT. Section 6-09.16-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.16-03. Long-term care facility loan fund.

1. There is created a long-term care facility loan fund. The fund consists of ~~revenue transferred from the North Dakota health care trust fund, interest upon moneys in the fund, and collections of interest and principal on loans made from the fund~~ bond proceeds deposited in the fund.
2. The Bank of North Dakota shall administer the loan fund. ~~Funds in the~~ The loan fund may be used for:
 - a. Loans as provided in this chapter and as approved by the department under chapter 50-30; ~~and.~~
 - b. The costs of administration of the fund. The Bank may use a portion of the interest paid on the outstanding loans as a service fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the interest payment.
3. ~~Any money in the fund not required for use under subsection 2 must be transferred to the North Dakota health care trust fund.~~

SECTION 22. AMENDMENT. Section 6-09.16-05 of the North Dakota Century Code is amended and reenacted as follows:

6-09.16-05. Amount of loans - Terms and conditions.

Loans in an amount not exceeding ninety percent of project costs may be made by the Bank of North Dakota from the fund maintained pursuant to this chapter. Such loans must bear interest at a rate of two percent of the outstanding principal balance of the loan. In consideration of the making of a loan under this chapter, each borrower shall execute a contract with the department to operate the project in accordance with standards established under chapter 50-30. The contract must also provide that if the use of the project is discontinued or diverted to purposes other than those provided in the loan application without written consent of the department, the full amount of the loan provided under this chapter immediately becomes due and payable. ~~The Bank of North Dakota may annually deduct, as a service fee for administering the loan fund maintained under this chapter, one-half of one percent of the principal balance of the outstanding loans from the fund.~~

SECTION 23. AMENDMENT. Section 15-11-40 of the North Dakota Century Code is amended and reenacted as follows:

15-11-40. State energy research center - Report. (~~Effective through June 30, 2023~~)

1. The state energy research center at the university of North Dakota energy and environmental research center is created for the purpose of conducting exploratory, transformational, and innovative research that advances future energy opportunities and benefits the state's economy and environment through:
 - a. Exploratory research of technologies and methodologies that facilitate the prudent development, and clean and efficient use, of the state's energy resources;
 - b. Greater access to energy experts for timely scientific and engineering studies to support the state's interests; and
 - c. Education and outreach related to the state's energy resources.
2. The state energy research center shall report all research activities and accomplishments annually to the interim legislative energy development and transmission committee and to the industrial commission. Upon request, the state energy research center shall report all research activities and accomplishments to the appropriations committees of the legislative assembly.
3. To effectuate the purposes of this section, the energy and environmental research center may:
 - a. Select the research topics and projects to be pursued;
 - b. Enter contracts or agreements with other North Dakota institutions of higher education to support select research topics and projects;
 - c. Enter contracts or agreements with federal, private, and nonprofit organizations to carry out selected research topics and projects; and
 - d. Accepting donations, grants, contributions, and gifts from any source to carry out the selected research topics and projects.
4. The state energy research center may not conduct research or pursue projects that will result in the exploration, storage, treatment, or disposal of high-level radioactive waste in North Dakota.

SECTION 24. AMENDMENT. Section 50-30-04 of the North Dakota Century Code is amended and reenacted as follows:

50-30-04. Long-term care facility loans.

1. The department may approve loans from the long-term care facility loan fund established under chapter 6-09.16 for capital construction and renovation projects involving a nursing facility, basic care facility, or assisted living facility.
2. An approved loan for any project may not exceed ~~one million dollars or ninety percent of the project cost, whichever is less.~~
3. ~~The department shall give preference for loan approval to an applicant that is converting nursing facility bed capacity to basic care bed capacity.~~
4. No loan may be approved unless the applicant agrees to repay to the long-term care facility loan fund the outstanding balance of the loan and any accrued interest if the applicant or its successor in interest ceases to

operate the project or facility financed by the loan proceeds during the ten-year period after the date the applicant began operation of the project or facility or fails to commence operations within a reasonable time.

- 5-4. In addition to other remedies provided by law or contract, the department may deduct the amount of any refund due from a recipient of a loan from any money owed by the department to such recipient or the recipient's successor in interest.

SECTION 25. Subsections 7 and 8 of section 54-17-07.3 of the North Dakota Century Code are created and enacted as follows:

7. Residential mortgage program. A program or programs to originate residential mortgages if private sector mortgage loan services are not reasonably available. Under this program, a local financial institution or credit union may assist the agency with receiving loan applications, gathering required documents, ordering legal documents, and maintaining contact with borrowers. The applicant must be referred to the agency by a local financial institution or credit union. The agency shall provide all regulatory disclosures, process and underwrite loans, prepare closing documents, and distribute loan funds. A loan under this program may be issued only for an owner-occupied primary residence.
8. The housing finance agency may purchase, service, and sell residential real estate loans secured by a first mortgage lien on real property originated by financial institutions. The loans may be held in the agency's portfolio or sold on the secondary market with servicing retained. All loans with a loan-to-value ratio exceeding eighty percent and not guaranteed by a federal agency must be insured by an approved mortgage insurance company.

SECTION 26. AMENDMENT. Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

54-17-40. Housing incentive fund - Continuing appropriation - Report to budget section.

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.
2.
 - a. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund as authorized under subsection 3. At least ~~fifteen~~ percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage. At least ten percent of the fund must be made available to prevent homelessness as authorized by subdivision d of subsection 3.
 - b. The annual allocation plan must give priority to provide housing for individuals and families of low or moderate income. For purposes of this priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.
3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:

- a. New construction, rehabilitation, preservation, or acquisition of a multifamily housing project;
 - b. Gap assistance, matching funds, and accessibility improvements;
 - c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
 - d. Rental assistance, emergency assistance, barrier mitigation, or targeted supportive services designated to prevent homelessness.
4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.
 5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.
 6. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.
 7. Upon request, the housing finance agency shall report to the industrial commission regarding the activities of the housing incentive fund.
 8. At least once per biennium, the housing finance agency shall provide a report to the budget section of the legislative management regarding the activities of the housing incentive fund.

SECTION 27. AMENDMENT. Section 57-51.1-07.9 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.9. State energy research center fund - Continuing appropriation. (~~Effective through June 30, 2023~~)

The state energy research center fund is a special fund in the state treasury. Before depositing oil and gas gross production tax and oil extraction tax revenues under section 57-51.1-07.5, one percent of the revenues must be deposited monthly into the state energy research center fund, up to five million dollars per biennium. All moneys deposited in the state energy research center fund and interest on all such moneys are appropriated on a continuing basis to the industrial commission for distribution to the state energy research center. The state energy research center shall use the funds in accordance with section 15-11-40.

SECTION 28. REPEAL. Section 54-17-07.12 of the North Dakota Century Code is repealed.

SECTION 29. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH DAKOTA OUTDOOR HERITAGE FUND. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the North Dakota outdoor heritage fund, for the period beginning September 1, 2021, and ending August 31, 2023, the state treasurer shall allocate eight percent of the oil and gas gross production tax revenue available under subsection 1 of section 57-51-15 to the North Dakota outdoor heritage fund, but not in an amount exceeding \$7,500,000 per fiscal year.

SECTION 30. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND GAS RESEARCH FUND. Notwithstanding the provisions

of section 57-51.1-07.3 relating to the allocations to the oil and gas research fund, for the period beginning August 1, 2021, and ending July 31, 2023, the state treasurer shall deposit two percent of the oil and gas gross production tax and oil extraction tax revenues, up to \$16,000,000, into the oil and gas research fund before depositing oil and gas tax revenues under sections 57-51.1-07.5 and 57-51.1-07.9.

SECTION 31. EXEMPTION - SURVEY REVIEW - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.

The amount of \$800,000 appropriated from the strategic investment and improvements fund in section 2 of chapter 426 of the 2017 Session Laws and continued into the 2019-21 biennium pursuant to section 27 of chapter 14 of the 2019 Session Laws is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for expert legal testimony associated with the survey review until June 30, 2023."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Industrial Commission			
Total all funds	\$39,977,988	\$25,234,949	\$65,212,937
Less estimated income	12,723,790	11,647,897	24,371,687
General fund	<u>\$27,254,198</u>	<u>\$13,587,052</u>	<u>\$40,841,250</u>
FTE	112.25	(4.00)	108.25
Bank of North Dakota			
Total all funds	\$64,357,799	\$103,246,572	\$167,604,371
Less estimated income	64,357,799	103,246,572	167,604,371
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	181.50	(10.00)	171.50
Housing Finance Agency			
Total all funds	\$47,421,891	\$26,584,893	\$74,006,784
Less estimated income	47,421,891	11,584,893	59,006,784
General fund	<u>\$0</u>	<u>\$15,000,000</u>	<u>\$15,000,000</u>
FTE	44.00	5.00	49.00
Mill and Elevator			
Total all funds	\$76,994,824	\$11,382,385	\$88,377,209
Less estimated income	76,994,824	11,382,385	88,377,209
General fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FTE	156.00	0.00	156.00
Bill total			
Total all funds	\$228,752,502	\$166,448,799	\$395,201,301
Less estimated income	201,498,304	137,861,747	339,360,051
General fund	<u>\$27,254,198</u>	<u>\$28,587,052</u>	<u>\$55,841,250</u>
FTE	493.75	(9.00)	484.75

Senate Bill No. 2014 - Industrial Commission - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$23,409,450	\$536,548	\$23,945,998
Operating expenses	5,830,227	(704,669)	5,125,558
Capital assets		100,660	100,660
Grants - Bond payments	10,508,767	11,531,954	22,040,721
Contingencies	229,544	(229,544)	
Oil and gas research fund	<u></u>	<u>14,000,000</u>	<u>14,000,000</u>
Total all funds	\$39,977,988	\$25,234,949	\$65,212,937
Less estimated income	12,723,790	11,647,897	24,371,687
General fund	<u>\$27,254,198</u>	<u>\$13,587,052</u>	<u>\$40,841,250</u>
FTE	112.25	(4.00)	108.25

Department 405 - Industrial Commission - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Removes FTE Positions ³	Adjusts Funding for Salaries and Wages ⁴	Adjusts Funding for Operating Expenses ⁵	Increases Funding for Bond Payments ⁶
Salaries and wages	\$326,885	\$641,580	(\$402,917)	(\$29,000)		
Operating expenses					(\$710,269)	
Capital assets						
Grants - Bond payments						\$11,531,954
Contingencies			(229,544)			
Oil and gas research fund						
Total all funds	\$326,885	\$641,580	(\$632,461)	(\$29,000)	(\$710,269)	\$11,531,954
Less estimated income	34,876	41,325	0	31,000	8,742	11,531,954
General fund	\$292,009	\$600,255	(\$632,461)	(\$60,000)	(\$719,011)	\$0
FTE	0.00	0.00	(4.00)	0.00	0.00	0.00

	Adds One-Time Funding for Equipment ⁷	Transfer to Oil and Gas Research Fund ⁸	Total Senate Changes
Salaries and wages			\$536,548
Operating expenses		\$5,600	(704,669)
Capital assets		100,660	100,660
Grants - Bond payments			11,531,954
Contingencies			(229,544)
Oil and gas research fund		\$14,000,000	14,000,000
Total all funds	\$106,260	\$14,000,000	\$25,234,949
Less estimated income	0	0	11,647,897
General fund	\$106,260	\$14,000,000	\$13,587,052
FTE	0.00	0.00	(4.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$595,410	\$41,008	\$636,418
Health insurance increase	4,845	317	5,162
Total	\$600,255	\$41,325	\$641,580

³ The following FTE positions and related funding are removed:

	FTE Positions	General Fund
Removes a computer network specialist position	(1.00)	(\$222,366)
Removes an engineering technician position	(1.00)	(180,551)
Removes contingent positions	(2.00)	(229,544)
Total	(4.00)	(\$632,461)

⁴ Funding is adjusted for other salaries and wages changes as follows:

- Decreases funding from the general fund by \$60,000 for temporary salaries; and
- Increases funding from special funds by \$31,000 for a position reclassification with the Public Finance Authority.

⁵ Funding is adjusted for operating expenses as follows:

	General Fund	Other Funds	Total
Adjusts funding for operating expenses, primarily related to a decrease in travel	(\$730,400)	\$8,124	(\$722,276)
Increases funding for Microsoft Office 365 licensing expenses	11,389	618	12,007
Total	(\$719,011)	\$8,742	(\$710,269)

⁶ Funding is increased for bond payments to provide total funding of \$22,040,721.

⁷ One-time funding of \$106,260 is added from the general fund for paleontology and geology equipment, including wireless technology, scanners and printers, drones, scopes and camera, dust collection, and shelving.

⁸ One-time funding of \$14 million is appropriated from the general fund, derived from 2019-21 biennium legacy fund earnings, for a transfer to the oil and gas research fund for an underground energy storage study.

This amendment also includes the following changes related to the Industrial Commission:

- Updates a section identifying bond payments.
- Adds a section to transfer \$14 million from the general fund, derived from 2019-21 biennium legacy fund earnings, to the oil and gas research fund for an underground energy storage study.
- Removes a section identifying contingent funding and FTE positions.
- Adds a section to increase 2021-23 biennium oil and gas tax revenue allocations to the oil and gas research fund by \$6 million, from \$10 million to \$16 million, for additional research projects.
- Adds sections to authorize the Public Finance Authority to issue up to \$100 million of bonds to support the long-term care facility loan fund.
- Adds sections to clarify the provisions of the long-term care facility loan fund and to transfer the loan repayments to the general fund rather than maintaining the fund as a revolving loan fund.
- Adds sections to remove the expiration dates for the state energy research center and its related funding source from oil and gas tax revenue allocations.
- Adds a section to decrease the oil and gas tax revenue allocation limit for the North Dakota outdoor heritage fund from \$20 million per fiscal year to \$7.5 million per fiscal year, but only for the 2021-23 biennium.
- Adds a section to provide an exemption allowing the Industrial Commission to continue unspent prior biennium appropriation authority for a survey review during the 2021-23 biennium.

Senate Bill No. 2014 - Bank of North Dakota - Senate Action

	Base Budget	Senate Changes	Senate Version
Capital assets	\$1,510,000		\$1,510,000
Bank of North Dakota operations	62,847,799	\$3,246,572	66,094,371
Bond proceeds		100,000,000	100,000,000
Total all funds	\$64,357,799	\$103,246,572	\$167,604,371
Less estimated income	64,357,799	103,246,572	167,604,371
General fund	\$0	\$0	\$0
FTE	181.50	(10.00)	171.50

Department 471 - Bank of North Dakota - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Transfers FTE Positions for IT Unification ³	Adds FTE Positions ⁴	Increases Funding for Operating Expenses ⁵	Decreases Contingency Funding ⁶
Capital assets						
Bank of North Dakota operations	\$175,686	\$834,768	\$83,343	\$819,302	\$1,833,473	(\$500,000)
Bond proceeds						
Total all funds	\$175,686	\$834,768	\$83,343	\$819,302	\$1,833,473	(\$500,000)
Less estimated income	175,686	834,768	83,343	819,302	1,833,473	(500,000)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(16.00)	6.00	0.00	0.00

	Adds Funding for Bond Proceeds ⁷	Total Senate Changes
Capital assets		
Bank of North Dakota operations		\$3,246,572
Bond proceeds	\$100,000,000	100,000,000
Total all funds	\$100,000,000	\$103,246,572
Less estimated income	100,000,000	103,246,572
General fund	\$0	\$0
FTE	0.00	(10.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	<u>Other Funds</u>
Salary increase	\$827,017
Health insurance increase	7,751
Total	\$834,768

³ Sixteen FTE positions are transferred to the Information Technology Department for the IT unification project, reducing salary-related funding by \$3,287,172 and increasing operating-related expenses by \$3,370,515.

⁴ Funding and authorization is added for 6 new undesignated FTE positions to support future growth in the Bank of North Dakota's operations.

⁵ Funding for operating expenses is increased by \$1,833,473 from special funds related to an increase in information technology costs (\$1,811,661) and Microsoft Office 365 licensing expenses (\$21,812).

⁶ Funding is decreased by \$500,000 for Bank of North Dakota contingencies to provide total contingency funding of \$3 million.

⁷ Funding of \$100 million from bond proceeds is added for transfer to the long-term care facility loan fund to support loans for long-term care facility construction projects.

This amendment also includes the following related to the Bank of North Dakota:

- Maintains the transfers from Bank profits to the general fund (\$140 million), the partnership in assisting community expansion (PACE) fund (\$26 million), and the biofuels PACE fund (\$1 million).
- Increases the transfer from Bank profits to the Ag PACE fund by \$1 million, from \$4 million to \$5 million.
- Increases the transfer from Bank profits to the beginning farmer revolving loan fund by \$2 million, from \$6 million to \$8 million.
- Adds a section related to the infrastructure revolving loan fund to expand the types of eligible projects; to increase the maximum term of a loan to 40 years for certain water projects; to increase the maximum loan amount to \$40 million for most types of projects, excluding certain water projects which are not limited; and to require the Department of Transportation and State Water Commission respectively to approve road and water projects.

Senate Bill No. 2014 - Housing Finance Agency - Senate Action

	<u>Base Budget</u>	<u>Senate Changes</u>	<u>Senate Version</u>
Salaries and wages	\$8,509,015	\$1,128,509	\$9,637,524
Operating expenses	5,346,276	797,784	6,144,060
Capital assets		150,000	150,000
Grants	33,466,600	9,508,600	42,975,200
HFA contingencies	100,000		100,000
Housing incentive fund		15,000,000	15,000,000
Total all funds	\$47,421,891	\$26,584,893	\$74,006,784
Less estimated income	47,421,891	11,584,893	59,006,784
General fund	\$0	\$15,000,000	\$15,000,000
FTE	44.00	5.00	49.00

Department 473 - Housing Finance Agency - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Transfers the HOME Program ³	Transfers Mortgage Loans from BND ⁴	Increases Funding for a Position Change ⁵	Increases Funding for Operating Expenses ⁶
Salaries and wages	(\$1)	\$229,859	\$356,421	\$471,233	\$70,997	
Operating expenses			236,950	244,883		\$242,071
Capital assets			50,000			
Grants			7,700,000			
HFA contingencies						
Housing incentive fund						
Total all funds	(\$1)	\$229,859	\$8,343,371	\$716,116	\$70,997	\$242,071
Less estimated income	(1)	229,859	8,343,371	716,116	70,997	242,071
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	2.00	3.00	0.00	0.00

	Adds Funding for Multifamily Housing Software ⁷	Adds Funding for Grants ⁸	Transfer Housing Incentive Fund ⁹	Total Senate Changes
Salaries and wages				\$1,128,509
Operating expenses	\$73,880			797,784
Capital assets	100,000			150,000
Grants		\$1,808,600		9,508,600
HFA contingencies				
Housing incentive fund			\$15,000,000	15,000,000
Total all funds	\$173,880	\$1,808,600	\$15,000,000	\$26,584,893
Less estimated income	173,880	1,808,600	0	11,584,893
General fund	\$0	\$0	\$15,000,000	\$15,000,000
FTE	0.00	0.00	0.00	5.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

Other Funds	
Salary increase	\$227,522
Health insurance increase	2,337
Total	\$229,859

³ The federal HOME program is transferred from the Department of Commerce, including 2 FTE positions, \$356,421 for salaries and wages, \$236,950 for operating expenses, \$50,000 for capital assets, and \$7,700,000 for grants.

⁴ The residential mortgage program is transferred from the Bank of North Dakota. Three FTE positions are added to manage the loans. Funding is increased by \$716,116, including \$471,233 for salaries and wages and \$244,883 for operating expenses.

⁵ Funding is increased to reclassify a position due to an increase in mortgage loan servicing.

⁶ Funding is increased for operating expenses as follows:

Other Funds	
Increases funding for operating expenses, primarily related to information technology costs	\$122,224
Adds ongoing funding for a statewide housing needs assessment	80,000
Adds one-time funding for a statewide housing needs assessment	35,000
Increases funding for Microsoft Office 365 licensing expenses	4,847
Total	\$207,071

⁷ Funding of \$173,880 is added for multifamily housing software, including \$73,880 for operating expenses and \$100,000 for capital assets.

⁸ Funding is increased for federal Housing and Urban Development grants.

⁹ One-time funding of \$15 million is appropriated from the general fund for a transfer to the housing incentive fund.

This amendment also includes the following changes related to the Housing Finance Agency:

- Adds a section to transfer \$15 million from the general fund to the housing incentive fund.
- Adds a section to amend the housing incentive fund to decrease the amount of funding designated for small communities from 15 to 10 percent and to designate 10 percent for projects to prevent homelessness.
- Adds a section to create two new subsections to Section 54-17-07.3 relating to a residential mortgage loan program and residential real estate loans.
- Adds a section to repeal authorization for the Housing Finance Agency to participate as a wholesale servicing mortgage lender.

Senate Bill No. 2014 - Mill and Elevator - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$46,447,824	\$4,112,385	\$50,560,209
Operating expenses	29,837,000	6,980,000	36,817,000
Contingencies	500,000		500,000
Agriculture promotion	210,000	290,000	500,000
Total all funds	\$76,994,824	\$11,382,385	\$88,377,209
Less estimated income	76,994,824	11,382,385	88,377,209
General fund	\$0	\$0	\$0
FTE	156.00	0.00	156.00

Department 475 - Mill and Elevator - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Benefit Increases ²	Increases Funding for Overtime ³	Increases Funding for Operating Expenses ⁴	Increases Funding for Agriculture Promotion ⁵	Total Senate Changes
Salaries and wages	\$2,360,168	\$7,457	\$1,744,760			\$4,112,385
Operating expenses				\$6,980,000		6,980,000
Contingencies						
Agriculture promotion					\$290,000	290,000
Total all funds	\$2,360,168	\$7,457	\$1,744,760	\$6,980,000	\$290,000	\$11,382,385
Less estimated income	2,360,168	7,457	1,744,760	6,980,000	290,000	11,382,385
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

¹ Funding is adjusted for base payroll changes, including salary increases.

² Funding is added for increases in health insurance premiums from \$1,427 to \$1,429 per month.

³ Funding is increased for overtime expenses.

⁴ Funding for operating expenses is increased as follows:

	Other Funds
Increases funding for operating expenses, primarily related to insurance and repairs	\$3,680,000
Increases funding for mill capacity increases, primarily related to utilities and supplies	3,300,000
Total	\$6,980,000

⁵ Funding is increased for agriculture promotion by \$290,000, from \$210,000 to \$500,000.

This amendment does not include any other changes for the Mill and Elevator Association.

REPORT OF STANDING COMMITTEE

SB 2015: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14

YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2015 was placed on the Sixth order on the calendar.

Page 1, line 2, after "rehabilitation" insert "; to provide for a report; and to provide an exemption"

Page 1, replace lines 10 through 17 with:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$236,657,747	\$20,353,739	\$257,011,486
Youth services	<u>31,753,268</u>	<u>(7,446,234)</u>	<u>24,307,034</u>
Total all funds	\$268,411,015	\$12,907,505	\$281,318,520
Less estimated income	<u>40,124,189</u>	<u>4,839,550</u>	<u>44,963,739</u>
Total general fund	\$228,286,826	\$8,067,955	\$236,354,781
FTE positions	899.79	8.00	907.79"

Page 1, line 18, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 1, line 19, after "biennium" insert "and the 2021-23 one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 11 with:

"Equipment	\$298,700	\$191,000
Kitchen equipment	0	115,000
Roughrider industries equipment	0	1,281,988
Roughrider industries storage warehouse	0	500,000
Elite servers replacement	40,000	0
Extraordinary repairs	1,332,250	0
Youth correctional center campus infrastructure study	75,000	0
Department of corrections and rehabilitation study	400,000	0
Scan and screen device	230,000	0
Redundant fence	160,000	0
Portable x-ray machine	22,000	0
Oracle software upgrade	165,000	0
Contracts and payments processing system	100,000	0
Inmate tracking system	160,000	0
Intake and legal movement system	<u>240,000</u>	<u>0</u>
Total all funds	\$3,222,950	\$2,087,988
Less estimated income	<u>1,831,700</u>	<u>1,781,988</u>
Total general fund	\$1,391,250	\$306,000

The 2021-23 biennium one-time funding amounts are not part of the entity's base budget for the 2023-25 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023."

Page 2, line 17, replace "common schools trust" with "youth correctional center permanent"

Page 2, after line 19, insert:

"SECTION 4. EXEMPTION - COMMUNITY BEHAVIORAL HEALTH PROGRAM. The amount of \$7,000,000 from the general fund appropriated for the community behavioral health program in section 1 of chapter 15 of the 2019 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used for the community behavioral health program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 5. EXEMPTION - DEFERRED MAINTENANCE AND EXTRAORDINARY REPAIRS. Notwithstanding any amount continued under section

4 of this Act, up to \$6,000,000 from the general fund appropriated to the department of corrections and rehabilitation in section 1 of chapter 15 of the 2019 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used for deferred maintenance and extraordinary repairs projects by the department of corrections and rehabilitation during the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2015 - Department of Corrections and Rehab. - Senate Action

	Base Budget	Senate Changes	Senate Version
Adult services	\$236,657,747	\$20,353,739	\$257,011,486
Youth services	31,753,268	(7,446,234)	24,307,034
Total all funds	\$268,411,015	\$12,907,505	\$281,318,520
Less estimated income	40,124,189	4,839,550	44,963,739
General fund	\$228,286,826	\$8,067,955	\$236,354,781
FTE	899.79	8.00	907.79

Department 530 - Department of Corrections and Rehab. - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Adjustments ²	Adds Funding to Expand Pretrial Services ³	Adds Funding to Expand Community Corrections ⁴	Adds Funding for Free Through Recovery Program ⁵	Removes Funding for DHS Contract ⁶
Adult services	\$10,442,216	\$3,092,980	\$882,352	\$1,778,461	\$1,000,000	(\$1,956,000)
Youth services	(7,343,406)	474,910				
Total all funds	\$3,098,810	\$3,567,890	\$882,352	\$1,778,461	\$1,000,000	(\$1,956,000)
Less estimated income	(3,828,670)	172,971	0	561,991	0	0
General fund	\$6,927,480	\$3,394,919	\$882,352	\$1,216,470	\$1,000,000	(\$1,956,000)
FTE	0.00	0.00	5.00	9.00	0.00	0.00

	Reduces Funding for DWCR Contract ⁷	Adjusts Funding for Other Changes ⁸	Increases Funding from Federal Funds ⁹	Increases Funding for Roughrider Industries ¹⁰	Adds One-Time Funding ¹¹	Total Senate Changes
Adult services	(\$605,311)	\$640,845	\$1,121,450	\$3,650,746	\$306,000	\$20,353,739
Youth services		(1,381,758)	804,020			(7,446,234)
Total all funds	(\$605,311)	(\$740,913)	\$1,925,470	\$3,650,746	\$306,000	\$12,907,505
Less estimated income	0	2,357,042	1,925,470	3,650,746	0	4,839,550
General fund	(\$605,311)	(\$3,097,955)	\$0	\$0	\$306,000	\$8,067,955
FTE	0.00	(6.00)	0.00	0.00	0.00	8.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$3,354,941	\$170,646	\$3,525,587
Health insurance increase	39,978	2,325	42,303
Total	\$3,394,919	\$172,971	\$3,567,890

³ Funding of \$882,352 from the general fund and 5 FTE parole and probation officer positions are added to expand pretrial services.

⁴ Funding of \$1,778,461, including \$1,216,470 from the general fund and \$561,991 from other funds, and 9 FTE positions, including parole and probation officers and case managers, are added to expand community corrections.

⁵ Funding of \$1 million from the general fund is added to provide total ongoing funding of \$8 million from the general fund for the free through recovery program.

⁶ Funding of \$1,956,000 from the general fund is removed to discontinue the contract with the Department of Human Services to provide behavioral health services for women sentenced to the Department of Corrections and Rehabilitation.

⁷ Funding is reduced by \$605,311 from the general fund for the contract with the Dakota Women's Correctional and Rehabilitation Center to provide a total of \$11.3 million for the contract.

⁸ Funding is reduced by \$740,913, including a reduction of \$3,097,955 from the general fund and an increase of \$2,357,042 from other funds, for miscellaneous expenses, including an increase for teacher salaries (\$204,332), a reduction for transitional facilities (\$1,179,504), and the transfer of 6 FTE positions to the Information Technology Department for information technology unification.

⁹ Funding is increased by \$1,925,470 from federal funds for juvenile services (\$804,020), parole and probation (\$999,638), and victims of crime grants (\$121,812).

¹⁰ Funding is increased by \$3,650,746 from other funds, of which \$1,868,758 is ongoing and \$1,781,988 is considered one-time funding for equipment (\$1,281,988) and a storage warehouse (\$500,000), for Roughrider Industries expenses.

¹¹ One-time funding of \$306,000 from the general fund is added for State Penitentiary kitchen equipment (\$85,000), James River Correctional Center kitchen equipment (\$30,000), and miscellaneous equipment (\$191,000).

Senate Bill No. 2015 - Other Changes - Senate Action

This amendment also:

- Provides carryover authority for any unexpended general fund appropriation authority relating to the \$7 million appropriated for the free through recovery program for the 2019-21 biennium.
- Provides carryover authority for up to \$6 million of unexpended general fund appropriation authority for the Department of Corrections and Rehabilitation, which the department may use for deferred maintenance and extraordinary repairs projects during the 2021-23 biennium.

REPORT OF STANDING COMMITTEE

SB 2018: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2018 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to provide an appropriation to the department of transportation; to create and enact a new section to chapter 4.1-01 of the North Dakota Century Code, relating to the transfer of the international business and trade office from the department of commerce to the agriculture commissioner; to amend and reenact section 54-60-29 of the North Dakota Century Code, relating to the unmanned aircraft systems program fund; to repeal section 54-60-16 of the North Dakota Century Code, relating to the international business and trade office; to provide a continuing appropriation;"

Page 1, line 2, after "transfer" insert "; to provide for a report; and to provide an exemption"

Page 1, replace lines 9 through 22 with:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$13,217,286	(\$353,133)	\$12,864,153
Operating expenses	14,873,203	9,444,557	24,317,760
Grants	52,638,527	28,543,803	81,182,330

Discretionary funds	2,150,000	(600,000)	1,550,000
North Dakota trade office	1,600,000	(1,600,000)	0
Partner programs	1,562,531	0	1,562,531
Entrepreneurship grants and vouchers	<u>948,467</u>	<u>0</u>	<u>948,467</u>
Total all funds	\$86,990,014	\$35,435,227	\$122,425,241
Less estimated income	<u>54,123,293</u>	<u>26,424,774</u>	<u>80,548,067</u>
Total general fund	\$32,866,721	\$9,010,453	\$41,877,174
Full-time equivalent positions	61.80	(3.00)	58.80"

Page 1, line 23, after "**FUNDING**" insert "**- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY**"

Page 1, line 24, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 14 with:

"Unmanned aircraft system	\$2,225,000	\$1,000,000
Beyond visual line of sight unmanned aircraft system	0	20,000,000
Enhanced use lease grant	3,000,000	7,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	1,000,000	0
Workforce safety grant	1,000,000	0
Entrepreneurship grants and vouchers	2,000,000	0
Sculpture maintenance grants	75,000	0
Nonresident nurse employment recruitment	500,000	0
Intermodal container transportation shipping fees	1,300,000	0
Job development and economic growth grant	25,000	0
Tourism marketing	0	7,000,000
Technical skills training grants	<u>0</u>	<u>1,000,000</u>
Total all funds	\$11,625,000	\$36,500,000
Less estimated income	<u>4,300,000</u>	<u>27,000,000</u>
Total general fund	\$7,325,000	\$9,500,000

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The department of commerce shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 3. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - ONE-TIME FUNDING. There is appropriated from special funds, derived from grant funds received from the department of commerce pursuant to section 11 of this Act, not otherwise appropriated, the sum of \$28,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight unmanned aircraft system program, for the biennium beginning July 1, 2021, and ending June 30, 2023. The department of transportation may bid, award, and administer any contracts necessary to complete the construction of the tower infrastructure. This funding is considered a one-time funding item."

Page 2, line 16, replace "\$855,000" with "\$755,000"

Page 2, remove lines 19 through 31

Page 3, remove lines 1 through 6

Page 3, after line 14, insert:

"SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING. The estimated income line item in section 1 of this Act includes the sum of \$26,000,000 from the strategic investment and improvements fund, of which \$19,000,000 is for beyond visual line of sight

unmanned aircraft system grants and \$7,000,000 is for enhanced use lease grants. This funding is considered a one-time funding item.

SECTION 7. BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - MATCHING FUND REQUIREMENT - ONE-TIME FUNDING.

The grants line item in section 1 of this Act includes \$1,000,000 from the general fund for grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight unmanned aircraft system industry, which the department of commerce may provide only to the extent the organization provides one dollar of matching funds from private or other public sources for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 8. A new section to chapter 4.1-01 of the North Dakota Century Code is created and enacted as follows:

International business and trade office - Advisory board - Continuing appropriation.

1. The commissioner shall administer the international business and trade office. The purpose of the office is to assist North Dakota businesses to expand exports to international markets by:
 - a. Advocating for exporters;
 - b. Offering export educational opportunities to North Dakota businesses;
 - c. Researching and raising awareness of export opportunities, issues, and challenges impacting North Dakota businesses;
 - d. Assisting North Dakota businesses in identifying, developing, and cultivating international markets for products; and
 - e. Organizing and carrying out trade missions that seek to facilitate contact and communication between North Dakota businesses and international markets.
2. The commissioner may designate a nonprofit corporation incorporated in this state which has the primary purpose of assisting North Dakota exporters or contract with a third party for the provision of services for the international business and trade office. If the commissioner designates a nonprofit corporation or contracts with a third party under this subsection, all data and databases collected and created by the third party in performing services for the office are the property of the department and the third party.
3. The commissioner may seek and accept any gift, grant, or donation of funds, property, services, or other assistance from public or private sources for the purpose of furthering the objectives of the international business and trade office. Any funds accepted under this subsection are appropriated to the commissioner on a continuing basis.
4. The commissioner may establish an international business and trade office advisory board with whom the commissioner may consult in administering the international business and trade office. Each member of the advisory board is entitled to receive per diem compensation at a rate established by the director not exceeding sixty-two dollars and fifty cents and reimbursement of expenses as provided by law for state officers, while attending meetings or performing duties directly related to board membership, except that per diem compensation under this section may not be paid to any member who receives compensation or salary as a regular state employee or official.

SECTION 9. AMENDMENT. Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

54-60-29. Unmanned aircraft systems program fund - Continuing appropriation.

1. There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which ~~must~~may be used to defray the expenses of the ~~operations~~;
 - a. Operations of an unmanned aircraft systems test site officially designated by the federal aviation administration;
 - b. Beyond visual line of sight unmanned aircraft system program; and
 - c. Enhanced use lease grant program.
2. The fund consists of fees collected for the administration of the test site ~~and other funds appropriated by the legislative assembly~~. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the ~~unmanned aircraft systems program~~programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

SECTION 10. REPEAL. Section 54-60-16 of the North Dakota Century Code is repealed.

SECTION 11. EXEMPTION - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of \$28,000,000 appropriated from the general fund in the grants line item for the beyond visual line of sight unmanned aircraft system program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023. The department of commerce may provide grants of up to \$28,000,000, to the department of transportation, for the purpose of defraying tower infrastructure construction expenses of the beyond visual line of sight unmanned aircraft system program during the 2021-23 biennium.

SECTION 12. EXEMPTION - UNMANNED AIRCRAFT SYSTEM PROGRAM. The amount of \$2,250,000 appropriated from the general fund in the operating expenses line item for the unmanned aircraft system program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 13. EXEMPTION - ENHANCED USE LEASE GRANT PROGRAM. The amount of \$3,000,000 appropriated from the general fund in the grants line item for the enhanced use lease grant program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 14. EXEMPTION - EARLY CHILDHOOD EDUCATION PROGRAM. The amount of \$1,500,000 appropriated from the general fund in the operating expenses line item and grants line item for the early childhood education program in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 15. EXEMPTION - NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ELIGIBILITY. Of the \$500,000 appropriated from the general fund in the grants line item for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws, \$320,000 is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023. In addition to the program eligibility guidelines established for the 2019-21 biennium, the department

of commerce shall provide funding authorized in this section to eligible nursing students in the state who have not been employed by a health care provider on a full-time basis in the year preceding the grant award.

SECTION 16. EXEMPTION - DISCRETIONARY FUNDS. The amount of \$2,150,000 appropriated from the general fund in the discretionary funds line item in section 27 of chapter 40 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2021, and ending June 30, 2023."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of Senate Action

	Base Budget	Senate Changes	Senate Version
Department of Commerce			
Total all funds	\$86,990,014	\$35,435,227	\$122,425,241
Less estimated income	54,123,293	26,424,774	80,548,067
General fund	\$32,866,721	\$9,010,453	\$41,877,174
FTE	61.80	(3.00)	58.80
Department of Transportation			
Total all funds	\$0	\$28,000,000	\$28,000,000
Less estimated income	0	28,000,000	28,000,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00
Bill total			
Total all funds	\$86,990,014	\$63,435,227	\$150,425,241
Less estimated income	54,123,293	54,424,774	108,548,067
General fund	\$32,866,721	\$9,010,453	\$41,877,174
FTE	61.80	(3.00)	58.80

Senate Bill No. 2018 - Department of Commerce - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$13,217,286	(\$353,133)	\$12,864,153
Operating expenses	14,873,203	9,444,557	24,317,760
Grants	52,638,527	28,543,803	81,182,330
Discretionary funds	2,150,000	(600,000)	1,550,000
North Dakota Trade Office	1,600,000	(1,600,000)	
Entrepreneurship grants and vouchers	948,467		948,467
Partner programs	1,562,531		1,562,531
Total all funds	\$86,990,014	\$35,435,227	\$122,425,241
Less estimated income	54,123,293	26,424,774	80,548,067
General fund	\$32,866,721	\$9,010,453	\$41,877,174
FTE	61.80	(3.00)	58.80

Department 601 - Department of Commerce - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Underfunds Salaries ³	Transfers Position to ITD for IT Unification ⁴	Transfers the HOME Program to HFA ⁵	Adjusts Base Level Funding ⁶
Salaries and wages	(\$32,430)	\$325,510	(\$140,000)	(\$149,792)	(\$356,421)	
Operating expenses				153,317	(286,950)	(\$321,810)
Grants					(7,700,000)	(353,716)
Discretionary funds						
North Dakota Trade Office						
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	(\$32,430)	\$325,510	(\$140,000)	\$3,525	(\$8,343,371)	(\$675,526)
Less estimated income	16,577	57,043	0	0	(8,343,371)	327,218
General fund	(\$49,007)	\$268,467	(\$140,000)	\$3,525	\$0	(\$1,002,744)
FTE	0.00	0.00	0.00	(1.00)	(2.00)	0.00

	Reduces Funding for Operation Intern ²	Adds Funding for the UAS Program ³	Adjusts Funding for Grants ³	Adds Funding for Apprenticeship Expansion Program ¹⁰	Reduces Funding for Discretionary Funds ¹¹	Transfers the North Dakota Trade Office ¹²
Salaries and wages						
Operating expenses	(\$100,000)	\$3,000,000				
Grants		7,020,150	(\$269,788)	\$347,157		
Discretionary funds					(\$600,000)	
North Dakota Trade Office						(\$1,600,000)
Entrepreneurship grants and vouchers						
Partner programs						
Total all funds	(\$100,000)	\$10,020,150	(\$269,788)	\$347,157	(\$600,000)	(\$1,600,000)
Less estimated income	0	7,020,150	0	347,157	0	0
General fund	(\$100,000)	\$3,000,000	(\$269,788)	\$0	(\$600,000)	(\$1,600,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds One-Time Funding for Tourism Marketing ¹³	Adds One-Time Funding for UAS Programs ¹⁴	Adds One-Time Funding for Technical Skills Grants ¹⁵	Adds One-Time Funding for Tribal Grants ¹⁶	Total Senate Changes
Salaries and wages					(\$353,133)
Operating expenses	\$7,000,000				9,444,557
Grants		\$28,000,000	\$1,000,000	\$500,000	28,543,803
Discretionary funds					(600,000)
North Dakota Trade Office					(1,600,000)
Entrepreneurship grants and vouchers					
Partner programs					
Total all funds	\$7,000,000	\$28,000,000	\$1,000,000	\$500,000	\$35,435,227
Less estimated income	0	27,000,000	0	0	26,424,774
General fund	\$7,000,000	\$1,000,000	\$1,000,000	\$500,000	\$9,010,453
FTE	0.00	0.00	0.00	0.00	(3.00)

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$266,126	\$56,512	\$322,638
Health insurance increase	2,341	531	2,872
Total	\$268,467	\$57,043	\$325,510

³ Funding for salaries is reduced from the general fund by \$140,000, for anticipated savings from vacant positions and employee turnover.

⁴ One FTE information technology position and related funding is transferred to the Information Technology Department for the information technology unification initiative, including a decrease of \$149,792 of salaries and wages and an increase of \$153,317 of operating expenses.

⁵ Funding of \$8,343,371 for the HOME program, including 2 FTE positions, is transferred to the Housing Finance Agency, of which \$7,643,371 is from federal funds and \$700,000 is from the intergovernmental assistance fund, also known as the community development loan fund.

⁶ Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Adds funding for Microsoft Office 365 license expenses	\$5,486	\$1,013	\$6,499
Adjusts funding for the Community Services Division	(216,576)	329,488	112,912
Reduces funding for the Workforce Development Division	(199,664)	0	(199,664)
Reduces funding for the Economic Development and Finance Division	(195,000)	0	(195,000)
Reduces funding for the administration division	(396,990)	(3,283)	(400,273)
Transfers funding of \$505,000 for contractual fees from the grants line item to the operating expenses line item	0	0	0
Transfers \$151,284 for the early childhood education program from the operating expenses line item to the grants line item to provide a total of \$1.5 million from the general fund, the same as provided for the 2019-21 biennium	0	0	0
Total	(\$1,002,744)	\$327,218	(\$675,526)

⁷ Funding for the Operation Intern program is reduced by \$100,000 from the general fund to provide a total of \$755,000 from the general fund. A separate section is added to provide for a transfer of \$755,000 from the general fund to the internship fund.

⁸ Funding of \$10,020,150 is added for the unmanned aircraft systems (UAS) program, of which \$3,000,000 is from the general fund, \$7,000,000 is from federal funds, and \$20,150 is from the UAS fund. Of the total, \$3,000,000 is for operating expenses of the Northern Plains UAS Test Site and \$7,020,150 is for grants. Total ongoing funding provided for the UAS program is \$12,020,150, including \$2,000,000 in the agency's base budget for grants, of which \$1,000,000 is from federal funds and \$1,000,000 is from the UAS fund.

⁹ Funding of \$269,788 from the general fund is reduced for grants, including the removal of \$300,000 for biotechnology grants to provide a total of \$0, a reduction of \$169,788 for homeless shelter grants to provide a total of \$1,330,212 from the general fund, and the addition of \$200,000 for rural health care grants to provide a total of \$200,000 from the general fund.

¹⁰ Funding of \$347,157 is added from federal funds for a state apprenticeship expansion program. The funding will be transferred to the North Dakota State College of Science for the administration of the program. In August 2020, the Emergency Commission and Budget Section approved a request to accept and spend \$694,317 of federal funds for this program for the remainder of the 2019-21 biennium.

¹¹ Funding of \$600,000 from the general fund for discretionary funds is reduced to provide a total of \$1,550,000 from the general fund.

¹² Funding of \$1.6 million from the general fund is transferred from the Department of Commerce to the Agriculture Commissioner for providing funding to the North Dakota Trade Office.

¹³ One-time funding of \$7 million is added from the general fund for tourism marketing and branding initiatives.

¹⁴ One-time funding of \$28 million is added for grants related to the following UAS programs, of which \$1 million is from the general fund, \$26 million is from the strategic investment and improvements fund, and \$1 million is from the UAS fund:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
UAS program	\$0	\$1,000,000	\$1,000,000
Beyond visual line of sight UAS program	1,000,000	19,000,000	20,000,000
Enhanced use lease grant program	0	7,000,000	7,000,000
Total	\$1,000,000	\$27,000,000	\$28,000,000

¹⁵ One-time funding of \$1 million is added from the general fund for a technical skills training grant program. In June 2020, the Emergency Commission and Budget Section approved an allocation of \$1 million from the state's allocation from the federal Coronavirus Relief Fund for this program for the 2019-21 biennium.

¹⁶ One-time funding of \$500,000 is added from the general fund for workforce grants to tribally controlled community colleges, the same as provided for the 2019-21 biennium.

This amendment also:

- Amends a section relating to the amount of funding transferred from the general fund to the internship fund for the Operation Intern program.

- Removes a section related to biotechnology grants.
- Removes a section designating \$200,000 for rural area health grants from the discretionary grants line item. This funding is appropriated in the grants line item in Section 1 of the bill.
- Removes a section related to the North Dakota Trade Office.
- Adds a section to identify \$26 million in Section 1 from the strategic investment and improvements fund, of which \$19 million is for providing beyond visual line of sight UAS grants and \$7 million is for providing enhanced use lease grants during the 2021-23 biennium. This funding is considered a one-time funding item.
- Adds a section to identify \$1 million from the general fund in Section 1 for providing grants to an organization dedicated to expanding workforce opportunities, training, and education related to the beyond visual line of sight UAS industry, which the Department of Commerce may provide only to the extent the organization provides \$1 of matching funds from private or other public sources for each \$1 provided by the department during the 2021-23 biennium. This funding is considered a one-time funding item.
- Adds a section to create a new section to North Dakota Century Code Chapter 4.1-01 to transfer the international business and trade office, also known as the North Dakota Trade Office, from the Department of Commerce to the Agriculture Commissioner.
- Adds a section to amend Section 54-60-29 to expand the continuing appropriation provided to the Department of Commerce from the UAS fund for expenses of the UAS program to also include expenses of the beyond visual line of sight UAS program and the enhanced use lease grant program.
- Adds a section to repeal Section 54-60-16 related to the North Dakota Trade Office, as part of the transfer of the program from the Department of Commerce to the Agriculture Commissioner.
- Adds a section to provide an exemption for the \$28 million 2017-19 biennium supplemental appropriation for the beyond visual line of sight UAS program that was continued into the 2019-21 biennium to continue into the 2021-23 biennium. The Department of Commerce may provide grants of up to \$28 million from this funding to the Department of Transportation for tower infrastructure construction of the beyond visual line of sight UAS program during the 2021-23 biennium.
- Adds a section to provide an exemption for the \$2.25 million appropriated from the general fund for UAS program operating expenses during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption for the \$3 million appropriated from the general fund for the enhanced use lease grant program during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption for the \$1.5 million appropriated from the general fund for the early childhood education program during the 2019-21 biennium to continue into the 2021-23 biennium.
- Adds a section to provide an exemption of \$320,000 for the nonresident nurse employment recruitment program and to expand program eligibility to include nursing students in the state who have not been employed by a health care provider on a full-time basis in the year preceding the grant award.
- Adds a section to provide an exemption for the \$2.15 million appropriated from the general fund in the discretionary grants line item during the 2019-21 biennium to continue into the 2021-23 biennium.

Senate Bill No. 2018 - Department of Transportation - Senate Action

	Base Budget	Senate Changes	Senate Version
Grants		\$28,000,000	\$28,000,000
Total all funds	\$0	\$28,000,000	\$28,000,000
Less estimated income	0	28,000,000	28,000,000
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

Department 801 - Department of Transportation - Detail of Senate Changes

	Adds One-Time Funding for UAS ¹	Total Senate Changes
Grants	\$28,000,000	\$28,000,000
Total all funds	\$28,000,000	\$28,000,000
Less estimated income	28,000,000	28,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ A section is added providing one-time funding of \$28 million to the Department of Transportation from grant funds received from the Department of Commerce pursuant to Section 11 of the bill for tower infrastructure construction expenses of the beyond visual line of sight UAS program during the 2021-23 biennium.

REPORT OF STANDING COMMITTEE

SB 2021: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2021 was placed on the Sixth order on the calendar.

Page 1, line 2, replace "and" with "to provide a transfer; to provide for a report;"

Page 1, line 2, after "exemption" insert "; and to provide for a statement of legislative intent"

Page 1, replace lines 10 through 24 with:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$81,374,501	\$22,303,093	\$103,677,594
Operating expenses	89,957,364	31,290,748	121,248,112
Capital assets	4,253,117	(809,208)	3,443,909
Statewide longitudinal data system	4,387,145	106,287	4,493,432
Edutech	9,645,773	55,493	9,701,266
K-12 wide area network	5,167,970	(485,481)	4,682,489
Geographic information system	1,052,629	50,425	1,103,054
Health information technology office	4,879,146	9,850,377	14,729,523
Statewide interoperable radio network	12,330,000	1,864,902	14,194,902
Total all funds	\$213,047,645	\$64,226,636	\$277,274,281
Less estimated income	195,882,334	46,980,361	242,862,695
Total general fund	\$17,165,311	\$17,246,275	\$34,411,586
Full-time equivalent positions	402.00	86.00	488.00"

Page 2, line 1, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO SIXTY-EIGHTH LEGISLATIVE ASSEMBLY"

Page 2, line 2, after "biennium" insert "and the one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 4 through 9 with:

"Cybersecurity	\$15,400,000	\$0
Statewide land parcel project	1,150,000	0
Statewide interoperable radio network	120,000,000	0
Health information technology office	0	6,000,000
Total all funds	\$136,550,000	\$6,000,000
Less estimated income	125,150,000	6,000,000
Total general fund	\$11,400,000	\$0

The 2021-23 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The information technology department shall report to the appropriations committees of the sixty-eighth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 3. ESTIMATED INCOME - TRANSFER - HEALTH INFORMATION TECHNOLOGY PLANNING LOAN FUND TO INFORMATION TECHNOLOGY DEPARTMENT OPERATING SERVICE FUND - LEGISLATIVE INTENT - ONE-TIME FUNDING. Notwithstanding section 6-09-43, the estimated income line item in section 1 of this Act includes the sum of \$6,000,000, or so much of the sum as may be necessary, which the Bank of North Dakota shall transfer, as requested by the chief information officer, from the health information technology planning loan fund to the information technology department operating service fund for the purpose of defraying the expenses of the health information technology office and the health information network during the biennium beginning July 1, 2021, and ending June 30, 2023. It is the intent of the sixty-seventh legislative assembly that funding be transferred only to the extent federal funding is not available to defray the expenses of the health information technology office and the health information network during the 2021-23 biennium. This funding is considered a one-time funding item."

Page 2, after line 15, insert:

"SECTION 5. EXEMPTION - STATEWIDE INTEROPERABLE RADIO NETWORK. The \$20,000,000 appropriated from the strategic investment and improvements fund for the statewide interoperable radio network in section 8 of chapter 293 of the 2019 Session Laws is not subject to section 54-44.1-11 and is available for the statewide interoperable radio network project during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 6. LEGISLATIVE INTENT - 2019-21 BIENNIUM LEGACY FUND EARNINGS - CYBERSECURITY. It is the intent of the sixty-seventh legislative assembly that the \$16,547,033 appropriated from the general fund for cybersecurity initiatives in section 1 of this Act be derived from 2019-21 biennium legacy fund earnings, of which \$4,824,465 is in the salaries and wages line item, \$11,591,534 is in the operating expenses line item, and \$131,034 is in the capital assets line item."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2021 - Information Technology Department - Senate Action

	Base Budget	Senate Changes	Senate Version
Salaries and wages	\$81,374,501	\$22,303,093	\$103,677,594
Operating expenses	89,957,364	31,290,748	121,248,112
Capital assets	4,253,117	(809,208)	3,443,909
Statewide longitudinal data system	4,387,145	106,287	4,493,432
EduTech	9,645,773	55,493	9,701,266
K-12 wide area network	5,167,970	(485,481)	4,682,489
Geographic information system	1,052,629	50,425	1,103,054
Health information technology office	4,879,146	9,850,377	14,729,523
Statewide interoperable radio network	12,330,000	1,864,902	14,194,902
Total all funds	\$213,047,645	\$64,226,636	\$277,274,281
Less estimated income	195,882,334	46,980,361	242,862,695
General fund	\$17,165,311	\$17,246,275	\$34,411,586
FTE	402.00	86.00	488.00

Department 112 - Information Technology Department - Detail of Senate Changes

	Adjusts Funding for Base Payroll Changes ¹	Adds Funding for Salary and Benefit Increases ²	Underfunds Salaries ³	Adds Funding for IT Unification ⁴	Adds Funding for Cybersecurity Initiatives ³	Adjusts Base Level Funding ⁸
Salaries and wages	\$917,912	\$2,663,842	(\$250,000)	\$14,146,874	\$4,824,465	\$2,614,650
Operating expenses				18,075,243	11,591,534	(940,242)
Capital assets					131,034	(456,277)
Statewide longitudinal data system	17,562	45,002				(777,623)
EduTech	188,046	145,070				(423,661)
K-12 wide area network	(84,137)	22,317				49,014
Geographic information system	3,224	7,508				(2,675,000)
Health information technology office	79,008	25,378				(68,624)
Statewide interoperable radio network	68,625	6,661				
Total all funds	\$1,190,240	\$2,915,778	(\$250,000)	\$32,222,117	\$16,547,033	(\$2,677,763)
Less estimated income	1,307,858	2,508,245	(250,000)	32,222,117	0	(1,228,850)
General fund	(\$117,618)	\$407,533	\$0	\$0	\$16,547,033	(\$1,448,913)
FTE	0.00	0.00	0.00	67.00	19.00	0.00

	Transfers Federal Funding Between Line Items ⁷	Adds Funding for the Health IT Office ⁸	Transfers State Radio Towers ⁹	Adds One-Time Funding for the Health IT Office ¹⁰	Total Senate Changes
Salaries and wages					\$22,303,093
Operating expenses	(\$990,679)				31,290,748
Capital assets					(809,208)
Statewide longitudinal data system	500,000				106,287
EduTech	500,000				55,493
K-12 wide area network					(485,481)
Geographic information system	(9,321)				50,425
Health information technology office		\$6,420,991		\$6,000,000	9,850,377
Statewide interoperable radio network			\$1,858,240		1,864,902
Total all funds	\$0	\$6,420,991	\$1,858,240	\$6,000,000	\$64,226,636
Less estimated income	0	6,420,991	0	6,000,000	46,980,361
General fund	\$0	\$0	\$1,858,240	\$0	\$17,246,275
FTE	0.00	0.00	0.00	0.00	86.00

¹ Funding is adjusted for base payroll changes.

² The following funding is added for 2021-23 biennium salary adjustments of 2 percent on July 1, 2021, with a minimum monthly increase of \$80 and a maximum monthly increase of \$300 and 2 percent on July 1, 2022, and increases in health insurance premiums from \$1,427 to \$1,429 per month:

	General Fund	Other Funds	Total
Salary increase	\$404,817	\$2,489,479	\$2,894,296
Health insurance increase	2,716	18,766	21,482
Total	\$407,533	\$2,508,245	\$2,915,778

³ Salaries and wages from the Information Technology Department operating service fund are reduced by \$250,000 for anticipated savings from vacant positions and employee turnover.

⁴ Funding of \$32,222,117 from the Information Technology Department operating service fund is added and 67 FTE information technology positions are transferred from 11 agencies to the Information Technology Department for the information technology unification initiative, of which \$14,146,874 is for salaries and \$18,075,243 is for operating expenses. The FTE positions are transferred from the following agencies:

<u>Agency</u>	<u>FTE Transferred</u>
110 - Office of Management and Budget	4
190 - Retirement and Investment Office	2
301 - State Department of Health	4
303 - Department of Environmental Quality	1
380 - Job Service North Dakota	16
471 - Bank of North Dakota	16
485 - Workforce Safety and Insurance	12
504 - Highway Patrol	2
530 - Department of Corrections and Rehabilitation	6
601 - Department of Commerce	1
720 - Game and Fish Department	3
Total	67

⁵ Funding of \$16,547,033 is added from the general fund for cybersecurity initiatives, of which \$4,824,465 is for salaries and wages associated with 19 FTE information technology positions, \$11,591,534 is for operating expenses, and \$131,034 is for capital assets. A section is added to provide legislative intent that this funding is derived from 2019-21 biennium legacy fund earnings.

⁶ Base level funding is adjusted as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Reduces funding for mainframe technology	\$0	(\$825,000)	(\$825,000)
Adds funding for cloud-based systems	0	825,000	825,000
Reduces funding for hardware hosting	0	(3,075,000)	(3,075,000)
Adds funding for platform-as-a-service expenses	0	3,075,000	3,075,000
Adjusts funding for other operating expenses	(193,580)	133,230	(60,350)
Reduces funding for capital assets	0	(940,242)	(940,242)
Reduces funding for statewide longitudinal data system operating expenses	(456,277)	0	(456,277)
Reduces funding for EduTech operating expenses	(424,409)	(353,214)	(777,623)
Reduces funding for K-12 wide area network operating expenses	(223,661)	0	(223,661)
Reduces funding for K-12 wide area network equipment	(200,000)	0	(200,000)
Reduces funding for geographic information system (GIS) operating expenses	(100,986)	0	(100,986)
Adds funding for GIS land parcels project maintenance	150,000	0	150,000
Reduces funding for the statewide interoperable radio network	0	(68,624)	(68,624)
Total	(\$1,448,913)	(\$1,228,850)	(\$2,677,763)

⁷ Federal funding is transferred between line items.

⁸ Funding of \$6,420,991 is added for the Health Information Technology Office and health information network, of which \$5,500,000 is from federal funds and \$920,991 is from the health information exchange fund. Total federal funding provided for this purpose is \$6,000,000, of which \$500,000 is included in the department's base budget.

⁹ Funding of \$1,858,240 from the general fund is transferred from the Department of Emergency Services Division of State Radio for tower maintenance operating expenses related to the statewide interoperable radio network.

¹⁰ One-time funding of \$6 million is added from a transfer from the health information planning loan fund to the Information Technology Department operating service fund for the Health Information Technology Office and health information network. A section is added to the bill section to provide legislative intent that the funding may only be spent to the extent federal funding does not become available to defray the expenses of the Health Information Technology Office and health information network during the 2021-23 biennium.

This amendment also:

- Adds a section to provide an exemption to allow the department to continue \$20 million appropriated from the strategic investment and improvements fund for the statewide interoperable radio network during the 2019-21 biennium into the 2021-23 biennium.

REPORT OF STANDING COMMITTEE

SB 2127: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2127 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2139: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7

YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2139 was placed on the Sixth order on the calendar.

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

Page 1, line 2, remove "subsection 4 of section"

Page 1, line 2, replace "sections" with "40-63-05,"

Page 1, line 17, after "potential" insert "renaissance"

Page 1, line 17, after "projects" insert "or neighborhood zone projects"

Page 2, line 20, after "approved" insert "renaissance"

Page 2, line 20, after "project" insert "or neighborhood zone project"

Page 2, line 26, after "6." insert "Neighborhood zone project" means the purchase, rehabilitation, or reconstruction of a detached, single-family, residential structure or a structure that contains no more than four separate dwelling units in a neighborhood zone approved for zone incentives by a majority vote of the city governing body or local zone authority.

7."

Page 2, line 29, overstrike "7." and insert immediately thereafter "8."

Page 3, line 2, after "for" insert "detached."

Page 3, line 2, after "homes" insert "or structures consisting of no more than four separate dwelling units"

Page 3, line 3, overstrike "8." and insert immediately thereafter "9. 'Renaissance zone project' means the purchase, lease, rehabilitation, or historical preservation or renovation of a building or space in a building approved for zone incentives by a majority vote of the city governing body or a zone authority.

10."

Page 3, line 6, overstrike "9." and insert immediately thereafter "11."

Page 3, overstrike line 8

Page 3, line 9, overstrike "renovation of a"

Page 3, line 9, remove "single-family home."

Page 3, line 9, overstrike the first "building"

Page 3, line 9, remove the second underscored comma

Page 3, line 9, overstrike "or space in a building approved for zone"

Page 3, overstrike line 10

Page 4, line 4, after the period insert "For purposes of a neighborhood zone, seventy-five percent or more of the structures on a block must have been constructed before 1959 and the majority of the structures on the block must be used for residential purposes for the block to qualify for inclusion in a neighborhood zone."

Page 4, line 17, remove "for a renaissance zone or ten years for a"

Page 4, line 18, remove "neighborhood zone"

Page 6, line 17, remove the overstrike over "the"

Page 6, line 17, remove "a renaissance zone"

Page 6, line 19, after "renaissance" insert "or neighborhood"

Page 6, line 19, remove "If a neighborhood zone expansion is"

Page 6, remove lines 20 and 21

Page 7, replace lines 12 through 22 with:

"SECTION 4. AMENDMENT. Section 40-63-04 of the North Dakota Century Code is amended and reenacted as follows:

40-63-04. Income tax exemptions.

1. An individual taxpayer who purchases ~~or~~, rehabilitates, or reconstructs a detached, single-family, residential property for the individual's primary place of residence as a renaissance zone project or neighborhood zone project is exempt from up to ten thousand dollars of personal income tax liability as determined under section 57-38-30.3 for five taxable years beginning with the date of occupancy or completion of rehabilitation.
2. A taxpayer that purchases, leases, rehabilitates, reconstructs, or makes leasehold improvements to residential, public utility infrastructure, or commercial property for any business or investment purpose as a renaissance zone project or neighborhood zone project is exempt from tax on income derived from the business or investment locations within the zone for five taxable years, beginning with the date of purchase, lease, reconstruction, or completion of rehabilitation.
 - a. The maximum amount of income that a taxpayer may exempt from tax under this subsection for any taxable year is five hundred thousand dollars. The limitation in this subdivision applies to the sum of the exempt income derived from the taxpayer's business and investment interests in all renaissance zone projects and neighborhood zone projects.
 - b. If a renaissance zone project or neighborhood zone project consists of a physical expansion of an existing building owned and used by the taxpayer for business or investment purposes, the amount of income exempt from tax under this subsection is limited to an amount equal to the income derived from the business, or from the investment use of the building, during the taxable year multiplied by a ratio equal to the square footage added by the expansion divided by the total square footage of the building after expansion.
3. If the cost of a new business purchase, leasehold improvement, or expansion of an existing business, approved as a renaissance zone project, exceeds seventy-five thousand dollars, and the business is located in a city with a population of not more than two thousand five hundred, an individual taxpayer may, in lieu of the exemption provided in subsection 2, elect to take an income tax exemption of up to two thousand dollars of individual income tax liability as determined under section 57-38-30.3. The election must be made on the taxpayer's return as originally and timely filed. The election is irrevocable and binding for the duration of the exemptions provided in subsection 2 or this subsection. If an election is not made on the original return, the taxpayer is only eligible for the exemption provided in subsection 2.
4. If a property owner not participating in a renaissance zone project or neighborhood zone project is required to make changes in utility services or in a building structure because of changes made to property that is part of a renaissance zone project or neighborhood zone project, the owner of the nonparticipating property is entitled to state income tax credits equal to the total amount of the investment necessary to complete

the required changes. The credit must be approved by the local renaissance or neighborhood zone authority. The credit must be claimed in the taxable year in which the related project was completed. The credit may not exceed the taxpayer's tax liability, and an unused credit may be carried forward up to five taxable years.

5. The exemptions provided by this section do not eliminate any duty to file a return or to report income as required under chapter 57-38.

SECTION 5. AMENDMENT. Section 40-63-05 of the North Dakota Century Code is amended and reenacted as follows:

40-63-05. Property tax exemptions.

1. A municipality may grant a partial or complete exemption from ad valorem taxation on detached, single-family, residential property, exclusive of the land on which it is situated, if the property was purchased ~~or~~, rehabilitated, or reconstructed by an individual for the individual's primary place of residence as a renaissance zone project or a neighborhood zone project. An exemption granted under this subsection may not extend beyond five taxable years following the date of acquisition, reconstruction, or completion of rehabilitation.
2. A municipality may grant a partial or complete exemption from ad valorem taxation on buildings, structures, fixtures, and improvements purchased, reconstructed, or rehabilitated as a renaissance zone project or a neighborhood zone project for any business or investment purpose. The state board of equalization may grant a partial or complete exemption from ad valorem taxation on public utility infrastructure rehabilitated as a renaissance zone project. An exemption under this subsection may not extend beyond five taxable years following the date of purchase or completion of rehabilitation.
3. To qualify for the exemption under this section, the property purchased, reconstructed, or rehabilitated as a neighborhood zone project initially must have been built before 1959.

Page 8, line 11, after "finance" insert "renaissance"

Page 8, line 11, after the first "projects" insert "or neighborhood zone projects"

Page 8, line 19, after "a" insert "renaissance"

Page 8, line 19, after "project" insert "or a neighborhood zone project"

Page 10, line 25, replace "single-family" with "residential"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2171: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2171 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2183, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2183 was placed on the Sixth order on the calendar.

Page 2, line 15, after "for" insert "up to"

Page 2, line 15, after "of" insert "a"

Page 2, line 15, replace "drugs" with "drug"

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2219: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2219 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SB 2313, as amended: Energy and Natural Resources Committee (Sen. Kreun, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SB 2313, as amended, was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 17-05-05 and 17-05-13 of the North Dakota Century Code, relating to the powers of the transmission authority and the transmission authority's reporting requirements; and to repeal chapter 17-01 of the North Dakota Century Code, relating to the 25x25 initiative.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 17-05-05 of the North Dakota Century Code is amended and reenacted as follows:

17-05-05. Powers.

The authority has all powers necessary to carry out the purposes of this chapter, including the power to:

1. Make grants or loans and to provide other forms of financial assistance as necessary or appropriate for the purposes of this chapter;
2. Make and execute contracts and all other instruments necessary or convenient for the performance of its powers and functions under this chapter;
3. Borrow money and issue evidences of indebtedness as provided in this chapter;
4. Receive and accept aid, grants, or contributions of money or other things of value from any source, including aid, grants, or contributions from any department, agency, or instrumentality of the United States, subject to the conditions upon which the aid, grants, or contributions are made and consistent with the provisions of this chapter;
5. Issue and sell evidences of indebtedness in an amount or amounts as the authority may determine, but not to exceed eight hundred million dollars, plus costs of issuance, credit enhancement, and any reserve funds required by agreements with or for the benefit of holders of the evidences of indebtedness for the purposes for which the authority is created under this chapter, provided that the amount of any refinancing shall not be counted toward such eight hundred million dollar limitation to the extent it does not exceed the outstanding amount of the obligations being refinanced;
6. Refund and refinance its evidences of indebtedness;
7. Make and execute interest rate exchange contracts;
8. Enter lease-sale contracts;
9. Pledge any and all revenues derived by the authority under this chapter or from a transmission facility, service, or activity funded under this chapter to secure payment or redemption of the evidences of indebtedness;

10. To the extent and for the period of time necessary for the accomplishment of the purposes for which the authority was created, plan, finance, develop, acquire, own in whole or in part, lease, rent, and dispose of transmission facilities;
11. Enter contracts to construct, maintain, and operate transmission facilities;
12. Consult with the public service commission, regional organizations, and any other relevant state or federal authority or persons as necessary and establish reasonable fees, rates, tariffs, or other charges for transmission facilities and all services rendered by the authority;
13. Lease, rent, and dispose of transmission facilities owned pursuant to this chapter;
14. Investigate, plan, prioritize, and propose corridors of the transmission of electricity;
15. Participate in and join regional transmission organizations; ~~and~~
16. Participate in studies of transmission options for the purpose of identifying opportunities for private transmission investment or private public investment options in transmission which will increase opportunity for export from the state consistent with maintaining a stable grid for the load serving entities in North Dakota; and
17. Do any and all things necessary or expedient for the purposes of the authority provided in this chapter.

SECTION 2. AMENDMENT. Section 17-05-13 of the North Dakota Century Code is amended and reenacted as follows:

17-05-13. Reporting requirements.

1. The authority shall deliver a written report on its activities to the legislative council each biennium. Notwithstanding chapter 54-60.1, the authority shall provide an annual report to the industrial commission detailing activities and expenditures incurred during the preceding year.
2. The authority shall deliver a written report on the status of the resilience of the electric grid to the legislative council and the industrial commission by September 1, 2022, and annually thereafter. The report must be forwarded by the industrial commission to the regional transmission operators in the state.
 - a. The information for the report should be collected from publicly available information to the extent possible. If public information is unavailable, the authority shall request a generation facility and a transmission owner to provide the information needed to complete the report.
 - b. The report may be a short-term and long-term projection of the following:
 - (1) The adequacy of the state's electric grid to meet the demands of load within the state and to continue to export electricity from the state;
 - (2) The resilience of the state's electric grid, including local resilience; and
 - (3) The plans of generation owners, developers, or operators to add or remove generation assets connected to an independent system or regional transmission operator in excess of an aggregate of twenty-five megawatts.

SECTION 3. REPEAL. Chapter 17-01 of the North Dakota Century Code is repealed."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2319, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (12 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2319 was placed on the Sixth order on the calendar.

Page 1, line 1, after "57-51.2-02" insert "and subdivision c of subsection 5 of section 57-51.2-02"

Page 1, after line 16, insert:

"SECTION 2. AMENDMENT. Subdivision c of subsection 5 of section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- c. The state's share of the oil and gas gross production tax revenue as divided in subdivisions a and b is subject to distribution among political subdivisions as provided in chapter 57-51. The definition of "wells located within the exterior boundaries of the reservation" in subsection 1 may not be construed as altering the physical location of a wellhead for purposes of revenue allocations among political subdivisions as provided in chapter 57-51."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2324: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2324 was placed on the Sixth order on the calendar.

Page 1, line 15, remove the overstrike over "~~When~~"

Page 1, line 15, remove "~~If~~"

Page 1, line 19, remove "If the state engineer recommends"

Page 1, remove lines 20 and 21

Page 1, line 22, replace "the recommendation, shall install the recommended culvert or bridge." with "If the department, the board of county commissioners, or the board of township supervisors, as the case may be, fails to install a culvert or bridge of sufficient capacity for the design discharge determined by the state engineer within one year after receiving the state engineer's determination, and does not have good cause for failing to do so, a court may award reasonable court costs and attorney's fees to a person that incurred the expenses in an action to enforce this section."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SB 2337: Political Subdivisions Committee (Sen. Burckhard, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO NOT PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2337 was placed on the Sixth order on the calendar.

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

Page 1, line 1, after "48-01.2-02.1" insert ", and 48-01.2-10"

Page 1, line 9, remove the overstrike over "~~two~~"

Page 1, line 9, remove "five"

Page 1, line 9, after "hundred" insert "and fifty"

Page 1, line 17, after "hundred" insert "and fifty"

Page 1, line 19, remove the overstrike over "~~two~~"

Page 1, line 19, remove "five"

Page 1, line 19, after "hundred" insert "and fifty"

Page 2, after line 2, insert:

"SECTION 3. AMENDMENT. Section 48-01.2-10 of the North Dakota Century Code is amended and reenacted as follows:

48-01.2-10. Bonds from contractors for public improvements.

1. Unless otherwise provided under this chapter, a governing body authorized to enter a contract for the construction of a public improvement in excess of two hundred and fifty thousand dollars shall take from the contractor a bond before permitting any work to be done on the contract. The bond must be for an amount equal at least to the price stated in the contract. The bond must be conditioned to be void if the contractor and all subcontractors fully perform all terms, conditions, and provisions of the contract and pay all bills or claims on account of labor performed and any supplies, and materials furnished and used in the performance of the contract, including all demands of subcontractors. The requirement that bills and claims be paid must include the requirement that interest of the amount authorized under section 13-01-14 be paid on bills and claims not paid within ninety days. The bond is security for all bills, claims, and demands until fully paid, with preference to labor and material suppliers as to payment. The bond must run to the governing body, but any person having a lawful claim against the contractor or any subcontractor may sue on the bond.
2. A governing body may not require any person required to provide a surety bond to obtain the surety bond from a specified insurance or surety company or insurance producer or to submit financial data to the company or producer."

Renumber accordingly

REPORT OF STANDING COMMITTEE

SCR 4001: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SCR 4001 was placed on the Eleventh order on the calendar.

REPORT OF STANDING COMMITTEE

SCR 4012, as amended: Energy and Natural Resources Committee (Sen. Kreun, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (5 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). SCR 4012, as amended, was placed on the Sixth order on the calendar.

Page 1, line 18, remove "established depreciable"

Page 1, line 19, replace "lives" with "useful life"

Page 3, remove lines 13 and 14

Page 3, remove lines 26 through 29

Page 4, line 16, after "Authority" insert "annually"

Page 4, line 16, remove "an"

Page 4, line 17, replace "integrated resource plan" with "a comprehensive report"

Page 4, line 17, remove "every two years"

Renumber accordingly

FIRST READING OF SENATE CONCURRENT RESOLUTION

Sen. Heitkamp and Rep. Magrum introduced:

SCR 4015: A concurrent resolution to amend and reenact sections 2 and 4 of article V of the Constitution of North Dakota, relating to election of and qualifications of the state health officer.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

FIRST READING OF HOUSE BILLS

HB 1030: A BILL for an Act to provide an appropriation to the office of management and budget for accessibility improvements on the state capitol grounds; and to declare an emergency.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

HB 1065: A BILL for an Act to amend and reenact section 23-16-01.1 of the North Dakota Century Code, relating to the moratorium on the expansion of long-term care bed capacity.

Was read the first time and referred to the **Human Services Committee**.

HB 1080: A BILL for an Act to amend and reenact sections 15-05-10 and 47-16-39.1 of the North Dakota Century Code, relating to the obligation to pay oil and gas royalties on leases owned and managed by the board of university and school lands.

Was read the first time and referred to the **Energy and Natural Resources Committee**.

HB 1134: A BILL for an Act to amend and reenact section 14-20-18 of the North Dakota Century Code, relating to challenging an acknowledgment or denial of paternity.

Was read the first time and referred to the **Judiciary Committee**.

HB 1152: A BILL for an Act to amend and reenact section 23-12-10 of the North Dakota Century Code, relating to cigar bars and lounges.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

HB 1166: A BILL for an Act to create and enact sections 43-51-12.1 and 43-51-12.2 of the North Dakota Century Code, relating to occupational licensing of foreign practitioners who are residents of the state; to amend and reenact subsection 3 of section 15.1-13-17 and sections 15.1-13-17.1 and 15.1-18-12 of the North Dakota Century Code, relating to occupational licensing of teachers; and to provide for a report to the legislative management.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

HB 1181: A BILL for an Act to create and enact section 12.1-04-04.1 of the North Dakota Century Code, relating to a defendant's fitness to proceed; and to amend and reenact sections 12.1-04-04, 12.1-04-06, 12.1-04-07, and 12.1-04-08 of the North Dakota Century Code, relating to a defendant's fitness to proceed.

Was read the first time and referred to the **Judiciary Committee**.

HB 1190: A BILL for an Act to amend and reenact subsection 1 of section 14-05-24 of the North Dakota Century Code, relating to the valuation date for marital property.

Was read the first time and referred to the **Judiciary Committee**.

HB 1219: A BILL for an Act to amend and reenact sections 23-07-02.3 and 23-07-15 of the North Dakota Century Code, relating to reportable conditions and post-mortem communicable diseases.

Was read the first time and referred to the **Human Services Committee**.

HB 1259: A BILL for an Act to create and enact a new section to chapter 23.1-07 of the North Dakota Century Code, relating to participation in a state or national wastewater surveillance system.

Was read the first time and referred to the **Political Subdivisions Committee**.

HB 1272: A BILL for an Act to create and enact a new section to chapter 62.1-01 of the North Dakota Century Code, relating to manufactured firearms, accessories, and ammunition.

Was read the first time and referred to the **Judiciary Committee**.

HB 1287: A BILL for an Act to create and enact subdivision d to subsection 1 of section 19-03.1-23.1 of the North Dakota Century Code, relating to an enhanced penalty for the death of an individual as a result of a drug overdose; and to provide a penalty.

Was read the first time and referred to the **Judiciary Committee**.

HB 1314: A BILL for an Act to create and enact a new chapter to title 54 of the North Dakota Century Code, relating to cybersecurity incident reporting requirements.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

HB 1316: A BILL for an Act to amend and reenact section 32-12.2-15 of the North Dakota Century Code, relating to contracts limiting liability to the state; and to declare an emergency.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

HB 1332: A BILL for an Act to amend and reenact subsection 1 of section 23-09.3-01.1 and subsection 1 of section 23-16-01.1 of the North Dakota Century Code, relating to the moratorium on basic care and nursing facility bed capacity.

Was read the first time and referred to the **Human Services Committee**.

HB 1345: A BILL for an Act to amend and reenact sections 43-31-07, 43-31-09, 43-31-10, and 43-31-14 of the North Dakota Century Code, relating to the licensing of detection of deception examiners and to repeal sections 43-31-07.1 and 43-31-16 of the North Dakota Century Code, relating to internship licenses and exemptions from testing requirements of detection of deception examiners.

Was read the first time and referred to the **Judiciary Committee**.

HB 1355: A BILL for an Act to amend and reenact section 39-08-01.6 of the North Dakota Century Code, relating to sealing a criminal record.

Was read the first time and referred to the **Judiciary Committee**.

HB 1356: A BILL for an Act to create and enact a new section to chapter 15.1-06 of the North Dakota Century Code, relating to a youth patriotic society's access to students during school hours.

Was read the first time and referred to the **Education Committee**.

HB 1359: A BILL for an Act to create and enact a new subsection to section 19-24.1-05 of the North Dakota Century Code, relating to medical marijuana designated caregivers; to amend and reenact subsection 2 of section 19-24.1-04 and section 19-24.1-38 of the North Dakota Century Code, relating to medical marijuana designated caregivers and the medical marijuana advisory board; and to provide for application.

Was read the first time and referred to the **Human Services Committee**.

HB 1391: A BILL for an Act to create and enact section 19-24.1-24.1 and a new subsection to section 19-24.1-36 of the North Dakota Century Code, relating to regulating edible medical marijuana products; to amend and reenact section 19-24.1-01 of the North Dakota Century Code, relating to definitions relating to medical marijuana products; and to declare an emergency.

Was read the first time and referred to the **Human Services Committee**.

HB 1393: A BILL for an Act to amend and reenact subsection 1 of section 12.1-32-02 of the North Dakota Century Code, relating to sentencing alternatives.

Was read the first time and referred to the **Judiciary Committee**.

HB 1413: A BILL for an Act to provide for a legislative management study regarding public school nutritional resources.

Was read the first time and referred to the **Education Committee**.

HB 1429: A BILL for an Act to amend and reenact section 54-03.3-01 of the North Dakota Century Code, relating to the compact for a balanced budget.

Was read the first time and referred to the **Government and Veterans Affairs Committee**.

HB 1441: A BILL for an Act to provide for a legislative management study regarding a paid family medical leave program.

Was read the first time and referred to the **Industry, Business and Labor Committee**.

HB 1478: A BILL for an Act to create and enact a new section to chapter 15.1-07 of the North Dakota Century Code, relating to alternative education opportunities outside the classroom for course credit; and to provide for a legislative management report.

Was read the first time and referred to the **Education Committee**.

HB 1479: A BILL for an Act to provide for a legislative management study of the simplification or elimination of income tax.

Was read the first time and referred to the **Finance and Taxation Committee**.

HB 1493: A BILL for an Act to provide for ambulance service operation funding.

Was read the first time and referred to the **Human Services Committee**.

FIRST READING OF HOUSE CONCURRENT RESOLUTIONS

HCR 3014: A concurrent resolution directing the Legislative Management to consider studying solutions to provider and end-user barriers to access to and utilization of telehealth services in this state.

Was read the first time and referred to the **Human Services Committee**.

HCR 3015: A concurrent resolution directing the Legislative Management to consider studying the feasibility and desirability of implementing a community health worker program, including recommendations regarding a definition of a community health worker, the scope of work of a community health worker, the infrastructure for training of community health workers, the development of a community health worker certification process and related training curriculum and continuing education requirements, a strategy for community health worker services being Medicaid-reimbursed services, and private insurers' use of community health workers.

Was read the first time and referred to the **Human Services Committee**.

HCR 3019: A concurrent resolution directing the Legislative Management to consider studying the fiscal and safety impacts of United States Fish and Wildlife Service easements in North Dakota on the Department of Transportation, Department of Agriculture, and counties.

Was read the first time and referred to the **Transportation Committee**.

HCR 3021: A concurrent resolution directing the Legislative Management to consider studying the factors contributing to the nation's firearm and ammunition shortage.

Was read the first time and referred to the **Judiciary Committee**.

HCR 3026: A concurrent resolution urging Congress and the President of the United States to protect agricultural producers and other large asset holders in the state by refraining from changing the federal estate and gift tax exemption and from raising income taxes.

Was read the first time and referred to the **Finance and Taxation Committee**.

HCR 3028: A concurrent resolution urging Congress to include state and local 911 dispatchers as qualified public safety employees and therefore not subject to the early distribution tax under the Internal Revenue Code retirement provisions.

Was read the first time and referred to the **Finance and Taxation Committee**.

HCR 3030: A concurrent resolution directing the Legislative Management to consider studying metabolic syndrome and its associated costs, trends, and causes, including proposals for reducing the prevalence and the associated costs through public policy and initiatives.

Was read the first time and referred to the **Human Services Committee**.

HCR 3034: A concurrent resolution urging Congress and the President of the United States to fully fund the biota water treatment plant for the northwest area water supply.

Was read the first time and referred to the **Energy and Natural Resources Committee**.

HCR 3035: A concurrent resolution directing the Legislative Management to consider studying statutes governing career and technical education, including statutes in North Dakota Century Code Chapter 15-20.1 providing for the powers and duties of the state board of higher education, reciprocity with other states, cooperation with federal agencies, funding, reimbursement to institutions, gifts, reporting requirements, grants for innovation, elementary school entrepreneurship programs, career development certifications, career advisers, accessibility, impacts on students, and programs of study.

Was read the first time and referred to the **Education Committee**.

The Senate stood adjourned pursuant to Senator Klein's motion.

Shanda Morgan, Secretary

