

# APPROPRIATIONS

## CHAPTER 1

### HOUSE BILL NO. 1001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the legislative branch of state government; to amend and reenact sections 54-03-20 and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide a report; to provide an exemption; to provide for application, transfer, and cancellation of unexpended appropriations; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of the legislative branch of state government, for the fiscal period beginning with the effective date of this Act and ending June 30, 2025, as follows:

##### Subdivision 1.

#### SIXTY-EIGHTH AND SIXTY-NINTH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,430,094	\$1,520,473	\$12,950,567
Operating expenses	6,218,753	(668,594)	5,550,159
Capital assets	6,000	4,926,600	4,932,600
National conference of state legislatures	<u>271,333</u>	<u>11,737</u>	<u>283,070</u>
Total general fund	\$17,926,180	\$5,790,216	\$23,716,396

##### Subdivision 2.

#### LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,690,980	\$1,952,397	\$14,643,377
New and vacant FTE funding pool	0	479,137	479,137
Operating expenses	3,045,430	890,982	3,936,412
Capital assets	<u>6,000</u>	<u>120,000</u>	<u>126,000</u>
Total all funds	\$15,742,410	\$3,442,516	\$19,184,926
Less estimated income	<u>70,000</u>	<u>18,000</u>	<u>88,000</u>
Total general fund	\$15,672,410	\$3,424,516	\$19,096,926
Full-time equivalent positions	44.00	1.00	45.00

## Subdivision 3.

## TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$33,598,590	\$9,214,732	\$42,813,322
Grand total special funds	<u>70,000</u>	<u>18,000</u>	<u>88,000</u>
Grand total all funds	\$33,668,590	\$9,232,732	\$42,901,322

**SECTION 2. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Redistricting session	\$316,284	\$0
Information technology expansion	1,450,000	0
Propylon core upgrade	0	4,816,600
Audio and video storage	0	110,000
Computer and iPad replacement	0	557,950
Chamber upgrades	<u>0</u>	<u>220,000</u>
Total general fund	\$1,766,284	\$5,704,550

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The legislative assembly shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation for the legislative management and legislative council in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Information technology expansion	\$48,000	\$0
Public website design	150,000	0
Acute psychiatric hospitalization study	500,000	0
Computer and iPad replacement	0	155,500
Secondary and backup servers	<u>0</u>	<u>120,000</u>
Total general fund	\$698,000	\$275,500

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The legislative council shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. EXEMPTION - TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items of the legislative management and legislative council as may be requested by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or the director that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and

legislative council's functions and duties. The director of the office of management and budget shall similarly make transfers of appropriation authority between the line items for the sixty-eighth and sixty-ninth legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

**SECTION 5. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS.** Sections 54-16-04 and 54-44.1-11 do not apply to chapter 29 of the 2021 Session Laws. The director of the office of management and budget shall make transfers of appropriation authority between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2021-23 biennium as directed by the chairman of the legislative management or the director of the legislative council.

**SECTION 6. NEW AND VACANT FTE FUNDING POOL - BUDGET SECTION REPORT.**

1. The legislative council may not spend funds from the new and vacant FTE funding pool line item in section 1 of this Act, but may transfer funds from this line item to the salaries and wages line item as necessary to provide funding for:
  - a. Filling a new or vacant FTE position from the date of hire through the end of the biennium; or
  - b. Salaries and wages if actual salaries and wages savings from vacant positions are less than the estimate used by the sixty-eighth legislative assembly in the development of the appropriation.
2. The legislative council shall report to the budget section regarding the use of funding in the pool including information on:
  - a. New FTE positions, including the date hired;
  - b. Vacant FTE positions, including the dates the positions are vacated and filled; and
  - c. Additional salaries and wages funding needed due to savings from vacant positions being less than anticipated.
3. If funding in the funding pool line item is insufficient to provide the necessary salaries and wages funding for the biennium, the legislative council may request a deficiency appropriation from the sixty-ninth legislative assembly.

**SECTION 7. AMENDMENT.** Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

**54-03-20. Compensation and expense reimbursement of members of the legislative assembly.**

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred eighty-nine two hundred

five dollars through June 30, ~~2022~~2024, and ~~one hundred ninety-three~~two hundred thirteen dollars thereafter for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
  - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
  - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.

4. The amount to which each legislator is entitled must be paid following the organizational session in December and each month upon submission of a voucher and appropriate documentation during a regular or special session, consistent with section 26 of article XI of the constitution of North Dakota.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
7.
  - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of five hundred ~~twenty-six~~sixty-nine dollars through June 30, ~~2022~~2024, and five hundred ~~thirty-seven~~ninety-two dollars thereafter per month, paid monthly.
  - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
  - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of ~~three hundred seventy-seven~~four hundred eight dollars through June 30, ~~2022~~2024, and ~~three hundred eighty-five~~four hundred twenty-four dollars thereafter per month during the biennium for their execution of public duties.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

**SECTION 8. AMENDMENT.** Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

**54-35-10. Compensation of members and leadership.**

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of ~~one hundred eighty-nine~~two hundred five dollars

through June 30, ~~2022~~2024, and ~~one hundred ninety-three~~two hundred ~~thirteen~~ dollars thereafter per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

**SECTION 9. EMERGENCY.** Sections 1 through 5 of this Act are declared to be an emergency measure.

Approved April 20, 2023

Filed April 21, 2023

**CHAPTER 2**

**HOUSE BILL NO. 1002**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to amend and reenact sections 27-02-02, 27-05-03, and 27-09.1-14 of the North Dakota Century Code, relating to the salaries of justices of the supreme court, the salaries of district court judges, and compensation of jurors; to provide for transfers; to provide for a report; and to provide an exemption.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of the judicial branch, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

**SUPREME COURT**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,202,906	\$931,799	\$12,134,705
Operating expenses	2,350,094	846,665	3,196,759
Capital assets	0	28,500	28,500
New and vacant FTE funding pool	0	8,740,214	8,740,214
Guardianship monitoring program	<u>286,097</u>	<u>(286,097)</u>	<u>0</u>
Total all funds	\$13,839,097	\$10,261,081	\$24,100,178
Less estimated income	0	485,793	485,793
Total general fund	\$13,839,097	\$9,775,288	\$23,614,385

Subdivision 2.

**DISTRICT COURTS**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$76,196,548	\$3,082,696	\$79,279,244
Operating expenses	20,081,881	4,442,738	24,524,619
Capital assets	0	1,125,220	1,125,220
Judges' retirement	<u>137,246</u>	<u>40,094</u>	<u>177,340</u>
Total all funds	\$96,415,675	\$8,690,748	\$105,106,423
Less estimated income	<u>756,963</u>	<u>71,427</u>	<u>828,390</u>
Total general fund	\$95,658,712	\$8,619,321	\$104,278,033

Subdivision 3.

**JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	\$1,317,481	\$77,532	\$1,395,013
Total all funds	\$1,317,481	\$77,532	\$1,395,013
Less estimated income	<u>502,500</u>	<u>7,472</u>	<u>509,972</u>
Total general fund	\$814,981	\$70,060	\$885,041

Subdivision 4.

#### BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$110,312,790	\$18,464,669	\$128,777,459
Grand total special funds	<u>1,259,463</u>	<u>564,692</u>	<u>1,824,155</u>
Grand total all funds	\$111,572,253	\$19,029,361	\$130,601,614
Full-time equivalent positions	362.00	21.00	383.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Juvenile case management system	\$2,000,000	\$0
Information technology equipment	157,600	1,153,720
Federal department of justice grant	0	388,000
Docket management system	<u>2,020,000</u>	<u>0</u>
Total all funds	\$4,177,600	\$1,541,720
Less estimated income	<u>2,177,600</u>	<u>388,000</u>
Total general fund	\$2,000,000	\$1,153,720

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The supreme court shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. APPROPRIATION.** There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. EXEMPTION - TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items and subdivisions in section 1 of this Act as requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

**SECTION 5. NEW AND VACANT FTE FUNDING POOL - BUDGET SECTION REPORT.**

1. The supreme court may not spend funding from the new and vacant FTE funding pool line item in subdivision 1 of section 1 of this Act, but may transfer funds from this line item to the salaries and wages line items within subdivisions 1 and 2 of this Act, and to the judicial conduction commission and disciplinary board line item within subdivision 3 of this Act, as necessary to provide funding for:
  - a. Filling a new or vacant FTE position from the date of hire through the end of the biennium; or
  - b. Salaries and wages if actual salaries and wages savings from vacant positions are less than the estimate used by the sixty-eighth legislative assembly in the development of the appropriation.
2. The supreme court shall report to the budget section regarding the use of funding in the pool, including information on:
  - a. New FTE positions, including the date hired;
  - b. Vacant FTE positions, including the dates the positions are vacated and filled; and
  - c. Additional salaries and wages funding needed due to savings from vacant positions being less than anticipated.
3. If funding in the new and vacant FTE funding pool line item is insufficient to provide the necessary salaries and wages funding for the biennium, the supreme court may request a deficiency appropriation from the sixty-ninth legislative assembly.

**SECTION 6. AMENDMENT.** Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

**27-02-02. Salaries of justices of supreme court.**

The annual salary of each justice of the supreme court is ~~one hundred sixty-five thousand eight hundred forty-five dollars through June 30, 2022, and one hundred sixty-nine thousand one hundred sixty-two~~ one hundred seventy-nine thousand three hundred twelve dollars through June 30, 2024, and one hundred eighty-six thousand four hundred eighty-four dollars thereafter. The chief justice of the supreme court is entitled to receive an additional ~~four thousand six hundred ninety dollars per annum through June 30, 2022, and four thousand seven hundred eighty-four~~ five thousand seventy-one dollars per annum through June 30, 2024, and five thousand two hundred seventy-four dollars per annum thereafter.

**SECTION 7. AMENDMENT.** Section 27-05-03 of the North Dakota Century Code is amended and reenacted as follows:

**27-05-03. Salaries and expenses of district judges.**

The annual salary of each district judge is ~~one hundred fifty-two thousand one hundred seventy-five dollars through June 30, 2022, and one hundred fifty-five thousand two hundred nineteen~~ one hundred sixty-four thousand five hundred thirty-two dollars through June 30, 2024, and one hundred seventy-one thousand one hundred thirteen dollars thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties

outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional ~~four thousand three hundred twenty-four dollars per annum through June 30, 2022, and four thousand four hundred ten~~four thousand six hundred seventy-five dollars per annum through June 30, 2024, and four thousand eight hundred sixty-two dollars thereafter.

**SECTION 8. AMENDMENT.** Section 27-09.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**27-09.1-14. Mileage and compensation of jurors.**

A juror must be paid mileage at the rate provided for state employees in section 54-06-09. A juror must be compensated at the rate of ~~twenty-five~~fiftyone hundred dollars for each day of required attendance at sessions of the district court unless the juror is in attendance for four hours or less on the first day, in which case compensation for the first day is ~~twenty-five~~fifty dollars. A juror must be compensated at the rate of ten dollars for each day of required attendance at sessions of a coroner's inquest. The mileage and compensation of jurors must be paid by the state for jurors at sessions of the district court. Jurors at coroner's inquests must be paid by the county.

Approved April 28, 2023

Filed April 29, 2023

### CHAPTER 3

## HOUSE BILL NO. 1003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide an appropriation to the Bank of North Dakota; to create and enact a new section to chapter 6-09, four new sections to chapter 15-10, section 15-10-48.2, and section 15-18.2-06.1 of the North Dakota Century Code, relating to an economic diversification research fund, matching grants for agricultural research and extension, the Bismarck state college polytechnic center, a report on higher education trends, disclosure of financial condition, and a minimum amount payable; to amend and reenact sections 15-10-38.1, 15-10-38.2, 15-10-38.3, subdivision c of subsection 1 of section 15-10-48, subdivision c of subsection 1 of section 15-10-49, subsection 2 of section 15-10-49, sections 15-10-57 and 15-10-63, subdivision k of subsection 1 of section 15-18.2-02, subsection 1 of section 15-18.2-05, section 15-54.1-02, subsection 1 of section 15-62.4-03, subdivision c of subsection 2 of section 54-07-12, and section 54-44.1-11 of the North Dakota Century Code, relating to the skilled workforce student loan repayment program, the skilled workforce scholarship program, matching grants for the advancement of academics, the workforce development council, higher education capital projects, state aid for institutions of higher education, the university system capital building fund, student financial assistance grants, the digitization of documents relating to Theodore Roosevelt, and the cancellation of unexpended appropriations; to repeal sections 15-10-48.1 and 15-10-58 of the North Dakota Century Code, relating to matching grants for legal education and the workforce education advisory council; to provide for a transfer; to provide for a legislative management study; to provide loan authorization for the Mayville state university old main project; to provide for a report; to provide an exemption; to provide legislative intent; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board of higher education and to the entities and institutions under the supervision of the board for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the period beginning with the effective date of this Act, and ending June 30, 2025, as follows:

Subdivision 1.

**NORTH DAKOTA UNIVERSITY SYSTEM**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$13,385,264	(\$2,187,368)	\$11,197,896
Competitive research programs	5,685,750	0	5,685,750
System governance	8,605,570	3,241,239	11,846,809

Core technology services	62,962,817	8,081,654	71,044,471
Student financial assistance grants	23,917,306	6,000,000	29,917,306
Professional student exchange program	3,699,342	0	3,699,342
Academic and CTE scholarships	16,216,749	1,000,000	17,216,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	555,323	444,677	1,000,000
Tribally controlled community college grants	1,000,000	400,000	1,400,000
Education incentive programs	260,000	0	260,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	277,875	177,000	454,875
Shared campus services	800,000	0	800,000
Nursing education consortium	1,356,000	0	1,356,000
NASA EPSCoR	342,000	0	342,000
Education challenge fund	0	20,000,000	20,000,000
Dual-credit tuition scholarship	1,500,000	0	1,500,000
Dakota digital academy	0	450,000	450,000
Total all funds	\$142,655,511	\$37,607,202	\$180,262,713
Less estimated income	25,757,035	487,073	26,244,108
Total general fund	\$116,898,476	\$37,120,129	\$154,018,605
Full-time equivalent positions	158.83	4.00	162.83

## Subdivision 2.

## BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$100,571,387	\$7,699,688	\$108,271,075
Capital assets	1,922,561	43,900,000	45,822,561
Total all funds	\$102,493,948	\$51,599,688	\$154,093,636
Less estimated income	70,409,893	37,369,688	107,779,581
Total general fund	\$32,084,055	\$14,230,000	\$46,314,055
Full-time equivalent positions	332.90	2.43	335.33

## Subdivision 3.

## LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$39,150,913	\$2,263,509	\$41,414,422
Capital assets	362,667	1,000,000	1,362,667
Total all funds	\$39,513,580	\$3,263,509	\$42,777,089
Less estimated income	25,271,428	2,257,339	27,528,767
Total general fund	\$14,242,152	\$1,006,170	\$15,248,322
Full-time equivalent positions	115.76	4.83	120.59

## Subdivision 4.

## WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,044,304	\$2,929,048	\$36,973,352
Capital assets	1,261,968	43,913,939	45,175,907

Total all funds	\$35,306,272	\$46,842,987	\$82,149,259
Less estimated income	<u>24,019,535</u>	<u>45,011,392</u>	<u>69,030,927</u>
Total general fund	\$11,286,737	\$1,831,595	\$13,118,332
Full-time equivalent positions	101.29	1.54	102.83

## Subdivision 5.

## UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$902,173,330	\$60,080,851	\$962,254,181
Capital assets	4,411,566	127,500,000	131,911,566
National security initiative	0	9,000,000	9,000,000
Research network	0	<u>2,500,000</u>	<u>2,500,000</u>
Total all funds	\$906,584,896	\$199,080,851	\$1,105,665,747
Less estimated income	<u>755,657,771</u>	<u>156,803,837</u>	<u>912,461,608</u>
Total general fund	\$150,927,125	\$42,277,014	\$193,204,139
Full-time equivalent positions	2,059.98	0.58	2,060.56

## Subdivision 6.

## NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$756,049,321	\$46,573,844	\$802,623,165
Capital assets	7,799,104	107,000,000	114,799,104
Minimum amount payable adjustment	0	4,800,000	4,800,000
Research network	0	<u>2,500,000</u>	<u>2,500,000</u>
Total all funds	\$763,848,425	\$160,873,844	\$924,722,269
Less estimated income	<u>625,417,100</u>	<u>135,106,551</u>	<u>760,523,651</u>
Total general fund	\$138,431,325	\$25,767,293	\$164,198,618
Full-time equivalent positions	1,829.43	38.07	1,867.50

## Subdivision 7.

## NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$95,547,465	\$5,686,699	\$101,234,164
Capital assets	1,012,379	19,975,000	20,987,379
Minimum amount payable adjustment	0	<u>1,005,347</u>	<u>1,005,347</u>
Total all funds	\$96,559,844	\$26,667,046	\$123,226,890
Less estimated income	<u>60,845,052</u>	<u>22,614,567</u>	<u>83,459,619</u>
Total general fund	\$35,714,792	\$4,052,479	\$39,767,271
Full-time equivalent positions	311.61	2.34	313.95

## Subdivision 8.

## DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,826,060	\$5,244,442	\$56,070,502
Capital assets	409,078	<u>20,600,000</u>	<u>21,009,078</u>

Total all funds	\$51,235,138	\$25,844,442	\$77,079,580
Less estimated income	<u>30,992,408</u>	<u>20,685,562</u>	<u>51,677,970</u>
Total general fund	\$20,242,730	\$5,158,880	\$25,401,610
Full-time equivalent positions	175.50	2.50	178.00

Subdivision 9.

#### MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,603,276	\$6,818,561	\$57,421,837
Capital assets	358,992	17,330,087	17,689,079
Total all funds	\$50,962,268	\$24,148,648	\$75,110,916
Less estimated income	<u>32,282,440</u>	<u>19,379,666</u>	<u>51,662,106</u>
Total general fund	\$18,679,828	\$4,768,982	\$23,448,810
Full-time equivalent positions	230.35	(3.43)	226.92

Subdivision 10.

#### MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$104,154,777	\$10,794,119	\$114,948,896
Capital assets	<u>1,099,620</u>	<u>7,865,000</u>	<u>8,964,620</u>
Total all funds	\$105,254,397	\$18,659,119	\$123,913,516
Less estimated income	<u>64,047,767</u>	<u>10,588,652</u>	<u>74,636,419</u>
Total general fund	\$41,206,630	\$8,070,467	\$49,277,097
Full-time equivalent positions	403.04	20.59	423.63

Subdivision 11.

#### VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$50,083,400	\$5,135,290	\$55,218,690
Capital assets	<u>455,823</u>	<u>35,500,000</u>	<u>35,955,823</u>
Total all funds	\$50,539,223	\$40,635,290	\$91,174,513
Less estimated income	<u>26,377,846</u>	<u>37,184,575</u>	<u>63,562,421</u>
Total general fund	\$24,161,377	\$3,450,715	\$27,612,092
Full-time equivalent positions	202.77	9.17	211.94

Subdivision 12.

#### DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$23,640,055	\$2,227,163	\$25,867,218
Capital assets	114,007	5,300,000	5,414,007
Total all funds	\$23,754,062	\$7,527,163	\$31,281,225
Less estimated income	<u>14,216,200</u>	<u>5,934,747</u>	<u>20,150,947</u>
Total general fund	\$9,537,862	\$1,592,416	\$11,130,278
Full-time equivalent positions	91.86	(7.86)	84.00

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$218,253,058	\$19,850,819	\$238,103,877
Healthcare workforce initiative	10,676,150	0	10,676,150
Total all funds	\$228,929,208	\$19,850,819	\$248,780,027
Less estimated income	160,806,249	7,107,862	167,914,111
Total general fund	\$68,122,959	\$12,742,957	\$80,865,916
Full-time equivalent positions	492.67	(3.84)	488.83

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$15,343,065	\$9,318,100	\$24,661,165
Capital assets	118,728	0	118,728
Total all funds	\$15,461,793	\$9,318,100	\$24,779,893
Less estimated income	10,669,315	8,471,957	19,141,272
Total general fund	\$4,792,478	\$846,143	\$5,638,621
Full-time equivalent positions	28.00	1.00	29.00

Subdivision 15.

TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$686,328,526	\$162,915,240	\$849,243,766
Grand total special funds	1,926,770,039	509,003,468	2,435,773,507
Grand total all funds	\$2,613,098,565	\$671,918,708	\$3,285,017,273

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Capital projects - strategic investment and improvements fund	\$0	\$209,976,971
Capital project inflation - general fund	0	18,160,000
Capital projects - other funds	4,363,000	201,747,055
University of North Dakota national security initiative	0	9,000,000
North Dakota state university additional minimum amount payable adjustment	0	4,800,000
North Dakota state college of science additional minimum amount payable adjustment	0	1,005,347
Mayville state university discretionary funding	0	1,750,000
Bismarck state college polytechnic building and transition	38,000,000	0
University of North Dakota space command initiative	4,000,000	0

University of North Dakota airport apron	5,000,000	0
University of North Dakota Merrifield hall	50,000,000	0
University of North Dakota space education and research	10,000,000	0
North Dakota state university settlement agreement	125,000	0
North Dakota state university high-performance computing	1,600,000	0
North Dakota state university agricultural products development center	50,000,000	0
Dickinson state university Pulver hall and other projects	4,000,000	0
Mayville state university natural gas boiler project	1,600,000	0
Minot state university Hartnett hall	25,000,000	0
Valley City state university land purchase	309,000	0
Hyperbaric oxygen therapy	2,104,121	0
Math pathways	150,000	0
Higher education challenge grants	11,150,000	20,000,000
Dakota digital academy	475,000	450,000
Financial aid software	0	1,669,354
Total all funds	\$207,876,121	\$468,558,727
Total other funds	190,851,121	411,724,026
Total general fund	\$17,025,000	\$56,834,701

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state board of higher education shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION - EXEMPTION.** All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2023, and ending June 30, 2025. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2023, and ending June 30, 2025, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board. Notwithstanding section 48-01.2-25, an institution receiving funds for capital projects in excess of the amounts appropriated in section 1 of this Act may spend those funds for the capital project.

**SECTION 4. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS.** The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution, excluding the university of North Dakota and North Dakota state university, shall provide one dollar of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. The university of North Dakota and North Dakota state university shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project.

**SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The grand total special funds line item in subdivision 15 of section 1 of this Act includes \$209,976,971 from the strategic investment and improvements fund for capital projects as follows:

Williston state college medical health care building	\$27,962,053
University of North Dakota science, engineering, and national security corridor	57,400,000
North Dakota state university center for engineering and computational sciences	59,000,000
North Dakota state college of science agriculture, automation, and autonomous systems	18,975,000
Dickinson state university agriculture and technical education building	17,100,000
Mayville state university old main renovation	15,000,000
Minot state university Dakota hall demolition	765,000
Valley City state university McCarthy hall renovation	10,474,918
Dakota college at Bottineau old main renovation	3,300,000
Total strategic investment and improvements fund	\$209,976,971

**SECTION 6. TRANSFER - NORTH DAKOTA UNIVERSITY SYSTEM OFFICE - NORTH DAKOTA STATE UNIVERSITY.** Of the funding appropriated in subdivision 1 of section 1 of chapter 31 of the 2021 Session Laws for the biennium beginning July 1, 2021, and ending June 30, 2023, that is continued pursuant to section 54-44.1-11, the state board of higher education shall transfer \$367,000 to the operations line item in subdivision 6 of section 1 of this Act by August 1, 2023. The North Dakota university system office may not assess institutions under the control of the state board of higher education to recover the cost of this transfer.

**SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATE BOARD OF HIGHER EDUCATION SCHOLARSHIPS.** The industrial commission shall transfer to the North Dakota university system office a total of \$1,500,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the commissioner of higher education. The estimated income line item in subdivision 1 of section 1 includes \$1,500,000 for the North Dakota university system office for dual-credit tuition scholarships.

**SECTION 8. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE STUDENT LOAN REPAYMENT PROGRAM FUND.** The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce student loan repayment program fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - SKILLED WORKFORCE SCHOLARSHIP FUND.** The industrial commission shall transfer the sum of \$3,400,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the skilled workforce scholarship fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 10. APPROPRIATION - BANK OF NORTH DAKOTA - TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ECONOMIC DIVERSIFICATION RESEARCH FUND.** The office of management and budget shall transfer \$5,500,000 from the strategic investment and improvements fund to the economic diversification research fund, the sum of which is appropriated to the Bank of North Dakota for the purpose of providing grants to institutions under the control of the state board of higher education, for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the commissioner of higher education.

**SECTION 11. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UNIVERSITY SYSTEM CAPITAL BUILDING FUND.** The office of

management and budget shall transfer \$24,000,000 from the strategic investment and improvements fund to the university system capital building fund during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the commissioner of higher education. Funding transferred pursuant to this section is to be allocated to each institution as follows:

	Tier II	Tier III	Total
Bismarck state college	\$638,540	\$500,000	\$1,138,540
Lake Region state college	266,062	500,000	766,062
Williston state college	206,920	500,000	706,920
University of North Dakota	6,542,702	2,250,000	8,792,702
North Dakota state university	4,349,394	2,250,000	6,599,394
North Dakota state college of science	751,042	500,000	1,251,042
Dickinson state university	403,293	500,000	903,293
Mayville state university	360,044	500,000	860,044
Minot state university	859,202	500,000	1,359,202
Valley City state university	463,705	500,000	963,705
Dakota college at Bottineau	<u>159,096</u>	<u>500,000</u>	<u>659,096</u>
Total	\$15,000,000	\$9,000,000	\$24,000,000

**SECTION 12. CAPITAL BUILDING FUNDS - USES.** The institutions listed may use funding from the respective institution's university system capital building fund allocation for the following projects authorized by the sixty-eighth legislative assembly:

Bismarck state college polytechnic project inflation	\$12,400,000
Lake region state college wind turbine gearbox replacement and parking lot repairs	1,000,000
Williston state college medical health care building	36,600,000
University of North Dakota science, engineering, and national security corridor	82,000,000
University of North Dakota Merrifield hall and Twamley hall	12,500,000
North Dakota state university center for engineering and computational sciences	84,000,000
North Dakota state college of science agriculture, automation, and autonomous systems	19,975,000
Dickinson state university agriculture and technical education building	18,000,000
Dickinson state university generator and project inflation	2,600,000
Mayville state university old main renovation	49,970,100
Minot state university Hartnett hall project inflation	4,000,000
Valley City state university McCarthy hall renovation	13,500,000
Dakota college at Bottineau old main renovation	<u>5,300,000</u>
Total	\$341,845,100

**SECTION 13. MAYVILLE STATE UNIVERSITY - OLD MAIN PROJECT - LOAN AUTHORIZATION.** The legislative assembly authorizes the Mayville state university old main renovation project to be funded in two phases as provided under this section. The capital assets line item in subdivision 9 of section 1 of this Act includes the sum of \$17,330,087, or so much of the sum as may be necessary, for phase 1 of the project. During the biennium beginning July 1, 2023, and ending June 30, 2025, and continuing into the biennium beginning July 1, 2025, and ending June 30, 2027, the state board of higher education may borrow the sum of \$34,924,814, or so much of the sum as may be necessary, from the Bank of North Dakota for completion of phase 2 of the Mayville state university old main renovation project. The state board of higher education shall seek funding from the sixty-ninth legislative assembly to repay the loan authorized under this section.

**SECTION 14. CAMPUS CAPITAL PROJECTS - PROJECT REQUESTS - LEGISLATIVE INTENT.**

1. An institution must have pledged local matching funds allocated to a project prior to expending any funding from the strategic investment and improvements fund for the project.
2. If an institution is unable to provide the appropriated amount of matching funds for a capital project provided for in this Act, the institution may only spend a proportional amount of funding from the strategic investment and improvements fund for the project. If an institution is unable to provide necessary matching funds by June 30, 2027, to complete the project in whole or in part, the appropriation from the strategic investment and improvements fund must be canceled.
3. It is the intent of the sixty-eighth legislative assembly that any inflationary or other costs associated with previously approved projects must be paid from the institution's local funds or the institution's allocation in the university system capital building fund.

**SECTION 15. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.**

During the biennium beginning July 1, 2023, and ending June 30, 2025, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

**SECTION 16.** A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

**Economic diversification research fund - Report to legislative management.**

1. There is created in the state treasury the economic diversification research fund. The fund consists of all moneys deposited in or transferred to the fund pursuant to legislative action. Moneys in the fund may be spent by the Bank of North Dakota pursuant to legislative appropriations to provide grants to institutions under the control of the state board of higher education for economic diversification research.
2. In consultation with representatives of North Dakota state university and the university of North Dakota, the Bank, in consultation with the state board of higher education, shall award grants to institutions under the control of the state board of higher education. The sum of five million dollars must be awarded to North Dakota state university and the university of North Dakota with equal amounts awarded to each institution. The remaining funding must be awarded to the other institutions under the control of the state board of higher education, as determined by the board. The state board of higher education may not award more than fifty percent of the available funding during the first year of the biennium. The Bank of North Dakota shall distribute the grant funding as awarded by the state board of higher education.
3. The state board of higher education shall develop guidelines for the economic diversification research grants. The purpose of the grants is to stimulate economic activity across the state through innovation of new technology, concepts, and products; to promote job creation and career and wage growth; to enhance health care outcomes; to address loss of revenue and jobs in

communities with economies that depend primarily on the fossil fuel industry; and to provide experiential learning opportunities for students. Research projects may be initiated by an institution under the control of the state board of higher education or by the private sector. The guidelines must include consideration for research projects with matching funds and provisions for grant oversight by an internal advisory committee and an external advisory committee.

4. The state board of higher education shall develop reporting requirements for the institutions under the control of the board. The reporting requirements must include criteria for assessing performance outcomes related to the grants. The state board of higher education shall compile the reports and submit a comprehensive report annually to the legislative management. The comprehensive report must include information on how the research efforts by each institution align with the state's priorities, how the institutions collaborate when appropriate, and how the outcomes of the research meet established performance expectations.

**SECTION 17.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**State commissioner of higher education - Higher education trends - Report to legislative management.**

The state commissioner of higher education shall provide an annual report to the legislative management regarding trends in higher education, including state and regional student enrollment, North Dakota university system institution reserves, state and regional tuition rates, state and regional student financial assistance, and the North Dakota university system's response to the trends and changes, including new or expanded educational programs, closed programs, and future budget requests.

**SECTION 18.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Disclosure of financial condition.**

The state board of higher education shall provide a disclosure of the financial condition of an institution to the qualified applicants designated as finalists pursuant to section 44-04-18.27 for the position of president of an institution. The disclosure of financial condition must identify the institution's reserves, recent audit findings, anticipated future funding changes pursuant to chapter 15-18.2, and the institution's composite financial index ratio. The state board of higher education may require the qualified applicants to sign a nondisclosure agreement prior to receiving the disclosure of financial condition.

**SECTION 19.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Campus policies and procedures.**

The president of an institution under the control of the state board of higher education may adopt policies, procedures, and directives for the institution, with input but no authoritative control from faculty and others through shared governance. The commissioner of higher education and the state board of higher education may overturn or amend the president's policies, procedures, and directives.

**SECTION 20.** A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

**Larry C. Skogen polytechnic institute.**

The polytechnic center constructed on the campus of Bismarck state college is officially named the Larry C. Skogen polytechnic institute.

**SECTION 21. AMENDMENT.** Section 15-10-38.1 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-38.1. Skilled workforce student loan repayment program - Skilled workforce student loan repayment program fund - Continuing appropriation - Report. (~~Repealed effective July 1, 2023~~)**

1. There is created in the state treasury the skilled workforce student loan repayment program fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and loan repayments. Moneys in the fund are appropriated to the state board of higher education on a continuing basis for the purpose of distributing student loan repayment grants directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants. The state board of higher education may transfer money between this fund and the skilled workforce scholarship fund established in section 15-10-38.2.
2. The state board of higher education shall adopt policies and procedures to develop, implement, promote, and administer a skilled workforce student loan repayment program in cooperation with the Bank of North Dakota and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.
3. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high-demand professional and technical skills and emerging occupations in this state.
4. Graduates of degree or certificate programs from institutions or entities in any state may apply for the skilled workforce student loan repayment program. To be eligible to receive student loan repayment grants under the program, the applicant:
  - a. Must have successfully completed an educational program from an institution of higher education;
  - b. Must have a student loan with the Bank of North Dakota or other participating lender;
  - c. Following completion of an educational program, must reside and work in this state in an eligible high-demand or emerging occupation; and
  - d. Must have met and shall continue to meet any requirements established in applicable state board of higher education procedures.

5. The state board of higher education shall adopt procedures to ensure compliance with residency and occupation requirements after completion of the educational program.
6. The state board of higher education shall distribute student loan repayment grants from the skilled workforce student loan repayment program fund directly to the Bank of North Dakota or other participating lender to repay outstanding student loan principal balances for eligible applicants. The maximum annual student loan repayment grant amount for which an applicant may qualify is five thousand six hundred sixty-seven dollars, or one-third of the applicant's outstanding student loan principal balance upon initial application for the program, whichever is less. The maximum total student loan repayment grant amount for which any applicant may qualify is seventeen thousand dollars.
7. If an individual is receiving loan forgiveness under any other state program, the individual may not receive a student loan repayment grant under this section during the same application year. ~~An individual who received a skilled workforce scholarship under section 15-10-38.2 is not eligible for loan forgiveness under this section.~~
8. An individual may receive a combined total of no more than seventeen thousand dollars under this section and the skilled workforce scholarship program under section 15-10-38.2.
9. ~~The skilled workforce student loan repayment program must be a joint public and private effort.~~ The state board of higher education shall provide one dollar of funding for each one dollar of funding funds raised from the private sector or other public sources. Any matching funds received must be deposited in the skilled workforce student loan repayment program fund.
10. The state board of higher education shall provide a biennial program report to the legislative management by September first of each even-numbered year. The report must include information regarding:
  - a. The eligible high-demand professional and technical skills and emerging occupations;
  - b. The number of applicants, eligible applicants, and applicants receiving awards;
  - c. The amount of ~~private funding~~ matching funds raised; and
  - d. The average and total amounts awarded under the program.

**SECTION 22. AMENDMENT.** Section 15-10-38.2 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-38.2. Skilled workforce scholarship program - Skilled workforce scholarship fund - Continuing appropriation - Report. (Repealed effective July 1, 2023)**

1. There is created in the state treasury the skilled workforce scholarship fund. The fund consists of moneys transferred into the fund by the legislative assembly, matching funds received, and scholarship repayments. Moneys in the fund are appropriated to the state board of higher education on a

continuing basis for the purpose of providing grants to institutions of higher education related to skilled workforce scholarships. Institutions of higher education include institutions under the control of the state board of higher education, North Dakota nonpublic accredited institutions of higher education, tribally controlled community colleges, state-approved educator training programs, and North Dakota institutions approved to operate by the North Dakota board of career and technical education. The state board of higher education may transfer money between this fund and the skilled workforce student loan repayment program fund established in section 15-10-38.1.

2. The state board of higher education shall adopt policies and procedures to develop, implement, promote, and administer a skilled workforce scholarship program in cooperation with the Bank of North Dakota and the North Dakota workforce development council with the intent of attracting and retaining individuals for professional or technical skills in high demand in this state.
3. The North Dakota workforce development council in cooperation with job service North Dakota shall use available labor market information to determine annually the eligible high-demand professional and technical skills and emerging occupations in this state.
4. The state board of higher education and the workforce development council shall compile a list of qualifying educational programs annually. A qualifying educational program is a program resulting in attainment of an associate's degree or lower credential ~~upon successful completion of a program that may be completed within four semesters or six quarters, or the final two years of a baccalaureate program.~~ A qualifying educational program also must pertain to the professional and technical skills and emerging occupations in high demand in this state, as determined under subsection 3. Qualifying educational programs may include degree or certificate programs.
5. Individuals enrolled in a qualifying educational program in this state may apply for a scholarship under this section. Scholarships are limited to the amount charged each quarter, semester, or term by the educational institution for the tuition, fees, books, and supplies required for the qualifying educational program. The scholarships are intended to supplement any other scholarship or financial aid grant received by a student to assist the student with the costs of the qualifying educational program. An individual may not receive a combined total exceeding seventeen thousand dollars under this section and the skilled workforce loan repayment program under section 15-10-38.1.
6. To be eligible for a scholarship and payment under this section, a student must be enrolled full time in an eligible program and have at least a 2.5 cumulative grade point average, based on a 4.0 grading system, or maintain academic progress in the program according to program requirements. A student may not receive scholarships under this section for more than the equivalent of four semesters of full-time enrollment or six quarters of full-time enrollment.
7. Upon completion of a qualifying educational program, a student who received a scholarship under this section must reside and work in this state in an eligible high-demand or emerging occupation for a minimum of three years.
8. An individual shall repay the scholarship pursuant to the terms in the individual's scholarship award agreement if the individual fails to maintain

either a 2.5 cumulative grade point average or academic progress according to program requirements while enrolled, withdraws voluntarily or involuntarily before the completion of the program for which a scholarship has been received, or fails to reside and work in this state in an eligible high-demand or emerging occupation for at least three years following degree or certificate completion.

9. The state board of higher education, in conjunction with the Bank of North Dakota, may allow an individual who received payment under this section to delay or cancel repayment under this section due to financial difficulty, military service, death, or total disability.
10. Each quarter, semester, or term, the state board of higher education shall distribute grants to institutions of higher education to provide the amounts necessary for the scholarships awarded to the students enrolled in each institution.
11. ~~The skilled workforce scholarship program must be a joint public and private effort. The state board of higher education may distribute grants only to the extent that the private sector has provided one dollar of matching funds for each dollar of funding provided by the state. The state board of higher education shall provide one dollar of funding for each one dollar raised from the private sector or other public sources. Any matching funds received must be deposited in the skilled workforce scholarship fund.~~
12. The state board of higher education shall provide a biennial program report to the legislative management by September first of each even-numbered year. The report must include information regarding:
  - a. The eligible high-demand professional and technical skills and emerging occupations;
  - b. The qualifying educational programs;
  - c. The number of applicants, eligible applicants, and applicants receiving awards;
  - d. The amount of ~~private funding~~matching funds raised; and
  - e. The average and total amounts awarded under the program.

**SECTION 23. AMENDMENT.** Section 15-10-38.3 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-38.3. Scholarship and loan forgiveness administrative costs — Continuing appropriation. (Effective through July 31, 2023)**

The state board of higher education shall retain up to one and one-half percent of any funds appropriated to the board under subsection 1 of section 15-10-38.1 and subsection 1 of section 15-10-38.2. The retained funds must be used for promotion and administration of the programs under those sections.

~~**Scholarship and loan forgiveness administrative costs — Continuing appropriation. (Effective after July 31, 2023)**~~ The state board of higher education shall retain up to one-half of one percent of any funds appropriated to the board under

subsection 1 of section 15-10-38.1 and subsection 1 of section 15-10-38.2. The retained funds must be used for administration of the programs under those sections.

**SECTION 24. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

- c. ~~The board may award up to one million seven hundred thousand~~two million seven hundred thousand dollars in matching grants each to the university of North Dakota and North Dakota state university; and up to ~~one million five hundred thousand~~two million two hundred thousand dollars in matching grants for projects ~~at~~to the university of North Dakota school of medicine and health sciences. Of the amount available to the university of North Dakota, two hundred fifty thousand dollars must be awarded for projects dedicated to projects at the school of law.

**SECTION 25.** Section 15-10-48.2 of the North Dakota Century Code is created and enacted as follows:

**Agricultural research and extension - Matching grants - North Dakota state university agricultural experiment station.**

1.
  - a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of North Dakota state university for projects dedicated exclusively to agricultural research and extension at the agricultural experiment station. Notwithstanding section 15-10-53, awards under this section may be used for endowments, operations, facility repair projects, and new capital construction projects.
  - b. To be eligible for a matching grant, the institution shall demonstrate:
    - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
    - (2) The project has been approved by the grant review committee established in section 15-10-51.
  - c. The board may award up to two million two hundred thousand dollars in matching grants under this section.
  - d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.
2. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with the administrative expenses incurred in the grant review process.

**SECTION 26. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

- c. The board may award up to:
  - (1) ~~Nine hundred fifty thousand~~One million seven hundred thousand dollars each to Bismarck state college, Minot state university, and the North Dakota state college of science;

- (2) ~~Seven hundred thousand~~ One million one hundred thousand dollars each to Dickinson state university, Mayville state university, and Valley City state university; and
- (3) ~~Three hundred fifty thousand~~ Six hundred thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college.

**SECTION 27. AMENDMENT.** Subsection 2 of section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall prioritize available dollars allocated in paragraph 1 of subdivision c of subsection 1 to applicants in paragraph 1 of subdivision c of subsection 1. The board shall prioritize available dollars allocated in paragraph 2 of subdivision c of subsection 1 to applicants in paragraph 2 of subdivision c of subsection 1. The board shall prioritize available dollars allocated in paragraph 3 of subdivision c of subsection 1 to applicants in paragraph 3 of subdivision c of subsection 1.
- d. After considering applications pursuant to subdivision c, the board shall consider each application submitted under this subsection in chronological order.
- d-e. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

**SECTION 28. AMENDMENT.** Section 15-10-57 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-57. Unified workforce, vocational, and technical education program system.**

The state board of higher education shall establish and maintain a unified system to offer workforce training, vocational education, and technical education programs at institutions under its control. The board shall periodically review programs offered by institutions under its control and revise program offerings based on the workforce needs of the state identified by the ~~workforce education advisory~~ development council. The board shall develop administrative arrangements that make possible the efficient use of facilities and staff. The board shall limit administrative costs by eliminating duplicative administrative positions.

**SECTION 29. AMENDMENT.** Section 15-10-63 of the North Dakota Century Code is amended and reenacted as follows:

**15-10-63. Capital projects.**

1. The university of North Dakota and North Dakota state university shall identify other funds from gifts, grants, donations, the university system capital building fund, or other local funds for at least thirty percent of the total estimated cost of a capital project request submitted to the legislative assembly.
2. Bismarck state college, lake region state college, Williston state college, the North Dakota state college of science, Dickinson state university, Mayville state university, Minot state university, Valley City state university, and Dakota college at Bottineau shall identify other funds from gifts, grants, donations, the university system capital building fund, or other local funds for at least five percent of the total estimated cost of a capital project request submitted to the legislative assembly.
3. An institution under the control of the state board of higher education may undertake a facility renovation project only if the project will reduce the deferred maintenance amount of the facility by no less than seventy five percent of the total cost of the renovation. The institution shall maintain documentation that demonstrates the cost and scope of the deferred maintenance reduction that results directly from the renovation. This subsection does not apply to projects undertaken solely to correct building code deficiencies or to installations of infrastructure determined by the board to be essential to the mission of the institution.
- 2-4. Facility construction and renovation projects undertaken by an institution under the control of the state board of higher education must conform to campus master plan and space utilization requirements approved by the state board of higher education.

**SECTION 30. AMENDMENT.** Subdivision k of subsection 1 of section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

- k. The ~~factors~~factor for credits completed in career and technical education are:
  - (1) ~~3-0 for lower division credits; and~~
  - (2) ~~5-0 for upper division credits~~5.0.

**SECTION 31. AMENDMENT.** Subsection 1 of section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

1. Except as provided under subsections 2 and 3, to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-03 by a base amount of:
  - a. ~~\$61.84~~\$73.15 in the case of North Dakota state university and the university of North Dakota;
  - b. ~~\$92.60~~\$103.76 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and
  - c. ~~\$98.84~~\$110.38 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.

**SECTION 32.** Section 15-18.2-06.1 of the North Dakota Century Code is created and enacted as follows:

**Base funding - Minimum amount payable.**

Notwithstanding any calculations required by this chapter, during each biennium an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous biennium.

**SECTION 33. AMENDMENT.** Section 15-54.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**15-54.1-02. Capital building funds - Uses - Reports.**

Subject to tier II and tier III capital building fund matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for projects specifically authorized by the legislative assembly to use university system capital building fund moneys. In addition, after an institution has matched and committed seventy-five percent of the funding appropriated for the institution's tier I extraordinary repairs and subject to state board of higher education approval and matching requirements under this chapter, each institution may use its allocation of funds from the university system capital building fund for extraordinary repairs and deferred maintenance projects for academic and student housing facilities that do not increase the overall square footage of a building. The state board of higher education shall report biennially to the legislative management and to the appropriations committees of the legislative assembly on the use of funding in the university system capital building fund, the source of matching funds, and each institution's five-year plan for capital construction spending.

**SECTION 34. AMENDMENT.** Subsection 1 of section 15-62.4-03 of the North Dakota Century Code is amended and reenacted as follows:

1. The state board of higher education shall provide to each eligible student a financial assistance grant in an amount not exceeding:
  - a. One thousand ~~one hundred~~three hundred seventy-five dollars per semester; or
  - b. ~~Seven hundred thirty-three~~Nine hundred seventeen dollars per quarter.

**SECTION 35. AMENDMENT.** Subdivision c of subsection 2 of section 54-07-12 of the North Dakota Century Code is amended and reenacted as follows:

- c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota, of which two million dollars is for the purpose of creating an endowment to digitize digitizing documents relating to Theodore Roosevelt and eight million dollars is for the purpose of creating an endowment for the creation of purpose of digitizing documents relating to Theodore Roosevelt and for creating a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and

**SECTION 36. AMENDMENT.** Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, 20232025)**

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

**Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, 20232025)** The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.

3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

**SECTION 37. REPEAL.** Sections 15-10-48.1 and 15-10-58 of the North Dakota Century Code are repealed.

**SECTION 38. EXEMPTION - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.** Notwithstanding section 54-16-04, the office of management and budget shall transfer appropriation authority from the operations to the capital assets line items within subdivisions 2 through 14 of section 1 of this Act as requested by the state board of higher education for the biennium beginning July 1, 2023, and ending June 30, 2025. The board shall report any transfer of funds under this section to the legislative management.

**SECTION 39. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.** Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2023, and ending June 30, 2025. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2025-27 biennium budget request.

**SECTION 40. EXEMPTION - CAPITAL BUILDING FUND.** Notwithstanding any matching requirements in chapter 15-54.1, the following projects are authorized to use funding from the respective institution's allocation in the university system capital building fund:

Lake region state college wind turbine gearbox replacement and parking lot repairs	\$1,000,000
Williston state college medical health care building	637,947
Mayville state university old main renovation	2,330,087
Valley City state university McCarthy hall renovation	1,025,082
Dakota college at Bottineau old main renovation	<u>1,000,000</u>
Total	\$5,993,116

**SECTION 41. EXEMPTION - PROJECT AUTHORIZATIONS.** Any unexpended amounts remaining from the \$49,900,000 appropriated from the general fund for capital projects at institutions under the control of the state board of higher education in section 2 of chapter 53 of the 2019 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from the appropriations are available to the respective institutions to complete the projects during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 42. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The amounts appropriated from federal funds derived from the state fiscal recovery fund

to the state board of higher education and institutions under the control of the state board of higher education in section 1 of chapter 548 and section 1 of chapter 550 of the 2021 Special Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these projects and programs are available for the projects and programs, including for the Twamley hall project at the university of North Dakota, during the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 43. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT FUNDING.** During the 2023-24 interim, the legislative management shall study funding for dual-credit courses. The study must include a review of all funding sources relating to dual-credit courses in the state, including tuition and fees, the higher education funding formula, elementary and secondary education integrated formula payments, institution scholarships, state scholarships, and the Bank of North Dakota. The study must also include a review of funding for dual-credit courses in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 44. LEGISLATIVE MANAGEMENT STUDY - ARTIFICIAL INTELLIGENCE IMPACTS.** During the 2023-24 interim, the legislative management shall consider studying the emergence of artificial intelligence and the potential impacts on the state's institutions, agencies, businesses, citizens, and youth. The study must include a review of the effect of artificial intelligence on the provision of health care, effects on student learning, potential opportunities or threats to the integrity of state services, the potential impact on electoral processes, including mitigating action to be taken leading up to the 2024 state elections, opportunities for state investment or policy changes to promote artificial intelligence businesses, and cybersecurity implications across all state institutions. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 45. TUITION RATE INCREASE LIMITATIONS.**

1. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2023-24 academic year as compared to the tuition rate in effect during the 2023 spring semester.
2. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2024-25 academic year as compared to the tuition rate in effect during the 2024 spring semester.
3. Tuition rates charged for high-cost undergraduate differentiated tuition programs and for graduate level programs, including programs offered through the university of North Dakota school of medicine and health sciences, the university of North Dakota school of law, or the North Dakota state university school of pharmacy, may be increased by up to one percent for the 2023-24 academic year as compared to the tuition rate in effect during the 2023 spring semester.
4. Tuition rates charged for high-cost undergraduate differentiated tuition programs and for graduate level programs, including programs offered

through the university of North Dakota school of medicine and health sciences, the university of North Dakota school of law, or the North Dakota state university school of pharmacy, may be increased by up to one percent for the 2024-25 academic year as compared to the tuition rate in effect during the 2024 spring semester.

5. This section does not apply to tuition rates for nonresident students attending institutions of higher education under the control of the state board of higher education. For purposes of this section, the residency of students for tuition purposes must be determined under section 15-10-19.1.
6. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.
7. For purposes of this section, an institution must calculate a resident tuition rate increase based on the tuition rate paid by an average full-time resident student.

**SECTION 46. LEGISLATIVE INTENT - WEIGHTED CREDIT-HOURS - INSTRUCTIONAL PROGRAM CLASSIFICATION FACTORS.** It is the intent of the sixty-eighth legislative assembly that dental hygienist and dental assistant courses be transferred to the career and technical education instructional program classification within the higher education funding formula.

**SECTION 47. CAMPUS CAPITAL PROJECTS - 2025-27 BIENNIUM - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly appropriate funding from state funds or bond proceeds as follows for capital projects, in addition to any necessary authorization for the use of local matching funds, for the biennium beginning July 1, 2025, and ending June 30, 2027:

University of North Dakota science, technology, engineering, and math building	\$55,640,000
Minot state university academic building	8,132,000
Mayville state university old main renovation or loan repayment	<u>34,924,814</u>
Total legislative intent	\$98,696,814

**SECTION 48. EMERGENCY.** Sections 5, 11, 12, 14, 34, 40, 42, and the capital assets line items in section 1 of this Act are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 4

### HOUSE BILL NO. 1004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public health division of the department of health and human services; to create and enact a new section to chapter 54-27 of the North Dakota Century Code, relating to the deposit of judgment funds; to provide for a legislative management report; to provide for a transfer; and to provide for an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of health and human services for the purpose of defraying the expenses of the public health division of the department, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$41,362,968	\$3,830,044	\$45,193,012
Operating expenses	31,242,543	6,478,670	37,721,213
Capital assets	1,796,393	(326,613)	1,469,780
Grants	55,812,575	15,857,570	71,670,145
Tobacco prevention	13,410,022	814,235	14,224,257
Women, infants, and children food payments	19,900,000	0	19,900,000
COVID-19	4,459,766	93,280,500	97,740,266
Public health laboratory capital project	<u>0</u>	<u>55,120,000</u>	<u>55,120,000</u>
Total all funds	\$167,984,267	\$175,054,406	\$343,038,673
Less estimated income	<u>129,409,112</u>	<u>168,895,106</u>	<u>298,304,218</u>
Total general fund	\$38,575,155	\$6,159,300	\$44,734,455
Full-time equivalent positions	210.50	5.00	215.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Vital records system technology upgrades	\$275,000	\$0
Statewide health strategies initiative	3,000,000	0
COVID-19 response	9,262,341	0
Forensic examiner upgrades	910,000	0
COVID-19 response - House Bill No. 1395	87,290,597	0
Public health laboratory capital project	<u>15,000,000</u>	<u>55,120,000</u>
Total all funds	\$115,737,938	\$55,120,000

Less estimated income	<u>110,209,662</u>	<u>55,120,000</u>
Total general fund	\$5,528,276	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of health and human services shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within section 1 of this Act, subdivisions 1, 2, and 3 of section 1 of Senate Bill No. 2012, and any other appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 4. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within section 1 of this Act, subdivisions 1, 2, and 3 of Senate Bill No. 2012, and any other appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly to subdivision 4 of Senate Bill No. 2012, for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 5. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act and section 1 of Senate Bill No. 2012 includes appropriation authority for the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025. On July 1, 2023, the office of management and budget shall combine the appropriation authority contained in section 1 of this Act and section 1 of Senate Bill No. 2012, and any other appropriation authority for the department of health and human services in other bills approved by the sixty-eighth legislative assembly, into one budget for the department of health and human services. The department of health and human services shall submit one budget request for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. ESTIMATED INCOME - INSURANCE TAX DISTRIBUTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

**SECTION 7. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND.** The estimated income line item in section 1 of this Act includes the sum of \$20,837,620 from the community health trust fund for the following programs:

Behavioral risk factor survey	\$200,000
Behavioral health loan repayment	234,500

Domestic violence offender treatment	1,000,000
Domestic violence prevention	1,000,000
Women's way	329,500
Dentists' loan repayment	360,000
Local public health state aid	3,275,000
Cancer programs	580,324
Forensic examiner contract	1,000,000
Tobacco cessation grants	500,000
Youth vaping prevention grants	300,000
Tobacco prevention and control	5,043,000
Tobacco prevention and control grants to local public health units	<u>6,250,000</u>
Total community health trust fund	
\$20,072,324	

**SECTION 8. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND.** The estimated income line item in section 1 of this Act includes the sum of \$55,120,000 from federal funds derived from the state fiscal recovery fund for a public health laboratory capital project.

**SECTION 9.** A new section to chapter 54-27 of the North Dakota Century Code is created and enacted as follows:

**Deposit of JUUL Labs, Inc., judgment funds.**

Eighty percent of any funds received by the state under the consent judgment adopted by the south central judicial district court in its consent judgment entered December 8, 2022, [Civil No. 08-2022-CV-02972] in State of North Dakota, ex rel. Drew H. Wrigley v. JUUL Labs, Inc., must be deposited in the community health trust fund.

**SECTION 10. TRANSFER - ATTORNEY GENERAL REFUND FUND TO COMMUNITY HEALTH TRUST FUND.** The attorney general shall transfer eighty percent of any funds deposited in the attorney general refund fund during the biennium beginning July 1, 2021, and ending June 30, 2023, relating to the consent judgment entered December 8, 2022, [Civil No. 08-2022-CV-02972] in State of North Dakota, ex rel. Drew H. Wrigley v. JUUL Labs, Inc., to the community health trust fund on July 1, 2023.

**SECTION 11. USE OF PUBLIC HEALTH CRISIS RESPONSE GRANT FUNDS.** The public health division of the department of health and human services shall use \$870,000 of funding made available through the federal COVID-19 public health crisis response grant for public health workforce to provide grants to local public health units. To be eligible to receive a grant, local public health units must apply for this grant funding by December 31, 2023. Any public health workforce funds not awarded to local public health units may be used by the department of health and human services for workforce efforts pursuant to federal grant guidance.

**SECTION 12. LABORATORY BUILDING STEERING COMMITTEE.** The department of health and human services shall establish a laboratory building steering committee to oversee the design and construction of the laboratory building project for the biennium beginning July 1, 2023, and ending June 30, 2025. The committee must include representation from the department of health and human services, department of environmental quality, office of management and budget, the governor's office, and the legislative assembly. The legislative assembly representation must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader,

and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

**SECTION 13. EXEMPTION - 2021-23 BIENNIUM APPROPRIATION - STATEWIDE HEALTH STRATEGIES.** The sum of \$3,000,000, of which \$1,500,000 is from the community health trust fund and \$1,500,000 is from other income derived from matching funds, appropriated for statewide health strategies in section 1 of chapter 32 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for statewide health strategies initiatives during the biennium beginning July 1, 2023, and ending June 30, 2025. The amount appropriated from the community health trust fund is contingent on the department of health and human services securing dollar-for-dollar matching funds.

**SECTION 14. EXEMPTION - 2021-23 BIENNIUM APPROPRIATION - PUBLIC HEALTH LABORATORY CAPITAL PROJECT.** The sum of \$15,000,000 of federal funds, derived from the state fiscal recovery fund, appropriated for a public health laboratory capital project in subdivision 7 of section 1 of chapter 550 of the 2021 Special Session Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the public health laboratory capital project during the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved April 18, 2023

Filed April 19, 2023

# CHAPTER 5

## HOUSE BILL NO. 1005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$910,106	\$23,143	\$933,249
Operating expenses	<u>185,609</u>	<u>82,109</u>	<u>267,718</u>
Total general fund	\$1,095,715	\$105,252	\$1,200,967
Full-time equivalent positions	4.00	0.00	4.00

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 6

### HOUSE BILL NO. 1006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,599,310	\$160,357	\$1,759,667
Operating expenses	2,067,677	1,467,323	3,535,000
Capital assets	0	2,250,000	2,250,000
Grants	<u>27,550,000</u>	<u>3,550,000</u>	<u>31,100,000</u>
Total all funds	\$31,216,987	\$7,427,680	\$38,644,667
Less estimated income	<u>30,741,987</u>	<u>7,427,680</u>	<u>38,169,667</u>
Total general fund	\$475,000	\$0	\$475,000
Full-time equivalent positions	7.00	0.00	7.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
International Peace Garden airport rehabilitation	\$0	\$2,500,000
Airport grants	<u>5,000,000</u>	<u>4,000,000</u>
Total other funds	\$5,000,000	\$6,500,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The aeronautics commission shall report to the appropriation committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - AIRPORT INFRASTRUCTURE FUND - AIRPORT GRANTS - EXEMPTION.** The estimated income line item in section 1 of this Act includes \$20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2023, and ending June 30, 2025. Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2025, must be continued into the biennium beginning July 1, 2025, and ending June 30, 2027, and may be expended only for providing grants to airports.

**SECTION 4. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.**

Section 54-44.1-11 does not apply to the appropriation in subsection 41 of section 1 of chapter 550 of the 2021 Special Session Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of airport infrastructure grants during the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved April 12, 2023

Filed April 13, 2023

## CHAPTER 7

### HOUSE BILL NO. 1007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the veterans' home; to provide for a legislative management study; and to provide for a report.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$19,209,879	\$849,837	\$20,059,716
Operating expenses	5,539,333	538,842	6,078,175
Capital assets	<u>407,271</u>	<u>2,437,811</u>	<u>2,845,082</u>
Total all funds	\$25,156,483	\$3,826,490	\$28,982,973
Less estimated income	<u>19,375,840</u>	<u>3,597,134</u>	<u>22,972,974</u>
Total general fund	\$5,780,643	\$229,356	\$6,009,999
Full-time equivalent positions	114.79	0.00	114.79

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Indoor parking and storage	\$0	\$750,000
Parking lot and road repairs	0	1,100,000
Equipment	16,700	125,750
Thermostat replacements	131,500	478,930
Resident absences	25,000	0
Memorial garden project	200,000	0
COVID-19 pandemic costs	<u>1,300,000</u>	<u>0</u>
Total all funds	\$1,673,200	\$2,454,680
Less estimated income	<u>1,648,200</u>	<u>2,454,680</u>
Total general fund	\$25,000	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The veterans' home shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING STIPEND.** The estimated income line item in section 1

of this Act includes the sum of \$48,000 from the soldiers' home fund for the purpose of providing a \$2,000 monthly housing stipend to the veterans' home administrator for housing costs off the veterans' home campus.

**SECTION 4. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - THERMOSTAT REPLACEMENTS.** The estimated income line item in section 1 of this Act includes the sum of \$478,930 from federal funds derived from the state fiscal recovery fund for the purpose of a thermostat and air handling unit replacement project.

**SECTION 5. LEGISLATIVE MANAGEMENT STUDY - VETERANS' HOME GOVERNANCE.** During the 2023-24 interim, the legislative management shall consider studying current and future governance needs of the veterans' home. The study must include a review of the report provided in section 6 of this Act. The study must consider the current duties and responsibilities of the administrative committee on veterans' affairs, the veterans' home governing board, and the veterans' home administrator and any organizational changes necessary to provide services for veterans and veterans' spouses, increase resident census at the veterans' home, accomplish goals included in the veterans' home strategic plan, and ensure the long-term viability of the veterans' home. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 6. VETERANS' HOME STRATEGIC PLAN - LEGISLATIVE MANAGEMENT REPORT - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The veterans' home shall report to the legislative management by January 1, 2024, regarding the status of implementing recommendations included in the veterans' home strategic plan as provided for in section 1 of chapter 7 of the 2019 Session Laws. The veterans' home shall forward a copy of the report to the governor and each United States senator and congressman representing North Dakota. The veterans' home shall provide an updated report to the appropriations committees of the sixty-ninth legislative assembly, the governor, and each United States senator and congressman representing North Dakota during the 2025 legislative session. The report must include information on the status and progress of:

1. The veterans' home current and future planned marketing initiative outcomes, including:
  - a. Marketing efforts to community-based outpatient clinics throughout the state and how the veterans' home can increase community-based services to veterans statewide; and
  - b. How the agency will increase statewide awareness of the veterans' home, including promoting services available to veterans and veterans' spouses;
2. Implementation of minimum data set and documentation audit recommendations to increase operational efficiencies, census, and staffing;
3. The veterans' home and each United States senator and congressman representing North Dakota collaborating to negotiate with the United States department of veterans affairs on the forgiveness of approximately \$15,700,000 of federal funding used in the construction of the veterans' home and the other options regarding federal funding concerns;

4. Evaluating options to adjust basic care and skilled care reimbursement rates to more adequately compensate for services provided to veterans and veterans' spouses;
5. The feasibility of providing collaborative hospice care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
6. The feasibility of providing assisted and independent living care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
7. The feasibility of providing adult day care at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
8. The feasibility of providing outpatient services at the veterans' home and the creation of a business plan including advantages, disadvantages, and potential costs and revenue;
9. The feasibility of engaging in collaborative planning and work efforts with competing senior living providers in areas surrounding the veterans' home and the feasibility of contracting with a third party to operate the veterans' home; and
10. The final strategic plan submitted by the veterans' home third-party consultant.

Approved April 28, 2023

Filed April 29, 2023

# CHAPTER 8

## HOUSE BILL NO. 1008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of financial institutions; to provide an exemption; and to provide for a legislative management study.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,415,098	\$299,364	\$7,714,462
Operating expenses	1,671,409	450,508	2,121,917
Contingency	<u>20,000</u>	<u>0</u>	<u>20,000</u>
Total special funds	\$9,106,507	\$749,872	\$9,856,379
Full-time equivalent positions	31.00	3.00	34.00

**SECTION 2. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the department of financial institutions may transfer funds between line items within section 1 of this Act during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of financial institutions shall notify the office of management and budget and the legislative council of any transfer made pursuant to this section.

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - APPROPRIATION AND MANAGEMENT PROCEDURES.** During the 2023-24 interim, the legislative management shall consider studying the appropriation procedures for the department of financial institutions. The study must include an analysis of the feasibility and desirability of alternative appropriation methods, management structures employed, oversight and reporting to the executive and legislative branches of government, staff classifications structures tied to federal or market compensation indexes, and staffing structures which allow for adjustments to market conditions. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

Approved May 4, 2023

Filed May 5, 2023

# CHAPTER 9

## HOUSE BILL NO. 1009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state fair association.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Premiums	\$542,833	\$100,000	\$642,833
Total general fund	\$542,833	\$100,000	\$642,833

Approved March 30, 2023

Filed April 3, 2023

**CHAPTER 10**

**HOUSE BILL NO. 1010**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts; to provide for transfers; to provide for a report; to provide an exemption; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the period beginning with the effective date of this Act, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,082,619	\$212,465	\$1,295,084
Operating expenses	286,545	540,048	826,593
Grants	<u>2,082,524</u>	<u>342,818</u>	<u>2,425,342</u>
Total all funds	\$3,451,688	\$1,095,331	\$4,547,019
Less estimated income	<u>1,788,922</u>	<u>161,078</u>	<u>1,950,000</u>
Total general fund	\$1,662,766	\$934,253	\$2,597,019
Full-time equivalent positions	5.00	1.00	6.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
New full-time equivalent position	\$0	\$2,500
Accrued leave payouts	0	106,430
Strategic planning consultant	0	40,000
Arts across the prairie initiative	0	170,000
Information technology equipment	0	10,000
Total all funds	\$0	\$328,930
Total other funds	0	70,000
Total general fund	\$0	\$258,930

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The council on the arts shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. APPROPRIATION - CULTURAL ENDOWMENT FUND.** All income from the cultural endowment fund is appropriated to the council on the arts for the

furthering of the cultural arts in the state for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. APPROPRIATION - GIFTS, GRANTS, AND BEQUESTS.** All gifts, grants, devises, bequests, donations, and assignments received by the council on the arts are appropriated to the council on the arts for the purposes provided in section 54-54-06, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. EXEMPTION - LINE ITEM TRANSFERS - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer funds between line items in section 1 of this Act as requested by the council on the arts. The council on the arts shall notify the legislative council of any transfer made pursuant to this section. The council on the arts shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 6. EMERGENCY.** The amount of \$106,430 from the general fund appropriated in the salaries and wages line item for accrued leave payouts in section 1 of this Act is declared to be an emergency measure.

Approved May 5, 2023

Filed May 9, 2023

**CHAPTER 11**

**HOUSE BILL NO. 1011**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to create and enact section 39-03-18.1 of the North Dakota Century Code, relating to a federal assets forfeiture fund; to provide an exemption; to provide a continuing appropriation; to provide a report; and to provide for a transfer.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Highway patrol	\$62,113,414	\$9,075,774	\$71,189,188
Total all funds	\$62,113,414	\$9,075,774	\$71,189,188
Less estimated income	<u>25,785,652</u>	<u>(4,035,290)</u>	<u>21,750,362</u>
Total general fund	\$36,327,762	\$13,111,064	\$49,438,826
Full-time equivalent positions	193.00	12.00	205.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding

items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Commercial motor carrier system	\$275,000	\$150,000
Hard body armor	265,000	0
Body and in-car cameras	1,158,000	0
Training academy remodel	3,000,000	0
Law enforcement radios	2,612,000	0
New trooper startup costs	0	636,000
Inflationary increases	0	2,562,000
Narcotics tester	0	60,000
Unmanned aerial vehicle program	0	104,000
Motor carrier program	0	427,000
Technology enhancements	0	283,200
Shooting range repairs	<u>0</u>	<u>200,000</u>
Total all funds	\$7,310,000	\$4,422,200
Less estimated income	<u>7,310,000</u>	<u>1,589,616</u>
Total general fund	\$0	\$2,832,584

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The highway patrol shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - TRANSFER - HIGHWAY TAX DISTRIBUTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$11,256,381, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for defraying the expenses of the highway patrol during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - MOTOR CARRIER ELECTRONIC PERMIT TRANSACTION FUND.** The estimated income line item in section 1 of this Act includes \$1,633,648 from the motor carrier electronic permit transaction fund for defraying various expenses associated with the issuance of permits and other nonenforcement motor carrier and administrative activities.

**SECTION 5. TRANSFER - MOTOR CARRIER ELECTRONIC PERMIT FUND TO NORTH DAKOTA HIGHWAY PATROLMEN'S RETIREMENT FUND.** The office of management and budget shall transfer the sum of \$3,000,000 from the motor carrier electronic permit fund to the North Dakota highway patrolmen's retirement fund for the purpose of reducing the unfunded liability of the North Dakota highway patrolmen's retirement plan during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 6. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$3,000,000 of federal funds appropriated in section 6 of chapter 15 of the 2021 Session Laws for the law enforcement training academy project.
2. The sum of \$225,000 of federal funds appropriated in section 1 of chapter 39 of the 2021 Session Laws for the commercial vehicle information exchange window system.
3. The sum of \$2,612,000 of federal funds derived from the state fiscal recovery fund appropriated in subsection 21 of section 1 of chapter 550 of the 2021 Special Session Session Laws for purchasing radios compatible with the statewide interoperable radio network.

**SECTION 7. PAYMENTS TO HIGHWAY PATROL OFFICERS.** Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2023, and ending June 30, 2025. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at the patrol officers' respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

**SECTION 8.** Section 39-03-18.1 of the North Dakota Century Code is created and enacted as follows:

**39-03-18.1. Highway patrol - Federal assets forfeiture fund - Continuing appropriation.**

There is created in the state treasury the highway patrol federal assets forfeiture fund. The fund consists of moneys received through federal asset forfeiture sharing programs. Funds received through federal sharing programs may not be deposited in the same account as assets forfeited pursuant to section 39-03-18. Up to three hundred thousand dollars is appropriated from the fund on a continuing basis each biennium to the highway patrol. Funding may be used only for eligible purchases identified by the federal department of justice and federal department of treasury. The superintendent, with the concurrence of the director of the office of management and budget, shall establish the necessary accounting procedures in accordance with the federal asset sharing program for the use of the fund. All expenditures of moneys in the fund must be approved by the superintendent.

**SECTION 9. DEFERRED MAINTENANCE - UNEXPENDED APPROPRIATIONS.**

Pursuant to section 54-44.1-11, the highway patrol may submit a request to the chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly and office of management and budget to continue unexpended appropriation authority transferred to the agency for deferred maintenance under subsection 10 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

Approved April 27, 2023

Filed April 28, 2023

## CHAPTER 12

### HOUSE BILL NO. 1012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide a continuing appropriation; to create and enact a new section to chapter 24-01 and sections 54-27-19.3 and 54-27-19.4 of the North Dakota Century Code, relating to designating state highway 13, the legacy earnings highway distribution fund, and legacy earnings township highway aid fund; to amend and reenact section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, section 57-40.3-10 of the North Dakota Century Code, and section 13 of chapter 15 and section 10 of chapter 80 of the 2021 Session Laws, relating to the flexible transportation fund, motor vehicle excise tax allocations, an appropriation for township roadway funding, and the appropriation of bond proceeds for transportation projects; to provide an exemption; to provide a report; to provide for a legislative management study; to provide an effective date; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$204,109,585	\$13,636,811	\$217,746,396
Operating expenses	270,888,188	61,993,286	332,881,474
Capital assets	902,431,344	653,963,721	1,556,395,065
Grants	118,085,610	2,485,848	120,571,458
Contingent loan authorization	<u>0</u>	<u>78,500,000</u>	<u>78,500,000</u>
Total all funds	\$1,495,514,727	\$810,579,666	\$2,306,094,393
Less estimated income	<u>1,495,514,727</u>	<u>800,204,666</u>	<u>2,295,719,393</u>
Total general fund	\$0	\$10,375,000	\$10,375,000
Full-time equivalent positions	982.00	19.00	1,001.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Road and bridge projects and matching funds	\$255,000,000	\$0
Contingent loans	50,000,000	78,500,000
Bond proceeds	70,000,000	0
Federal funds authority	498,609,357	0
Beyond visual line of sight infrastructure	5,000,000	0

Construction and materials management system	9,660,000	0
Township emergency repair grants	750,000	0
State matching funds	0	114,000,000
Federal highway funds	0	290,000,000
State flexible transportation fund	0	51,000,000
Roadway management system project	0	6,250,000
Door security	0	865,000
Automated vehicle location	0	2,010,000
Short line railroad programs	0	6,500,000
United States highway 52 environmental study	0	5,000,000
Flood projects study	0	2,500,000
Rural transit program grants	0	1,250,000
Total all funds	\$889,019,357	\$557,875,000
Less estimated income	<u>889,019,357</u>	<u>547,500,000</u>
Total general fund	\$0	\$10,375,000

The 2023-25 biennium one-time funding amounts are not a part of the department's base budget for the 2025-27 biennium. The department of transportation shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority among the salaries and wages, operating expenses, capital assets, and grants line items in section 1 of this Act as requested by the director of the department of transportation when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 4. CONTINGENT LOAN AUTHORIZATION - CONTINGENT FUNDING - HIGHWAY IMPROVEMENT PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching federal funds that may become available, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants related to United States highway 85 during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

**SECTION 5. CONTINGENT LOAN AUTHORIZATION - CONTINGENT FUNDING - FLOOD PROJECTS.** The department of transportation may borrow from the Bank of North Dakota, \$28,500,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation in the contingent loan authorization line item in section 1 of this Act for matching funds made available from the state of Minnesota for northern Red River valley transportation projects, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the office of management and budget that the Minnesota department of transportation will match these funds on a dollar-for-dollar basis. The funds may be borrowed and spent for phase one of a project to address northern Red River valley flooding issues and are available for design, redesign,

preliminary and final engineering, environmental analysis, right of way acquisition, and construction, including demolition. The department of transportation shall request from the sixty-ninth legislative assembly an appropriation to repay any outstanding loans authorized in this section.

**SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes the sum of \$179,000,000 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$114,000,000 for matching federal highway funding;
2. The sum of \$51,000,000 to establish a state flexible transportation fund;
3. The sum of \$6,500,000 to enhance existing loan programs to assist short line railroads with rail improvement projects;
4. The sum of \$2,500,000 to match funding from the state of Minnesota and other sources for studies, preliminary engineering, and environmental studies to address northern Red River valley infrastructure affected by flooding; and
5. The sum of \$5,000,000 for an environmental study of a portion of United States highway 52.

**SECTION 7. RURAL TRANSIT FUNDING.** The grants line item in section 1 of this Act includes the sum of \$1,250,000 from the general fund for grants to rural transit providers in nonurban areas.

**SECTION 8. CONSTRUCTION OF REST AREA AND VISITOR CENTER.** Notwithstanding any other provision of law, the director of the department of transportation may enter into a cooperative agreement with a public or private entity and may expend moneys from the state highway fund or any moneys within the limits of the legislative appropriations for the purpose of constructing a rest area and visitor center in western North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9.** A new section to chapter 24-01 of the North Dakota Century Code is created and enacted as follows:

**Trooper Beryl McLane memorial highway - State highway 13 - Continuing appropriation.**

The department shall designate state highway 13 from Edgeley to LaMoure as the Trooper Beryl McLane memorial highway and shall place signs along the highway designating that name. The department may accept any appropriate signs or funds donated to the department for the placement of signs. Any donated funds are appropriated to the department on a continuing basis for the purpose of providing signs designating state highway 13 as the Trooper Beryl McLane memorial highway.

<sup>1</sup> **SECTION 10. AMENDMENT.** Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**24-02-37.3. Flexible transportation fund - Budget section approval - Report.**

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:
  - a. Providing a match for federal funding obtained by the department of transportation.
  - b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.
  - c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
3. The director must receive budget section approval for any project that utilizes more than fifteen million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
  - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
  - b. The department shall establish criteria to distribute the funds;
  - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;

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<sup>1</sup> Section 24-02-37.3 was created by section 1 of Senate Bill No. 2113, chapter 266, and was also amended by section 31 of Senate Bill No. 2015, chapter 47. The North Dakota Supreme Court declared Senate Bill No. 2015 void in *Board of Trustees of The North Dakota Public Employees' Retirement System v. North Dakota Legislative Assembly*, by judgment filed October 12, 2023.

- d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
  - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
  - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund.

**SECTION 11.** Section 54-27-19.3 of the North Dakota Century Code is created and enacted as follows:

**54-27-19.3. Legacy earnings highway distribution fund.**

A legacy earnings highway distribution fund is created as a special fund in the state treasury into which must be deposited any allocations of legacy fund earnings made under section 21-10-13. Any moneys in the legacy earnings highway distribution fund must be allocated and transferred by the state treasurer, as follows:

- 1. Sixty percent must be transferred to the department of transportation for deposit in the state highway fund;
- 2. Ten percent must be transferred to the legacy earnings township highway aid fund;
- 3. One and five-tenths percent must be transferred to the public transportation fund; and
- 4. Twenty-eight and five-tenths percent must be allocated to cities and counties using the formula established in subsection 4 of section 54-27-19. Moneys received by counties and cities must be used for roadway purposes in accordance with section 11 of article X of the Constitution of North Dakota.

**SECTION 12.** Section 54-27-19.4 of the North Dakota Century Code is created and enacted as follows:

**54-27-19.4. Legacy earnings township highway aid fund.**

A legacy earnings township highway aid fund is created as a special fund in the state treasury into which must be deposited any allocations of legacy fund earnings made under section 54-27-19.3 which must be allocated as follows:

- 1. The state treasurer shall allocate and distribute all money in the legacy earnings township highway aid fund to non-oil-producing counties of the state based on the length of township roads in each non-oil-producing county compared to the length of all township roads in all the non-oil-producing counties;

2. The county treasurer shall allocate the funds received to the organized townships in the county based on the length of township roads in each of those organized townships compared to the length of all township roads in the county. The funds received must be deposited in the township road and bridge fund and used for road and bridge purposes;
3. If a county does not have organized townships, or has some organized and some unorganized townships, the county shall retain a pro rata portion of the funds received based on the length of roads in unorganized townships compared to the length of township roads in organized townships in the county. Moneys retained by a county for the benefit of unorganized townships under this section must be deposited in the county road and bridge fund; and
4. For purposes of this section, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.

**SECTION 13. AMENDMENT.** Section 57-40.3-10 of the North Dakota Century Code is amended and reenacted as follows:

**57-40.3-10. Transfer of revenue.**

~~All moneys collected and received under this chapter must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited to the general fund. After the deposits under sections 57-39.2-26.1, 57-39.2-26.2, and 57-39.2-26.3, moneys collected and received under this chapter must be deposited monthly in the state treasury and allocated as follows:~~

1. Fifty percent to the general fund; and
2. The remaining fifty percent to the flexible transportation fund.

**SECTION 14. AMENDMENT.** Section 13 of chapter 15 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 13. 2019-21 BIENNIUM APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND - 2021-23 BIENNIUM APPROPRIATION - HIGHWAY FUND AND FEDERAL FUNDS - EXEMPTION - REPORT.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, which the office of management and budget shall transfer to the highway fund during the period beginning with the effective date of this Act, and ending June 30, 2021. The funds transferred to the highway fund must be maintained and reported separately from other funds in the highway fund.
2. There is appropriated out of any moneys in the highway fund, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of matching federal discretionary funds received in excess of the regular federal funding amounts included in the department's 2021-23 biennium budget, for the biennium beginning July 1, 2021, and ending June 30, 2023. Of this amount, the department shall use at least \$10,000,000 for ~~matching federal funds~~ for township road and bridge projects as follows:

- a. The funds must be allocated by the department to counties for projects or grants for the benefit of organized and unorganized townships;
  - b. The department shall establish criteria to distribute the funds;
  - c. The funds must be used for the maintenance and improvement of township paved and unpaved roads and bridges;
  - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors; and
  - e. A township is not eligible to receive funding if the township does not maintain any roadways.
3. There is appropriated from federal funds, the sum of \$100,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses of road and bridge construction projects for the biennium beginning July 1, 2021, and ending June 30, 2023.
  4. On June 30, 2023, the office of management and budget shall transfer any unexpended and unobligated funds transferred to the highway fund under subsection 1 to the general fund. The appropriation provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.
  5. During the 2021-22 interim, the department of transportation shall provide quarterly reports to the budget section regarding the use of funds transferred from the general fund to the highway fund.

**SECTION 15. AMENDMENT.** Section 10 of chapter 80 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 10. APPROPRIATION - HIGHWAY FUND - CONTINGENT-~~TRANSFER~~EXEMPTION.** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$70,000,000, or so much of the sum as may be necessary, derived from bond proceeds to the department of transportation for state highway road and bridge projects and for matching federal funds that may become available, for the biennium beginning July 1, 2021, and ending June 30, 2023. ~~Of the \$70,000,000, \$35,000,000 is designated for state highway bridge projects, and \$35,000,000 is designated for matching federal funds that may become available for state highway projects in excess of the federal funds appropriated to the department of transportation as part of its 2021-23 biennial budget. By October 1, 2022, the director of the department of transportation shall certify to the office of management and budget the amount of funding committed to matching excess federal funds from the \$35,000,000 provided under this section. If the amount committed is less than \$35,000,000, the office of management and budget shall transfer any uncommitted amounts to the infrastructure revolving loan fund under section 6-09-49.~~The appropriation provided in this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 16. LEGISLATIVE MANAGEMENT STUDY - ELECTRIC VEHICLES.** During the 2023-24 interim, the legislative management shall consider studying the

effect of electric vehicles in the state. As part of the study, the legislative management shall consider the assessment of fees to offset reductions in motor fuel tax revenues; the impact of electric vehicles on electric demand and the electrical grid; the installation of electric vehicle charging infrastructure by private and public entities, including potential funding sources; the impact to public services and public transportation providers; and the effect on employment opportunities and other economic impacts, including tourism, automobile dealers, the energy industry, and the critical minerals industry. The study must include input from key stakeholders, including electric vehicle manufacturers, electric vehicle dealers, electric utilities, electric vehicle charging station manufacturers, and other transportation entities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 17. DEPARTMENT OF TRANSPORTATION - UNITED STATES HIGHWAY 85 PROJECT - REPORT.** The department of transportation shall develop a plan to complete the United States highway 85 four-lane project in its entirety as approved in the final environmental impact statement document for project number 9-085(085)075, PCN20046. The plan must include a review of federal approvals received for the project and options to complete the project before the approvals expire. As part of the plan, the department shall identify funding sources, including the issuance of revenue anticipation bonds, to complete the project. The department shall present its plan to the legislative management before August 1, 2024.

**SECTION 18. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$750,000 appropriated from the state disaster relief fund for emergency township road repairs in section 4 of chapter 40 of the 2021 Session Laws;
2. The sum of \$1,609,357 appropriated from federal funds for grants to transit providers in subdivision 10 of section 2 of chapter 28 of the 2021 Session Laws;
3. The sum of \$55,000,000 appropriated from federal funds to match state bond proceeds in section 5 of chapter 15 of the 2021 Session Laws;
4. The sum of \$317,000,000 appropriated from federal funds for state, county, and township road and bridge projects in section 2 of chapter 28 of the 2021 Session Laws;
5. The sum of \$61,700,060 appropriated from federal funds for surface transportation grants in subdivision 10 of section 1 of chapter 27 of the 2021 Session Laws; and
6. The sum of \$13,660,000 appropriated from special funds for information technology projects in section 1 of chapter 40 of the 2021 Session Laws.

**SECTION 19. EFFECTIVE DATE.** Section 13 of this Act is effective for motor vehicle excise tax collections transmitted to the state treasurer after July 31, 2023.

**SECTION 20. EMERGENCY.** Sections 14 and 15 of this Act are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

**CHAPTER 13**

**HOUSE BILL NO. 1013**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; and to provide for distributions from permanent funds.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from the state lands maintenance fund in the state treasury, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,473,127	\$1,050,694	\$7,523,821
Operating expenses	2,229,872	(460,778)	1,769,094
Capital assets	0	4,949,500	4,949,500
Contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$8,802,999	\$5,539,416	\$14,342,415
Full-time equivalent positions	30.00	3.00	33.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Information technology project	\$1,600,000	\$4,900,000
Information technology equipment	0	5,400
Utility vehicle and trailer	<u>0</u>	<u>49,500</u>
Total special funds	\$1,600,000	\$4,954,900

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The commissioner of university and school lands shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. DISTRIBUTIONS TO STATE INSTITUTIONS.** Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2023, and ending June 30, 2025, the following amounts, from the permanent funds managed for the benefit of the following entities:

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Common schools	\$499,860,000
North Dakota state university	7,648,000
University of North Dakota	5,986,000
Youth correctional center	2,662,000
School for the deaf	2,198,000
North Dakota state college of science	2,259,700
State hospital	1,835,700
Veterans' home	893,700
Valley City state university	1,354,000
North Dakota vision services - school for the blind	1,679,700
Mayville state university	894,000
Dakota college at Bottineau	343,700
Dickinson state university	343,700
Minot state university	<u>343,700</u>
Total	\$528,301,900

Approved April 28, 2023

Filed April 29, 2023

## CHAPTER 14

### HOUSE BILL NO. 1014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the industrial commission and the agencies under its control; to amend and reenact sections 6-09.7-05, 54-17-40, and 54-17.7-01, subsections 3 and 4 of section 54-17.7-04, and subsection 3 of section 54-63.1-07 of the North Dakota Century Code and subsection 36 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to fuel production facility loan guarantee reserve funding, the housing incentive fund, the powers of the North Dakota pipeline authority, definitions for the clean sustainable energy authority, a clean sustainable energy authority line of credit, and an appropriation from the state fiscal recovery fund; to provide a contingent appropriation; to provide for a transfer; to provide an exemption; to provide for a study; to provide for a report; to provide a statement of legislative intent; to provide an effective date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the industrial commission and agencies under its control for the purpose of defraying the expenses of the industrial commission and the agencies under its control, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

**INDUSTRIAL COMMISSION**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$23,698,119	(\$21,835,425)	\$1,862,694
Operating expenses	5,119,958	(924,889)	4,195,069
Capital assets	0	1,250,000	1,250,000
Grants	0	8,623,893	8,623,893
Grants - bond payments	<u>22,040,721</u>	<u>97,839,192</u>	<u>119,879,913</u>
Total all funds	\$50,858,798	\$84,952,771	\$135,811,569
Less estimated income	<u>24,369,185</u>	<u>107,017,528</u>	<u>131,386,713</u>
Total general fund	\$26,489,613	(\$22,064,757)	\$4,424,856
Full-time equivalent positions	108.25	(98.50)	9.75

Subdivision 2.

**DEPARTMENT OF MINERAL RESOURCES**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$0	\$23,123,267	\$23,123,267
Operating expenses	0	11,541,104	11,541,104

Capital assets	0	98,000	98,000
Total all funds	\$0	\$34,762,371	\$34,762,371
Less estimated income	0	2,568,000	2,568,000
Total general fund	\$0	\$32,194,371	\$32,194,371
Full-time equivalent positions	0.00	108.00	108.00

Subdivision 3.

#### BANK OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$67,306,548	\$2,760,519	\$70,067,067
Capital assets	1,510,000	0	1,510,000
Total special funds	\$68,816,548	\$2,760,519	\$71,577,067
Full-time equivalent positions	173.00	14.00	187.00

Subdivision 4.

#### HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,556,272	\$1,556,933	\$11,113,205
Operating expenses	6,109,060	4,794,823	10,903,883
Capital assets	150,000	(130,000)	20,000
Grants	42,975,200	5,829,910	48,805,110
Housing finance agency contingencies	100,000	0	100,000
Total all funds	\$58,890,532	\$12,051,666	\$70,942,198
Less estimated income	58,890,532	9,551,666	68,442,198
Total general fund	\$0	\$2,500,000	\$2,500,000
Full-time equivalent positions	49.00	5.00	54.00

Subdivision 5.

#### MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,560,209	\$3,290,171	\$53,850,380
Operating expenses	36,817,000	5,574,653	42,391,653
Contingencies	500,000	0	500,000
Agriculture promotion	500,000	0	500,000
Total special funds	\$88,377,209	\$8,864,824	\$97,242,033
Full-time equivalent positions	156.00	14.00	170.00

Subdivision 6.

#### TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$26,489,613	\$12,629,614	\$39,119,227
Grand total special funds	240,453,474	130,762,537	371,216,011
Grand total all funds	\$266,943,087	\$143,392,151	\$410,335,238

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	<u>2021-23</u>	<u>2023-25</u>
Administration - transfer to clean sustainable energy fund	\$25,000,000	\$0
Administration - pipeline grant fund	150,000,000	0
Administration - hydrogen grants	20,000,000	0
Administration - new employee expenses	0	12,110
Administration - transmission authority consulting	0	300,000
Administration - electricity grid resilience federal grant	0	8,623,893
Administration - lignite litigation expenses	0	3,000,000
Administration - grant management software	0	1,250,000
Administration - carbon capture education	0	300,000
Administration - records digitization	0	75,000
Administration - inflationary increases	0	35,688
Mineral resources - paleontology and geological equipment	106,260	0
Mineral resources - abandoned well conversion program	3,200,000	0
Mineral resources - new employee expenses	0	68,335
Mineral resources - inflationary expenses	0	886,868
Mineral resources - drones and computers	0	83,648
Mineral resources - core and mineral analyses	0	100,000
Mineral resources - computer server transition	0	80,000
Mineral resources - abandoned well reclamation	0	2,300,000
Mineral resources - oil and gas litigation expenses	0	3,000,000
Bank of North Dakota - contingent loan repayment	17,500,000	0
Bank of North Dakota - bond proceed allocation	680,000,000	0
Bank of North Dakota - agriculture diversification fund	10,000,000	0
Bank of North Dakota - fuel production incentives	21,000,000	0
Bank of North Dakota - information technology projects	0	804,278
Housing finance agency - housing incentive fund	9,500,000	0
Housing finance agency - housing assessment	<u>35,000</u>	<u>0</u>
Total all funds	\$936,341,260	\$20,919,820
Less estimated income	<u>874,235,000</u>	<u>9,155,335</u>
Total general fund	\$62,106,260	\$11,764,485

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The industrial commission shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. BOND PAYMENTS.** The amount of \$119,879,913 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources, during the biennium beginning July 1, 2023, and ending June 30, 2025:

Infrastructure project and program bonds - legacy sinking and interest fund	\$102,620,461
North Dakota university system	15,021,771
North Dakota university system - energy conservation projects	207,649
Department of corrections and rehabilitation	143,375

Office of management and budget	283,875
Attorney general's office	330,000
State historical society	592,375
Parks and recreation department	30,950
Agriculture research and extension service	242,205
Veterans' home	<u>407,252</u>
Total	\$119,879,913

**SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME.** In addition to the amount appropriated to the housing finance agency in subdivision 3 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency, for the biennium beginning July 1, 2023, and ending June 30, 2025. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency resulting in an increase in appropriation authority.

**SECTION 5. APPROPRIATION - TRANSFER - 2021-23 BIENNIUM - DEPARTMENT OF MINERAL RESOURCES - FULL-TIME EQUIVALENT POSITIONS.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$62,460, or so much of the sum as may be necessary, to the department of mineral resources for the purpose of employing full-time equivalent carbon capture positions for the period beginning with the effective date of this Act and ending June 30, 2023. The department is authorized three full-time equivalent positions pursuant to this subsection.
2. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, which the office of management and budget shall transfer to the fossil excavation and restoration fund during the period beginning with the effective date of this Act and ending June 30, 2023.

**SECTION 6. APPROPRIATION - TRANSFER - FOSSIL RESTORATION FUND - HOUSING INCENTIVE FUND - ONE-TIME FUNDING.**

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, which the office of management and budget shall transfer to the fossil excavation and restoration fund during the biennium beginning July 1, 2023, and ending June 30, 2025.
2. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,750,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2023, and ending June 30, 2025.
3. The funding provided in this section is considered a one-time funding item.

**SECTION 7. CONTINGENT FUNDING - HOUSING FINANCE AGENCY.** The sum of \$82,068 from other funds from the new and vacant FTE funding pool and one full-time equivalent position included in subdivision 4 of section 1 of this Act are available only in accordance with the provisions of this section. If mortgage loan production for the fiscal year ended June 30, 2024, exceeds \$435,000,000, the housing finance agency may request the office of management and budget transfer

up to \$82,068 of other funds from the new and vacant FTE funding pool for salaries and wages for the full-time equivalent position identified in this section, and the agency may hire one full-time equivalent position. The housing finance agency shall notify the office of management and budget and the legislative council if the contingency is met.

**SECTION 8. TRANSFER - ENTITIES UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND - ADMINISTRATION - EXEMPTION.**

1. The sum of \$1,818,114, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2023, and ending June 30, 2025, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.
2. The amount of \$1,214,768 appropriated to the industrial commission in subdivision 1 of section 1 of chapter 42 of the 2021 Session Laws and transferred pursuant to section 7 of chapter 42 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. TRANSFER - FUNDS UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND - GRANT MANAGEMENT SOFTWARE.** The sum of \$1,250,000, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from funds under the control of the industrial commission to the industrial commission fund for grant management software expenses. Of the \$1,250,000, the industrial commission may transfer:

1. Up to \$250,000 from the clean sustainable energy fund;
2. Up to \$250,000 from the lignite research fund;
3. Up to \$250,000 from the oil and gas research fund;
4. Up to \$250,000 from the North Dakota outdoor heritage fund; and
5. Up to \$250,000 from the renewable energy development fund.

**SECTION 10. TRANSFER - FUNDS UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND - CARBON CAPTURE EDUCATION.** The sum of \$300,000, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from funds under the control of the industrial commission to the industrial commission fund to contract for carbon capture and utilization education and marketing in consultation with the lignite research council, the oil and gas research council, and the renewable energy council. Of the \$300,000, the industrial commission may transfer:

1. Up to \$100,000 from the lignite research fund;

2. Up to \$100,000 from the oil and gas research fund; and
3. Up to \$100,000 from the renewable energy development fund.

**SECTION 11. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND.** The Bank of North Dakota shall transfer \$140,000,000 from the Bank's current earnings and undivided profits to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget after consultation with the Bank of North Dakota president. For legislative council budget status reporting purposes, the transfer under this section is considered an ongoing revenue source.

**SECTION 12. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO ECONOMIC DEVELOPMENT PROGRAMS.** During the biennium beginning July 1, 2023, and ending June 30, 2025, the Bank of North Dakota shall transfer the following amounts from the Bank's current earnings and undivided profits:

1. \$39,000,000 to the partnership in assisting community expansion fund;
2. \$5,000,000 to the agriculture partnership in assisting community expansion fund;
3. \$1,000,000 to the biofuels partnership in assisting community expansion fund;
4. \$15,000,000 to the beginning farmer revolving loan fund; and
5. \$1,500,000 to the university of North Dakota for the North Dakota small business development center for the purpose of matching federal grants.

**SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PIPELINE LEAK DETECTION AND PREVENTION PROGRAM - CLEAN SUSTAINABLE ENERGY GRANTS AND LOANS.** During the biennium beginning July 1, 2023, and ending June 30, 2025, the office of management and budget shall transfer the following amounts from the strategic investment and improvements fund:

1. \$3,000,000 to the oil and gas research fund for a pipeline leak detection and prevention program;
2. \$30,000,000 to the clean sustainable energy fund for grants; and
3. \$30,000,000 to the clean sustainable energy fund to repay a line of credit and to provide funding for loans.

**SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO STATE ENERGY RESEARCH CENTER FUND - RARE EARTH MINERALS STUDY - REPORT TO LEGISLATIVE MANAGEMENT.**

1. The office of management and budget shall transfer the sum of \$1,500,000 from the strategic investment and improvements fund to the state energy research center fund during the biennium beginning July 1, 2023, and ending June 30, 2025.
2. Pursuant to the continuing appropriation under section 57-51.1-07.9, the industrial commission shall distribute up to \$1,500,000 from the state energy research center fund to the state energy research center for a study related to

prospective in-state resources of economically feasible accumulations of critical minerals, including rare earth elements and other high-value minerals or materials that may be suitable for extraction and enrichment.

3. The study must include a review of in-state mineral accumulations, including coal deposits, ore bodies, oil and gas reservoirs, produced water from oil and gas development activities, saltwater zones, and shale formations. While conducting the study, the state energy research center shall collaborate with the North Dakota geological survey and active mineral lessors and developers.
4. During the 2023-24 interim, the state energy research center shall provide at least one report to the legislative management regarding the study.

**SECTION 15. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO STATE ENERGY RESEARCH CENTER FUND - FEDERAL STATE FISCAL RECOVERY FUND - UNDERGROUND ENERGY STORAGE RESEARCH PROJECT - REPORT TO LEGISLATIVE MANAGEMENT.**

1. The office of management and budget shall transfer the sum of \$6,000,000 from the strategic investment and improvements fund to the state energy research center fund.
2. Pursuant to the continuing appropriation authority under section 57-51.1-07.9 and pursuant to subsection 36 of section 1 of chapter 550 of the 2021 Special Session Laws, as amended in section 24 of this Act and exempted in section 26 of this Act, the industrial commission shall distribute up to \$6,000,000 from the state energy research center fund and up to \$5,300,000 of federal funds from the state fiscal recovery fund to the state energy research center for a salt cavern underground energy storage research project.
3. The research project must include construction of up to two 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 state energy research center may collaborate with other entities as needed on the research project. Prior to distributing the funding, the industrial commission must receive, from at least one nonstate entity, assurance of financial or other types of support that demonstrate a commitment to the research project.
4. During the 2023-24 interim, the state energy research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the status and results of the research project.

**SECTION 16. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.**

1. Pursuant to the continuing appropriation under section 57-61-01.6, up to \$4,500,000 from the lignite research fund may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite

production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys designated under this section also may be used for the purpose of contracting for nonmatching studies and activities in support of advanced energy technology and other technology development programs; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys needed for the purposes stated in this section are available to the industrial commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

2. The industrial commission shall report to the appropriations committees of the sixty-ninth legislative assembly on the amounts spent pursuant to this section.

**SECTION 17. LIGNITE RESEARCH FUND - FUTURE LIGNITE ELECTRICAL GENERATION FACILITIES STUDY - REPORT TO LEGISLATIVE MANAGEMENT.**

1. Pursuant to the continuing appropriation under section 57-61-01.6, up to \$500,000 from the lignite research fund may be used for the purpose of contracting with the energy and environmental research center for a nonmatching study of future lignite electrical generation facilities.
2. The study must include consideration of an energy demand forecast for dispatchable electricity generation and the regulatory environment for future lignite electrical generation facilities, an analysis of the economic impact of future lignite electrical generation facilities and the value-added products or services that may result from those facilities, and other factors related to the development and operation of future lignite electrical generation facilities.
3. During the 2023-24 interim, the energy and environmental research center shall provide at least one report to the legislative management regarding the status of the study.

**SECTION 18. AMENDMENT.** Section 6-09.7-05 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.7-05. Establishment and maintenance of adequate guarantee funds - Use of strategic investment and improvements fund.**

The Bank of North Dakota shall establish and at all times maintain an adequate guarantee reserve fund in a special account in the Bank. The Bank may request the director of the office of management and budget to transfer funds from the strategic investment and improvements fund created by section 15-08.1-08 to maintain one hundred percent of the guarantee reserve fund balance. Transfers from the strategic investment and improvements fund may not exceed a total of eightyone hundred forty million dollars. Moneys in the guarantee reserve fund are available to reimburse lenders, including the Bank, for guaranteed loans in default. The securities in which the moneys in the reserve fund may be invested must meet the same requirements as those authorized for investment under the state investment board. The income from such investments must be made available for the costs of administering the state guarantee loan program and income in excess of that required to pay the cost of administering the program must be deposited in the reserve fund. The amount of

reserves for all guaranteed loans must be determined by a formula that will assure, as determined by the Bank, an adequate amount of reserve.

**SECTION 19. 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 ten 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.
  - c. At least ten percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage.
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. New construction, rehabilitation, preservation, or acquisition of a single-family housing project in a developing community or a community land trust project;
  - c. Gap assistance, matching funds, and accessibility improvements;
  - e.d. 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.e. Rental assistance, emergency assistance, barrier mitigation, or ~~targeted~~ supportive services designated to prevent or end 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 residential 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 20. AMENDMENT.** Section 54-17.7-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-17.7-01. North Dakota pipeline authority - Legislative intent.**

There is created the North Dakota pipeline authority, which shall be governed by the industrial commission. It is the intent of the legislative assembly that the pipeline authority consider the operations, finances, and market positions of private entities engaged in pipeline activities while carrying out the purposes of this chapter to avoid competing with private entities to the extent possible.

**SECTION 21. AMENDMENT.** Subsection 3 of section 54-17.7-04 of the North Dakota Century Code is amended and reenacted as follows:

3. Acquire, purchase, hold, use, lease, license, sell, transfer, and dispose of an undivided or other interest in or the right to capacity in any pipeline system or systems, including interconnection of pipeline systems, within or without the state of North Dakota in order to facilitate the production, transportation, distribution, or delivery of energy-related commodities produced in North Dakota ~~as a purchaser of last resort. The obligation of the state may not exceed ten percent of the pipeline authority's acquisition or purchase of a right to capacity in any pipeline system or systems, or interconnection of pipeline systems, and the state's obligation is limited to the funding available from the oil and gas research fund. If the authority acquires, purchases, holds, uses, or leases capacity positions, the authority shall sell, transfer, release, or dispose of the capacity positions at intervals that are no more frequent than monthly and in an amount that is equal to or greater than the market rate, but only if the sale, transfer, release, or disposal of the capacity positions is sufficient to cover the expenses and obligations incurred. The authority's contract obligations for the capacity positions are limited to the capacity rates, charges, and terms.~~

**SECTION 22. AMENDMENT.** Subsection 4 of section 54-17.7-04 of the North Dakota Century Code is amended and reenacted as follows:

4. Borrow money and issue evidences of indebtedness as provided in this chapter, including borrowing from the Bank of North Dakota.
  - a. The authority may borrow up to sixty million dollars through a line of credit from the Bank. The interest rate on the line of credit must be the prevailing interest rate charged to North Dakota governmental entities.
  - b. The line of credit must be guaranteed by reserves under section 6-09.7-05.
  - c. The line of credit may be used to support activities under subsection 3.
  - d. The authority shall repay the line of credit from amounts available. If the amounts available on June 30, 2027, are not sufficient to repay the line of credit, the authority shall notify the director of the office of management and budget, and the director of the office of management and budget shall transfer funds from the strategic investment and improvements fund to the Bank for the repayment pursuant to section 6-09.7-05 based on the amount certified by the Bank.

<sup>2</sup> **SECTION 23. AMENDMENT.** Subsection 3 of section 54-63.1-07 of the North Dakota Century Code is amended and reenacted as follows:

3. The Bank of North Dakota shall extend a line of credit to the industrial commission to support loans or loan guarantees issued from the clean sustainable energy fund. The line of credit may not exceed ~~two~~<sup>two</sup> hundred ~~fifty~~<sup>three</sup> million dollars, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The industrial commission shall repay the line of credit from moneys available in the clean sustainable energy fund derived from payments received on loans issued under this chapter or other sources. If the moneys available from the clean sustainable energy fund on June 30, 2025, are not sufficient to repay the line of credit, the industrial commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit or the industrial commission may repay the line of credit from other funds, as appropriated by the legislative assembly.

**SECTION 24. AMENDMENT.** Subsection 36 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

36. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, to the industrial commission for the purpose of providing hydrogen development grants, as approved by the clean sustainable energy authority, and distributions to the state energy research center for an underground energy storage research project, for the period beginning with the effective date of this Act, and ending June 30, 2023. Of the \$20,000,000, up to \$5,300,000 is available for distributions to the state energy research center for an underground energy storage research project, and any remaining amounts are available for providing hydrogen development grants, as approved by the clean sustainable energy authority.

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<sup>2</sup> Section 54-63.1-07 was also amended by section 14 of Senate Bill No. 2233, chapter 95.

**SECTION 25. EMPLOYEE RECRUITMENT AND RETENTION INCENTIVE PROGRAM STUDY - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2023-24 interim, the industrial commission and Bank of North Dakota shall study the feasibility and desirability of creating an employee recruitment and retention incentive program for the Bank of North Dakota. The industrial commission shall report its findings and recommendations to the legislative management by March 31, 2024.

**SECTION 26. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH DAKOTA OUTDOOR HERITAGE FUND - OIL AND GAS RESEARCH FUND.**

1. 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, 2023, and ending August 31, 2025, 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.
2. 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, 2023, and ending July 31, 2025, the state treasurer shall allocate two percent of the oil and gas gross production tax and oil extraction tax revenues, up to \$17,500,000, into the oil and gas research fund before allocating oil and gas tax revenues under sections 57-51.1-07.5, 57-51.1-07.9, and 57-51.1-07.10.

**SECTION 27. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$3,200,000 appropriated from the federal state fiscal recovery fund for an abandoned oil well conversion to water supply grant program in subsection 2 of section 1 of chapter 550 of the 2021 Special Session Session Laws;
2. The sum of \$20,000,000 appropriated from the federal state fiscal recovery fund for hydrogen development grants and an underground energy storage research project in subsection 36 of section 1 of chapter 550 of the 2021 Special Session Session Laws as amended in section 24 of this Act; and
3. The sum of \$800,000 appropriated from the strategic investment and improvements fund to the department of mineral resources for a survey review 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 and into the 2021-23 biennium pursuant to section 33 of chapter 42 of the 2021 Session Laws.

**SECTION 28. LEGISLATIVE INTENT - USE OF BANK OF NORTH DAKOTA PROFITS.** It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly consider developing procedures or adopting legislative rules for introducing bills and amendments related to the use of Bank of North Dakota profits.

**SECTION 29. LEGISLATIVE INTENT - ENERGY DEVELOPMENT PROJECTS.** It is the intent of the sixty-eighth legislative assembly that the state provide support for an entity's application for federal funding to upgrade a high-voltage direct current transmission line in the state and that the state provide support for energy

development projects in the state through the state's energy-related programs, including:

1. The clean sustainable energy authority;
2. The North Dakota pipeline authority;
3. The North Dakota transmission authority;
4. The lignite research council;
5. The oil and gas research council; and
6. The renewable energy council.

**SECTION 30. EFFECTIVE DATE.** Section 18 of this Act becomes effective July 1, 2025.

**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The sum of \$3,000,000 from the general fund in the operating expenses line item included in subdivision 1 of section 1 of this Act and identified as one-time funding in section 2 of this Act for lignite litigation expenses.
2. The sum of \$3,000,000 from the general fund in the operating expenses line item included in subdivision 2 of section 2 of this Act and identified as one-time funding in section 2 of this Act for oil and gas litigation expenses.
3. The sum of \$230,000 from the general fund in the operating expenses line item included in subdivision 2 of section 1 of this Act for computer server transition.
4. The sum of \$80,000 from the general fund in the operating expenses line item included in subdivision 2 of section 1 of this Act and identified as one-time funding in section 2 of this Act for computer server transition.
5. Sections 5 and 24 of this Act.
6. Senate Bill No. 2165, as approved by the sixty-eighth legislative assembly.

Approved May 5, 2023

Filed May 9, 2023

## CHAPTER 15

### HOUSE BILL NO. 1015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide a statement of legislative intent; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$258,140,591	\$161,033,061	\$419,173,652
Youth services	<u>24,584,845</u>	<u>2,026,590</u>	<u>26,611,435</u>
Total all funds	\$282,725,436	\$163,059,651	\$445,785,087
Less estimated income	<u>64,865,627</u>	<u>125,451,497</u>	<u>190,317,124</u>
Total general fund	\$217,859,809	\$37,608,154	\$255,467,963
Full-time equivalent positions	907.79	22.00	929.79

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Equipment	\$191,000	\$1,220,800
Kitchen equipment	115,000	0
Roughrider industries equipment	1,281,988	2,019,000
Roughrider industries storage warehouse	500,000	0
Federal payroll expenses	7,000,000	0
Radios	2,057,384	0
County jail stipends	4,800,000	0
Free through recovery program	2,995,200	0
Heart River correctional center facility	0	131,200,000
Inflationary costs	0	3,478,998
Transitional facility contract inflation	0	2,759,222
Dakota women's correctional and rehabilitation center contract	0	2,450,000
Dickinson adult detention center contract	0	1,003,434
Staff and resident development and training	0	100,000
Offender management system review	0	500,000
New cameras	0	275,000

Maintenance and extraordinary repairs	0	2,000,000
James River correctional center remodel	0	255,500
DOCSTARS maintenance	0	307,000
James River correctional center maintenance shop	0	1,550,000
Information technology needs	0	2,000,000
Roughrider industries supplies	0	4,083,681
Roughrider industries information technology costs	0	642,080
Roughrider industries cold storage	0	200,000
Roughrider industries paint line replacement	0	2,300,000
Total all funds	\$18,940,572	\$158,344,715
Less estimated income	<u>18,634,572</u>	<u>144,632,261</u>
Total general fund	\$306,000	\$13,712,454

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND REVENUES.** Any moneys received by the department of corrections and rehabilitation from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the youth correctional center permanent fund, may be deposited in the department of corrections and rehabilitation operating fund and expended pursuant to legislative appropriation for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes \$135,057,000 from the strategic investment and improvements fund, including \$131,200,000 for a new Heart River correctional center facility, \$1,550,000 for a new James River correctional center maintenance shop, and \$2,307,000 for information technology needs.

**SECTION 5. HEART RIVER CORRECTIONAL CENTER FACILITY - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly appropriate \$30,000,000 to complete the construction of the new women's prison facility at the Heart River correctional center, for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 6. HEART RIVER CORRECTIONAL CENTER FACILITY - STEERING COMMITTEE.** The department of corrections and rehabilitation shall establish a Heart River correctional center facility steering committee to oversee the design and construction of the new Heart River correctional center facility for the biennium beginning July 1, 2023, and ending June 30, 2025. The committee must include one member of the senate appointed by the senate majority leader, one member of the house appointed by the house majority leader, and one member of the minority party from either the senate or the house appointed by the minority leaders of the senate and the house.

**SECTION 7. EXEMPTION - COMMUNITY BEHAVIORAL HEALTH PROGRAM.** The amount of \$8,000,000 from the general fund appropriated for the community behavioral health program in section 1 of chapter 43 of the 2021 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, 2023, and ending June 30, 2025.

**SECTION 8. EXEMPTION - DEFERRED MAINTENANCE AND EXTRAORDINARY REPAIRS.** The amount of \$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 and continued in section 9 of chapter 43 of the 2021 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used for deferred maintenance, capital planning, and extraordinary repairs projects by the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** Section 54-44.1-11 does not apply to the appropriation authority transferred from the office of management and budget to the department of corrections and rehabilitation from the amounts appropriated from federal funds derived from the state fiscal recovery fund in subsection 10 of section 1 of chapter 550 of the 2021 Special Session Session Laws, and any unexpended funds from this transferred appropriation authority may be used for the purpose of deferred maintenance and extraordinary repairs projects during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 10. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$990,000 from federal funds derived from the state fiscal recovery fund appropriated to the department of corrections and rehabilitation for stipends to county jails for deferred admissions in subsection 4 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be continued and used for payments for deferred admissions during the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved May 5, 2023

Filed May 9, 2023

**CHAPTER 16**

**HOUSE BILL NO. 1016**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$28,994,942	\$4,898,290	\$33,893,232
Operating expenses	17,164,373	50,125,782	67,290,155
Capital assets	20,000	0	20,000
Grants	8,281,051	(226,539)	8,054,512
Reed Act - unemployment insurance computer modernization	<u>10,945,126</u>	<u>(30,126)</u>	<u>10,915,000</u>
Total all funds	\$65,405,492	\$54,767,407	\$120,172,899
Less estimated income	<u>64,995,263</u>	<u>48,598,789</u>	<u>113,594,052</u>
Total general fund	\$410,229	\$6,168,618	\$6,578,847
Full-time equivalent positions	156.61	2.00	158.61

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Unemployment insurance modernization project	\$0	\$45,000,000
Total other funds	\$0	\$45,000,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION.** All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION.** The estimated income line item in

section 1 of this Act includes the sum of \$10,915,000 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernization unemployment insurance computer system.

**SECTION 5. ESTIMATED INCOME - UNEMPLOYMENT INSURANCE MODERNIZATION PROJECT - FEDERAL STATE FISCAL RECOVERY FUND - ONE-TIME FUNDING.** The estimated income line item in section 1 of this Act includes the sum of \$45,000,000 from federal funds derived from the state fiscal recovery fund for the unemployment insurance modernization project. This funding is considered a one-time funding item.

Approved April 12, 2023

Filed April 13, 2023

**CHAPTER 17**

**HOUSE BILL NO. 1017**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,298,644	\$119,373	\$1,418,017
Operating expenses	1,582,885	(493)	1,582,392
Total special funds	\$2,881,529	\$118,880	\$3,000,409
Full-time equivalent positions	5.00	0.00	5.00

**SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Web-based document management system	<u>\$20,000</u>	<u>\$0</u>
Total special funds	\$20,000	\$0

Approved April 18, 2023

Filed April 19, 2023

**CHAPTER 18****HOUSE BILL NO. 1018**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to amend and reenact sections 6-09.18-01, 6-09.18-02, 6-09.18-03, 6-09.18-04, 6-09.18-05, 6-09.18-06, 6-09.18-07, 10-30.5-04, 10-30.5-05, 54-60-22, 54-60-28, 54-60-29, 54-60-29.1, 54-60.2-01, and 54-60.2-02 of the North Dakota Century Code and subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws, relating to the legacy investment for technology program, the North Dakota development fund, the workforce enhancement council, the administration of uncrewed aircraft system programs, workforce development grants to tribally controlled community colleges, and a North Dakota development fund grant program; to provide a transfer; to provide an exemption; to provide for a report; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,835,431	\$2,622,805	\$15,458,236
Operating expenses	17,317,760	7,410,202	24,727,962
Grants	50,232,330	64,065,351	114,297,681
Discretionary funds	2,150,000	0	2,150,000
Workforce programs	0	28,500,000	28,500,000
COVID-19 response	0	16,739,696	16,739,696
Weatherization and energy programs	0	120,000,000	120,000,000
Partner programs	1,562,531	(654,611)	907,920
Entrepreneurship grants and vouchers	<u>948,467</u>	<u>0</u>	<u>948,467</u>
Total all funds	\$85,046,519	\$238,683,443	\$323,729,962
Less estimated income	<u>53,544,379</u>	<u>208,013,053</u>	<u>261,557,432</u>
Total general fund	\$31,502,140	\$30,670,390	\$62,172,530
Full-time equivalent positions	58.80	5.00	63.80

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Unmanned aircraft system	\$1,000,000	\$0
Beyond visual line of sight uncrewed aircraft system	20,000,000	26,000,000
Enhanced use lease grant	7,000,000	10,000,000

Workforce grants to tribally controlled community colleges	500,000	0
Workforce safety grant	1,500,000	0
Job development and economic growth grant	1,500,000	0
Tourism marketing	7,000,000	5,000,000
Tourism destination development initiative	0	25,000,000
Technical skills training grants	6,000,000	2,000,000
Motion picture production and recruitment grant	100,000	600,000
Creamery assistance grant	0	250,000
Travel agent and tour operator emergency resiliency grants	2,000,000	0
Event center emergency resiliency grants	2,000,000	0
Tourism transportation improvement grant	565,432	0
Discretionary funds	1,000,000	0
Small business credit initiative	56,234,176	572,143
Workforce community service Americorps program	1,074,888	785,000
Community development planning grants	1,000,000	0
Workforce innovation network grant program	100,000	0
North Dakota development fund	5,000,000	0
Autonomous agriculture grant program	10,000,000	0
Local workforce development incentive grant program	15,000,000	0
Rural workforce housing grant program	0	2,000,000
Workforce talent attraction initiative	0	12,000,000
Workforce investment grant program	0	12,500,000
Weatherization and energy assistance program	0	120,000,000
New Americans workforce training grants	0	2,000,000
Parks and recreation grants	0	1,550,000
Energy conservation grant program	0	14,081,719
Heating and cooling grant program	0	3,258,084
Total all funds	\$138,574,496	\$237,596,946
Less estimated income	135,409,064	208,246,946
Total general fund	\$3,165,432	\$29,350,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of commerce shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. TRANSFER - INTERNSHIP FUND.** The office of management and budget shall transfer \$1,006,896 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO LEGACY INVESTMENT FOR TECHNOLOGY FUND - INNOVATION TECHNOLOGY LOANS.** The office of management and budget shall transfer the sum of \$10,000,000 from the strategic investment and improvements fund to the legacy investment for technology fund for the purpose of providing legacy investment technology loans, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND.** The office of management and budget shall transfer the sum of \$65,000,000 from strategic investment and improvements fund to the North Dakota development fund for programs under

chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 6. ESTIMATED INCOME - FEDERAL WEATHERIZATION AND ENERGY ASSISTANCE PROGRAMS - FULL-TIME EQUIVALENT POSITIONS.** The estimated income line item in section 1 of this Act includes \$120,000,000 from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy assistance programs. Of the full-time equivalent positions included in section 1 of this Act, three positions are for the administration of weatherization and energy assistance programs for the 2023-25 biennium. The full-time equivalent positions identified in this section are considered one-time positions.

**SECTION 7. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - LEGISLATIVE INTENT.** The estimated income line item in section 1 of this Act includes the sum of \$68,000,000 from the strategic investment and improvements fund, of which \$2,000,000 is for the rural workforce housing grant program, \$5,000,000 is for the tourism marketing awareness initiative, \$25,000,000 is for the tourism destination development initiative program, \$26,000,000 is for the beyond visual line of sight uncrewed aircraft system program, and \$10,000,000 is for the enhanced use lease grant program. It is the intent of the sixty-eighth legislative assembly that the department of commerce not hire a third-party consultant when determining how funding for the tourism destination development initiative program will be spent. The department of commerce may provide funding for the tourism destination development initiative program in the form of program grants or grants for interest rate buydowns but may not award more than \$5,000,000 for a project under this program.

**SECTION 8. RURAL WORKFORCE HOUSING GRANT PROGRAM.** The grants line item in section 1 of this Act includes \$1,500,000 from the strategic investment and improvements fund as identified in section 7 of this Act for the purpose of providing rural workforce housing grants. The department of commerce shall develop guidelines for the grants, including eligibility criteria, maximum grant awards, and reporting requirements. Grants may be awarded to cities with a population of fewer than 10,000 residents. Grant funding may be used to:

1. Conduct a housing study in the city to identify workforce housing needs, blighted property, and vacant lots within the city;
2. Purchase blighted properties or vacant lots;
3. Remove hazards or structures from blighted properties or vacant lots; and
4. Provide up to \$10,000 per business for repairs or improvements if the business is located in a mixed-use property that will be used for rural workforce housing.

**SECTION 9. WORKFORCE PROGRAMS.** The workforce programs line item in section 1 of this Act includes \$28,500,000 from the general fund for workforce-related programs, of which \$12,000,000 is for the workforce talent attraction initiative, \$12,500,000 is for the workforce investment grant program, \$2,000,000 is for technical skills training grants, and \$2,000,000 is for new Americans workforce development and training grants.

**SECTION 10. RURAL HEALTH CARE GRANT PROGRAM - MATCHING FUNDS REQUIREMENT.** The grants line item in section 1 of this Act includes

\$444,000 from the general fund for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state. The department of commerce may spend the funds identified in this section only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

**SECTION 11. DISCRETIONARY FUNDS.** Of the funding appropriated from the general fund in the discretionary funds line item in section 1 of this Act, \$150,000 is designated for supporting the continuation of the North Dakota state magazine with the current publisher of the magazine, \$350,000 is designated for supporting an organization dedicated to assisting native American small businesses in North Dakota, and \$350,000 is designated for providing base retention grant funding to eligible organizations in Minot.

**SECTION 12. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM.** The entrepreneurship grants and voucher line item in section 1 of this Act includes \$948,467, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund, for the purpose of defraying the expenses of the entrepreneurship grants and voucher program. The department shall establish guidelines to provide grants under the program.

**SECTION 13. AMENDMENT.** Section 6-09.18-01 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-01. Definitions.**

In this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of the department of commerce.
2. "Committee" means the ~~innovation loan fund to support technology advancement~~ legacy investment for technology committee.
3. "Diversification sectors" means the following industries:
  - a. Advanced computing and data management;
  - b. Agriculture technology;
  - c. Autonomous and ~~unmanned~~ uncrewed vehicles and related technologies;
  - d. Energy;
  - e. Health care;
  - f. Value-added agriculture;
  - g. Value-added energy; and
  - h. Any industry or area specifically identified by the committee as an industry that will contribute to the diversification of the state's economy.

**SECTION 14. AMENDMENT.** Section 6-09.18-02 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-02. Innovation loan fund to support technology advancementLegacy investment for technology committee - Membership - Meetings.**

1. The ~~innovation loan fund to support technology advancement~~Legacy investment for technology committee consists of:
  - a. The commissioner or the commissioner's designee who shall serve as the chairperson of the committee and is a nonvoting member of the committee;
  - b. Three members representing active venture capital firms, private entities, or angel capital funds;
  - c. One member with finance-related experience, knowledge, or education; and
  - d. Three members from the private sector with expertise in the diversification sectors.
2. The commissioner, in consultation with the president of the Bank of North Dakota, shall appoint the members of the committee. The term of office of the appointed members of the committee is four years, and the terms must be staggered so that no more than one of the members' terms appointed under subdivisions b and c of subsection 1 expires each year, and so that no more than one of the members' terms appointed under subdivision d of subsection 1 expires each year. Each term of office commences on the first day of July. Members serve at the pleasure of the commissioner and may be reappointed for additional terms. Members of the committee may not invest or otherwise participate in applied research, experimentation, or operational testing associated with a loan awarded under this chapter. If a committee member appointed under subdivision b of subsection 1 ceases to represent an active venture capital firm, private entity, or angel capital fund, that individual's membership on the committee ceases immediately and the commissioner, in consultation with the president of the Bank of North Dakota, shall appoint a new member to the committee for the remainder of the term.
3. A committee member representing the private sector is eligible to receive compensation in an amount not exceeding one hundred thirty-five dollars per day and travel and expense reimbursement as provided by law for state officers for attending meetings of the committee.
4. The committee shall meet as necessary to make loan recommendations and provide ongoing review of research, development, and commercialization activities.

**SECTION 15. AMENDMENT.** Section 6-09.18-03 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-03. Innovation loan fund to support technology advancement -- InnovationLegacy investment technology loan program.**

The department of commerce shall administer the ~~innovation~~Legacy investment technology loan program in consultation with the Bank of North Dakota to provide loans for activities identified in this chapter. The department of commerce shall provide administrative support for the program, including the drafting of application forms, receiving applications, reviewing applications for completeness and

compliance with committee policy, and forwarding complete applications to the committee in accordance with the guidelines established by the committee. Program guidelines relating to ownership of intellectual property, inventions, and discoveries must address activities and issues unique to technologies, patents, and companies created as a result of a legacy ~~innovation~~investment technology loan.

**SECTION 16. AMENDMENT.** Section 6-09.18-04 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-04. ~~Innovation~~Legacy investment technology loans - Eligibility.**

1. The committee shall establish guidelines for entities to qualify for an ~~innovation~~a legacy investment technology loan under this section. The committee shall consider and process applications in a timely manner that does not jeopardize an applicant's opportunity to leverage other funds.
2. In determining whether to recommend approval of an application, the committee shall consider the extent to which the proposal will:
  - a. Deliver applied research, experimentation, or operational testing in one or more of the diversification sectors to create information or data to enhance North Dakota companies or industries or companies making investments in North Dakota;
  - b. Lead to the commercialization or patent of an innovation technology solution; or
  - c. Result in the development of a new company or expansion of an existing company that will diversify the state's economy through new products, investment, or skilled jobs.
3. The Bank of North Dakota shall review the business plan, financial statements, and other information necessary for the Bank to determine which applications recommended for approval by the committee will be approved by the Bank for final loan approval. The terms of the loan must include:
  - a. Zero percent interest for the first three years of the loan;
  - b. Two percent interest for the next two years of the loan; and
  - c. An interest rate equal to a standard Bank of North Dakota loan for all subsequent years.
4. To be eligible for a loan under this chapter, an entity shall agree to provide the Bank of North Dakota with information as requested by the Bank.

<sup>3</sup> **SECTION 17. AMENDMENT.** Section 6-09.18-05 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-05. ~~Innovation loan fund to support technology advancement~~Legacy investment for technology fund - Continuing appropriation.**

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<sup>3</sup> Section 6-09.18-05 was also amended by section 11 of Senate Bill No. 2233, chapter 95.

The ~~innovation loan fund to support technology advancement~~legacy investment for technology fund is a special fund in the state treasury and must be administered by the department of commerce. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of providing ~~innovation~~legacy investment technology loans and for administrative expenses. The department of commerce shall deposit in the ~~innovation loan fund to support technology advancement~~legacy investment for technology fund all principal and interest paid on loans made from the fund. Interest earned on moneys in the fund must be credited to the fund.

**SECTION 18. AMENDMENT.** Section 6-09.18-06 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-06. Use of loan funds.**

Loan recipients shall use ~~innovation~~legacy investment technology loan funds to enhance capacity and, to the extent possible, leverage state, federal, and private sources of funding. An entity receiving a loan under this chapter may not use the funds for capital or building investments or for research or other activities not identified in this chapter. The funds may not be used for academic or instructive programming, workforce training, administrative costs, or to supplant funding for regular operations of institutions of higher education. Unless otherwise approved by the committee, loan recipients may use funding only to conduct applied research, experimentation, or operational testing within the state. If an entity awarded a loan no longer conducts its activities in the state, the interest rate of the loan shall default to the rate of a standard Bank of North Dakota loan.

**SECTION 19. AMENDMENT.** Section 6-09.18-07 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.18-07. ~~Innovation loan fund to support technology advancement~~—  
Postaward monitoring.**

Upon completion of work performed from funding provided by a legacy investment technology loan, the department of commerce shall provide an independent review of the results. Evaluation criteria may include:

1. How the work performed has contributed to the development of a company or the expansion of an existing company, has enhanced the ability of a company to make investments in the state, or otherwise enticed a company to invest or move to the state.
2. How the work performed has led to additional economic investment of capital from public and private sector entities within and outside North Dakota.
3. How the work performed has led to or may lead to a patent or research that is commercially viable.

**SECTION 20. AMENDMENT.** Section 10-30.5-04 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-04. Powers.**

The corporation must be organized as a nonprofit corporation. In addition to the powers in chapter 10-33, the corporation may:

1. Cooperate ~~and~~, contract with, and provide funding to any private or public entity.
2. Receive appropriations from the legislative assembly and other public moneys as well as contributions from other private or public contributors. The funds for the entrepreneurship awards under section 10-30.5-12 may not exceed one million dollars.
3. Provide management services for the Bank's alternative and venture capital investments and early-stage capital funds.

**SECTION 21. AMENDMENT.** Section 10-30.5-05 of the North Dakota Century Code is amended and reenacted as follows:

**10-30.5-05. Management.**

1. The director of the department of commerce division of economic development and finance shall appoint the chief executive officer of the corporation. The board of directors shall determine minimum qualifications of all other staff positions.
2. If the chief executive officer of the corporation is absent for more than five consecutive days or is anticipated to be absent for more than five consecutive days, the chief executive officer may delegate the duties and responsibilities of the chief executive officer to the director of the department of commerce division of economic development and finance, or the director's designee.
3. All investments, contracts, partnerships, limited liability companies, and business transactions of the corporation are the responsibility of the chief executive officer and the board of directors. The board may provide that normal operating costs anticipated in an approved budget may be incurred and paid without prior board approval.

**SECTION 22. AMENDMENT.** Section 54-60-22 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-22. Workforce enhancement council - Grants.**

The workforce enhancement council shall recommend to the commissioner the approval of grants to training providers, businesses, and institutions of higher education assigned primary responsibility for workforce training in this state to be used to create or enhance training programs that address workforce needs of private sector companies. A grant made under this section may be used for curriculum development, equipment, recruitment of participants, and training and certification for instructors but may not be used to supplant funding for current operations. The department may distribute funds under this section after:

1. The division of workforce development certifies that a proposed training program meets a critical workforce shortage in a target industry or other high-demand occupation and is expected to lead to employment in this state; and
2. The proposed recipient provides the department with detailed documentation of private sector participation, including the availability of one dollar of matching funds for each dollar of state funds.

**SECTION 23. AMENDMENT.** Section 54-60-28 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-28. UnmannedUncrewed aircraft systems program - Report to legislative management.**

The department may ~~establish~~operate and administer an ~~unmanned~~uncrewed aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department ~~shall~~may cooperate and ~~contract~~ with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and ~~other public or private parties appointed by the governor~~entities as determined by the commissioner in the ~~operation and~~ administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the ~~establishment~~operation and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

**SECTION 24. AMENDMENT.** Section 54-60-29 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-29. UnmannedUncrewed aircraft systems program fund - Continuing appropriation.**

1. There is created in the state treasury a special fund known as the ~~unmanned~~uncrewed aircraft systems fund, which may be used to defray the expenses of the:
  - a. Operations of an ~~unmanned~~uncrewed aircraft systems test site officially designated by the federal aviation administration;
  - b. Beyond visual line of sight ~~unmanned~~uncrewed 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 programs identified in subsection 1. Interest earned on moneys in the fund must be credited to the fund.

**SECTION 25. AMENDMENT.** Section 54-60-29.1 of the North Dakota Century Code is amended and reenacted as follows:

**54-60-29.1. Beyond visual line of sight unmanneduncrewed aircraft system program - Requirements - Report to legislative management.**

The department may establish and administer a beyond visual line of sight ~~unmanned~~uncrewed aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight ~~unmanned~~uncrewed aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight ~~unmanned~~uncrewed aircraft system to provide quarterly payments to the state treasurer ~~equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in~~

~~the entity's prior year financial statements based on a fee structure determined by the commissioner.~~ The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight ~~unmanned~~uncrewed aircraft system program and the total amount deposited by the state treasurer in the state general fund.

**SECTION 26. AMENDMENT.** Section 54-60.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-60.2-01. Establishment of workforce development grant for tribally controlled community colleges.**

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges ~~and shall award grants based on the documented job placement rates at each eligible college.~~

**SECTION 27. AMENDMENT.** Section 54-60.2-02 of the North Dakota Century Code is amended and reenacted as follows:

**54-60.2-02. Purpose of grants.**

1. ~~Any~~A grant awarded under section 54-60.2-01 may be used at the discretion of the college:
  - a. ~~For development or enhancement of~~To develop or enhance programs that assist in providing certificates or degrees to North Dakota students attending the college that qualify the student to obtain jobs for which applicants are being sought within the state, as identified by the department of commerce, job service North Dakota, or any of the federally recognized Indian tribes within North Dakota; ~~or~~
  - b. To assist any North Dakota student attending the college to establish, or to assist in establishing, a new business operating within North Dakota that will employ North Dakota citizens; ~~or~~
  - c. To develop or enhance career and technical education programs.
2. Any funds provided to tribally controlled community colleges must be used to supplement, not supplant, ~~any~~an existing program or funding source of the college.

**SECTION 28. AMENDMENT.** Subsection 35 of section 1 of chapter 550 of the 2021 Special Session Session Laws is amended and reenacted as follows:

35. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$5,000,000, which the office of management and budget shall transfer to the North Dakota development fund under chapter 10-30.5 for the purpose of a North Dakota development fund grant program during the period beginning with the effective date of this Act, and ending June 30, 2023.

**SECTION 29. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$320,000 that was continued into the 2021-23 biennium in section 17 of chapter 46 of the 2021 Session Laws from the appropriation from the general fund for the nonresident nurse employment recruitment program in section 27 of chapter 40 of the 2019 Session Laws;
2. The sum of \$11,393,078 appropriated from federal funds derived from the Coronavirus Aid, Relief, and Economic Security Act, of which \$3,000,000 was for the community development block grant program, \$7,393,078 was for the community services block grant program, and \$1,000,000 was for the emergency solutions grant program in section 1 of chapter 27 of the 2021 Session Laws;
3. The sum of \$56,234,176 appropriated from federal funds derived from COVID-19 response funds for the state small business credit initiative program in section 2 of chapter 28 of the 2021 Session Laws;
4. The sum of \$2,150,000 appropriated from the general fund for discretionary funds in section 1 of chapter 46 of the 2021 Session Laws;
5. The sum of \$1,500,000 appropriated from the strategic investment and improvements fund for a job development and economic growth grant in section 1 of chapter 46 of the 2021 Session Laws;
6. The sum of \$3,000,000 appropriated from the general fund for the unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;
7. The sum of \$19,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight unmanned aircraft system program in section 1 of chapter 46 of the 2021 Session Laws;
8. The sum of \$1,000,000 appropriated from the general fund for beyond visual line of sight unmanned aircraft system program matching funds in section 1 of chapter 46 of the 2021 Session Laws and amended in section 22 of chapter 549 of the 2021 Special Session Session Laws;
9. The sum of \$7,000,000 appropriated from the strategic investment and improvements fund for the enhanced use lease grant program in section 1 of chapter 46 of the 2021 Session Laws;
10. The sum of \$1,330,212 appropriated from the general fund for the homeless shelter grant program in section 1 of chapter 46 of the 2021 Session Laws;
11. The sum of \$1,074,888 appropriated from federal funds for the workforce community services Americorps program in section 19 of chapter 549 of the 2021 Special Session Session Laws;
12. The sum of \$1,000,000 appropriated from federal funds for the community development planning grant program in section 20 of chapter 549 of the 2021 Special Session Session Laws;
13. The sum of \$10,000,000 appropriated from federal funds derived from the state fiscal recovery fund for autonomous agriculture matching grants in

subsection 37 of section 1 of chapter 550 of the 2021 Special Session Laws, which shall be awarded without any matching fund requirements;

14. The sum of \$15,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the workforce development incentive grant program in subsection 38 of section 1 of chapter 550 of the 2021 Special Session Laws; and
15. The sum of \$5,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the technical skills training grants program in subsection 39 of section 1 of chapter 550 of the 2021 Special Session Laws.

**SECTION 30. LEGISLATIVE MANAGEMENT REPORT - DEPARTMENT OF COMMERCE GRANT PROGRAMS.** During the 2023-24 interim, the department of commerce shall report to the legislative management regarding the status of each grant program identified in section 2 of this Act derived from the general fund or state special funds, including funding spent to date, the number of individuals or businesses awarded funding, the name and amount of funding awarded to each individual and business, the date funding was awarded, criteria used when awarding funding, and a detailed listing of how the funding has been used. The department of commerce shall provide one report by December 31, 2023, and no fewer than two reports during the period beginning January 1, 2024, and ending October 31, 2024.

**SECTION 31. EMERGENCY.** The following are declared to be an emergency measure:

1. The \$120,000,000 appropriated from federal funds derived from the Infrastructure Investment and Jobs Act and the Inflation Reduction Act for weatherization and energy programs in the weatherization and energy programs line item and in the estimated income line item in section 1 of this Act; and
2. The \$26,000,000 appropriated from the strategic investment and improvements fund for the beyond visual line of sight uncrewed aircraft system program in the grants line item and in the estimated income line item in section 1 of this Act.

Approved May 6, 2023

Filed May 9, 2023

**CHAPTER 19****HOUSE BILL NO. 1019**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of career and technical education; and to provide an exemption.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of career and technical education for the purpose of defraying the expenses of the department of career and technical education, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,643,906	\$340,305	\$4,984,211
Operating expenses	2,198,453	847,897	3,046,350
Grants	9,507,349	2,500,000	12,007,349
Grants - secondary	26,837,780	14,700,000	41,537,780
Marketplace for kids	300,000	0	300,000
Science, technology, engineering, and mathematics initiative	100,000	0	100,000
Adult farm management	1,706,138	0	1,706,138
Workforce training	2,000,000	500,000	2,500,000
Center for distance education	<u>9,461,254</u>	<u>(9,461,254)</u>	<u>0</u>
Total all funds	\$56,754,880	\$9,426,948	\$66,181,828
Less estimated income	<u>15,019,817</u>	<u>(38,697)</u>	<u>14,981,120</u>
Total general fund	\$41,735,063	\$9,465,645	\$51,200,708
Full-time equivalent positions	50.30	(26.80)	23.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Statewide area career center initiative grant program	\$88,276,228	\$0
Secondary career and technical education programs	<u>0</u>	<u>500,000</u>
Total other funds	\$88,276,228	\$500,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of career and technical education shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - SECONDARY CAREER AND TECHNICAL EDUCATION PROGRAMS.** The estimated income line item in section 1 of this Act includes \$500,000 from the strategic investment and improvements fund for new and expanding secondary career and technical education programs.

**SECTION 4. EXEMPTION - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM.** The amount of \$20,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the statewide area career center initiative grant program in section 1 of chapter 548 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. EXEMPTION - STATEWIDE AREA CAREER CENTER INITIATIVE GRANT PROGRAM - UNCOMMITTED FUNDS.** Notwithstanding section 1 of chapter 548 of the 2021 Special Session Laws, if funding approved for a career academy project under the statewide area career center initiative grant program becomes uncommitted after December 31, 2022, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 6. WORKFORCE TRAINING GRANTS - SALARIES AND WAGES EXPENSES.** The workforce training line item in section 1 of this Act includes the sum of \$500,000 from the general fund which the department of career and technical education shall distribute to each eligible organization in the state dedicated to expanding workforce opportunities, training, and education for the purpose of defraying salaries and wages expenses of the organization's employees. The department of career and technical education shall distribute the funding identified in this section as follows:

1. An organization in the northwest region of the state \$230,000
2. An organization in the northeast region of the state \$40,000
3. An organization in the southwest region of the state \$120,000
4. An organization in the southeast region of the state \$110,000

Approved May 6, 2023

Filed May 9, 2023

**CHAPTER 20****HOUSE BILL NO. 1020**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; to provide for a transfer; to provide an exemption; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning with the effective date of this Act and ending June 30, 2025, as follows:

## Subdivision 1.

**NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$56,530,224	\$2,002,613	\$58,532,837
Soil conservation committee	1,211,520	150,000	1,361,520
Total all funds	\$57,741,744	\$2,152,613	\$59,894,357
Less estimated income	28,303,921	682,222	28,986,143
Total general fund	\$29,437,823	\$1,470,391	\$30,908,214
Full-time equivalent positions	241.77	10.93	252.70

## Subdivision 2.

**NORTHERN CROPS INSTITUTE**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$3,909,760	\$5,640,941	\$9,550,701
Total all funds	\$3,909,760	\$5,640,941	\$9,550,701
Less estimated income	1,922,618	5,517,827	7,440,445
Total general fund	\$1,987,142	\$123,114	\$2,110,256
Full-time equivalent positions	13.55	4.60	18.15

## Subdivision 3.

**UPPER GREAT PLAINS TRANSPORTATION INSTITUTE**

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Upper great plains transportation institute	\$23,527,957	\$1,570,236	\$25,098,193
Total all funds	\$23,527,957	\$1,570,236	\$25,098,193
Less estimated income	<u>19,042,350</u>	<u>959,427</u>	<u>20,001,777</u>
Total general fund	\$4,485,607	\$610,809	\$5,096,416
Full-time equivalent positions	43.88	0.00	43.88

Subdivision 4.

#### MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	<u>\$111,676,188</u>	<u>\$107,718,315</u>	<u>\$219,394,503</u>
Total all funds	\$111,676,188	\$107,718,315	\$219,394,503
Less estimated income	<u>57,087,956</u>	<u>102,288,358</u>	<u>159,376,314</u>
Total general fund	\$54,588,232	\$5,429,957	\$60,018,189
Full-time equivalent positions	334.56	23.91	358.47

Subdivision 5.

#### BRANCH RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$7,078,838	\$153,874	\$7,232,712
Central grasslands research center	3,553,320	42,199	3,595,519
Hettinger research center	5,174,885	123,393	5,298,278
Langdon research center	3,091,310	74,729	3,166,039
North Central research center	5,203,251	74,501	5,277,752
Williston research center	5,362,734	115,922	5,478,656
Carrington research center	<u>9,827,963</u>	<u>239,286</u>	<u>10,067,249</u>
Total all funds	\$39,292,301	\$823,904	\$40,116,205
Less estimated income	<u>20,722,818</u>	<u>228,047</u>	<u>20,950,865</u>
Total general fund	\$18,569,483	\$595,857	\$19,165,340
Full-time equivalent positions	108.21	3.60	111.81

Subdivision 6.

#### AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	<u>\$1,579,655</u>	<u>\$50,109</u>	<u>\$1,629,764</u>
Total special funds	\$1,579,655	\$50,109	\$1,629,764
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

#### SECTION 1 TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$109,068,287	\$8,230,128	\$117,298,415

Grand total other funds	<u>128,659,318</u>	<u>109,725,990</u>	<u>238,385,308</u>
Grand total all funds	\$237,727,605	\$117,956,118	\$355,683,723

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Deferred maintenance	\$500,000	\$500,000
Transportation data intelligence center	0	432,600
Northern crops institute feed production center facility upgrade	0	3,250,000
Pellet mill	0	650,000
Storage sheds	0	1,900,000
Nesson Valley irrigation research site project	0	1,700,000
Branch research extension centers capital projects inflation	0	2,933,230
Hettinger research extension center land purchase	0	1,038,000
Waldron hall replacement project	0	97,000,000
Carrington research extension center capital projects	1,221,000	0
Central grasslands research extension center capital projects	2,488,000	0
Dickinson research extension center capital projects	2,200,000	0
Hettinger research extension center capital projects	3,720,000	0
Langdon research extension center capital projects	473,000	0
Remote sensing of infrastructure	<u>2,225,000</u>	<u>0</u>
Total all funds	12,827,000	\$109,403,830
Total other funds	<u>12,327,000</u>	<u>105,695,600</u>
Total general fund	\$500,000	\$3,708,230

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2023-25 biennium. The upper great plains transportation center, northern crops institute, and main research center shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME.** The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2023-25 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT.** The Williston research extension center shall report to the sixty-ninth legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2021, and ending June 30, 2023, and the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. ADDITIONAL INCOME - APPROPRIATION.** In addition to the amount included in the grand total other funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation

institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - NORTHERN CROPS INSTITUTE - MAIN RESEARCH CENTER.** The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$3,900,000 from the strategic investment and improvements fund for the northern crops institute feed production center facility upgrade and pellet mill. The estimated income line item in subdivision 3 of section 1 of this Act includes the sum of \$432,600 from the strategic investment and improvements fund for a transportation data intelligence center. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$89,400,000 from the strategic investment and improvements fund for the Waldron hall replacement project, storage sheds, and deferred maintenance.

**SECTION 7. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - NORTH DAKOTA STATE UNIVERSITY MAIN RESEARCH CENTER - PURCHASE OF LAND AUTHORIZED.** The appropriation in subdivision 4 of section 1 of this Act includes the sum of \$1,038,000 from federal funds derived from the state fiscal recovery fund for the purchase of real property for the Hettinger research center, for the biennium beginning July 1, 2023, and ending June 30, 2025. The Hettinger research center shall make payments in lieu of property taxes in the manner and according to the conditions and procedures that would apply if the property were privately owned. The North Dakota state university main research center is authorized to purchase four parcels of land in Adams County, described as:

1. The southeast quarter of section 24, township 129 north, range 96, Adams County;
2. A tract of land in the northeast quarter of the southeast quarter of section 13, township 129 north, range 96, Adams County;
3. The southeast quarter of the southeast quarter of section 13, the north half of the northeast quarter of section 24, township 129 north, range 96, Adams County; and
4. The north half of the north half of section 19, township 129 north, range 95, Adams County.

**SECTION 8. NORTH DAKOTA STATE UNIVERSITY MAIN RESEARCH CENTER - POTATO FAST TRACK.** The estimated income line item in subdivision 4 of section 1 of this Act includes \$250,000 from other funds for the potato fast track program to accelerate potato variety development efforts at the North Dakota state university main research center for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. EXEMPTION - TRANSFER AUTHORITY.** Notwithstanding section 54-16-04, upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the office of management and budget shall transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act.

**SECTION 10. EXEMPTION - FULL-TIME EQUIVALENT POSITION ADJUSTMENTS - REPORT.** Notwithstanding any other provisions of law, the state board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

**SECTION 11. EXEMPTION - UNEXPENDED GENERAL FUND - EXCESS INCOME.** Any unexpended general fund appropriation authority available to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 12. EXEMPTION - BRANCH RESEARCH CENTERS PROJECTS.** The amounts appropriated from other funds for Carrington research center capital projects, central grasslands research center capital projects, and Langdon research center capital projects in subdivision 4 of section 1 of chapter 48 of the 2021 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 13. EXEMPTION - BRANCH RESEARCH CENTERS PROJECTS - FEDERAL STATE FISCAL RECOVERY FUND.** The amounts appropriated from federal funds derived from the state fiscal recovery fund for one-time projects at the Carrington research center, central grasslands research center, Dickinson research center, and Hettinger research center in section 6 of chapter 550 of the 2021 Special Session Laws are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations are available and may be expended during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - MAIN RESEARCH CENTER - PUBLIC IMPROVEMENT CONSTRUCTION.** The main research center, for its use of the \$2,400,000 appropriated from the strategic investment and improvements fund for deferred maintenance and branch research center storage sheds, is not subject to the provisions of section 48-01.2-02.1, and the main research center may spend this funding without procuring plans, drawings, and specifications from an architect or engineer.

**SECTION 15. EMERGENCY.** The \$87,000,000 appropriated from the strategic investment and improvements fund and \$10,000,000 appropriated from other funds for the Waldron hall replacement project in subdivision 4 of section 1 of this Act is declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

**CHAPTER 21**

**HOUSE BILL NO. 1021**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact subsection 2 of section 54-46-08 of the North Dakota Century Code as amended in section 5 of House Bill No. 1528, as approved by the sixty-eighth legislative assembly, relating to final disposition of records; to provide a transfer; to provide an exemption; to provide for a report; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$101,734,629	\$2,637,257	\$104,371,886
Operating expenses	114,588,112	34,416,587	149,004,699
Capital assets	3,443,909	466,662	3,910,571
Statewide longitudinal data system	4,486,278	1,096,400	5,582,678
Edutech	9,691,939	472,369	10,164,308
K-12 wide area network	4,679,718	1,682,892	6,362,610
Geographic information system	1,101,806	106,086	1,207,892
Health information technology office	8,725,871	16,240	8,742,111
Statewide interoperable radio network	14,193,796	4,207,673	18,401,469
Broadband infrastructure	<u>0</u>	<u>148,250,000</u>	<u>148,250,000</u>
Total all funds	\$262,646,058	\$193,352,166	\$455,998,224
Less estimated income	<u>233,670,105</u>	<u>179,267,274</u>	<u>412,937,379</u>
Total general fund	\$28,975,953	\$14,084,892	\$43,060,845
Full-time equivalent positions	479.00	28.00	507.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Cybersecurity	\$6,500,000	\$0
Health information technology office	6,000,000	3,000,000
Broadband infrastructure grants	45,000,000	0
North Dakota stockmen's association grant	401,000	0
Enterprise digitization project	0	7,000,000

Call center software upgrade project	0	3,000,000
Governance, risk, and compliance costs	0	5,456,876
Customer relationship management program	0	5,000,000
Universal vulnerability management project	0	1,000,000
Capitol security upgrade and fiber replacement project	0	2,499,467
Inflationary increases	0	7,325,000
Statewide longitudinal data system	0	1,075,000
Broadband, equity, access, and deployment program	0	147,762,480
State and local cybersecurity grant program	0	487,520
Total all funds	\$57,901,000	\$183,606,343
Less estimated income	<u>57,901,000</u>	<u>179,093,823</u>
Total general fund	\$0	\$4,512,520

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The information technology department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - TRANSFER - HEALTH INFORMATION TECHNOLOGY PLANNING LOAN FUND TO ELECTRONIC HEALTH INFORMATION EXCHANGE FUND.** Notwithstanding section 6-09-43, the estimated income line item in section 1 of this Act includes the sum of \$3,000,000, 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 electronic health information exchange 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, 2023, and ending June 30, 2025.

**SECTION 4. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects. The department shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in section 1 of this Act includes the sum of \$15,000,000 from the strategic investment and improvements fund, of which \$7,000,000 is for the enterprise digitization project, \$3,000,000 is for the call center software upgrade project, and \$5,000,000 is for the customer relationship management program.

**SECTION 6. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND.** The estimated income line item in section 1 of this Act includes the sum of \$3,499,467 from federal funds derived from the state fiscal recovery fund, of which \$2,499,467 is for the capitol security software upgrade and fiber replacement project and \$1,000,000 is for the universal vulnerability management project.

**SECTION 7. ESTIMATED INCOME - CHOICE READY DASHBOARD EXPANSION PROJECT.** The estimated income line item in section 1 of this Act includes the sum of \$4,856,876 from the information technology department operating service fund for department of public instruction-related projects, of which \$300,000 is

for a choice ready dashboard expansion project to allow schools to monitor student progress for graduation and report the results to the department of public instruction.

4 **SECTION 8. AMENDMENT.** Subsection 2 of section 54-46-08 of the North Dakota Century Code as amended in section 5 of House Bill No. 1528, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. Each departmental agency shall maintain, for at least one year, data contained in electronic mail accounts and ~~personal file storage~~, for agency heads, state officers appointed by the governor under chapter 44-02, and elected executive branch officials.

**SECTION 9. EXEMPTION - BROADBAND INFRASTRUCTURE GRANTS.** The amount of \$45,000,000 appropriated from federal funds derived from the coronavirus capital projects fund for the broadband infrastructure grants program in section 9 of chapter 548 of the 2021 Special Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The information technology department shall approve any grant application that includes the use or implementation of fiber-optic cable in the proposed service area unless fiber-optic cable currently serves the proposed service area.

**SECTION 10. EXEMPTION - BROADBAND INFRASTRUCTURE GRANTS - FEDERAL CORONAVIRUS CAPITAL PROJECTS FUND - TRANSFER OF APPROPRIATION AUTHORITY - LEGISLATIVE MANAGEMENT REPORT.**

1. Notwithstanding section 9 of this Act, on October 1, 2023, the office of management and budget shall transfer any uncommitted federal coronavirus capital projects fund appropriation authority from the information technology department to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium for the biennium beginning July 1, 2023, and ending June 30, 2025. The appropriation authority transferred in this subsection may be spent by the department of career and technical education only if approval is received from the federal government.
2. If any funding in the federal coronavirus capital projects fund is available pursuant to subsection 1 of this section, the office of management and budget shall submit a state plan amendment to the United States Department of the Treasury to request a modification of the planned use of moneys in the federal coronavirus capital projects fund. If the federal government does not approve the state plan amendment to allow the department of career and technical education to use moneys in the federal coronavirus capital projects fund for multipurpose community facility inflationary costs, the office of management and budget shall transfer the uncommitted federal coronavirus capital projects fund appropriation authority to the information technology department for the purpose of providing broadband infrastructure grants pursuant to section 9 of this Act.
3. If the state plan amendment is approved, the department of career and technical education must distribute the funding transferred from the federal coronavirus capital projects fund to existing career academy projects

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4 Section 54-46-08 was also amended by section 5 of House Bill No. 1528, chapter 470.

proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this section is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

4. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project.
5. The office of management and budget shall report to the legislative management regarding any appropriation authority transferred under this section.

**SECTION 11. EXEMPTION - NORTH DAKOTA STOCKMEN'S ASSOCIATION BRANDING INSPECTION SYSTEM.** The amount of \$401,000 appropriated from federal funds derived from the state fiscal recovery fund for the purpose of providing a grant to the North Dakota stockmen's association for conversion of a paper-based brand inspection program to an electronic system in subsection 23 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 12. EMERGENCY.** Sections 9 and 10 of this Act are declared to be an emergency measure.

Approved May 5, 2023

Filed May 9, 2023

**CHAPTER 22**

**HOUSE BILL NO. 1022**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Commission on legal counsel for indigents	\$20,964,213	\$1,655,907	\$22,620,120
Legal counsel for juveniles	<u>325,000</u>	<u>(325,000)</u>	<u>0</u>
Total all funds	\$21,289,213	\$1,330,907	\$22,620,120
Less estimated income	<u>1,994,850</u>	<u>16,372</u>	<u>2,011,222</u>
Total general fund	\$19,294,363	\$1,314,535	\$20,608,898
Full-time equivalent positions	40.00	1.00	41.00

Approved April 18, 2023

Filed April 19, 2023

**CHAPTER 23****HOUSE BILL NO. 1023**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota racing commission.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$554,495	\$92,609	\$647,104
Total all funds	\$554,495	\$92,609	\$647,104
Less estimated income	166,601	5,497	172,098
Total general fund	\$387,894	\$87,112	\$475,006
Full-time equivalent positions	2.00	0.00	2.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Internships	\$20,000	\$20,000
Total general fund	\$20,000	\$20,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The North Dakota racing commission shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 24

### HOUSE BILL NO. 1024

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of environmental quality; to amend and reenact sections 23.1-10-02 and 23.1-10-05 of the North Dakota Century Code, relating to the environmental quality restoration fund and revenue to the fund; and to provide for an exemption.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of environmental quality for the purpose of defraying the expenses of the department of environmental quality, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$32,551,817	\$4,553,049	\$37,104,866
Operating expenses	10,771,898	6,475,528	17,247,426
Capital assets	1,247,172	(78,672)	1,168,500
Grants	<u>15,060,118</u>	<u>22,138,000</u>	<u>37,198,118</u>
Total all funds	\$59,631,005	\$33,087,905	\$92,718,910
Less estimated income	46,969,930	29,966,956	76,936,886
Total general fund	\$12,661,075	\$3,120,949	\$15,782,024
Full-time equivalent positions	166.00	7.00	173.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Laboratory information management system	\$1,000,000	\$0
Chemistry laboratory inflation	0	116,800
Loan fund administration	0	177,350
Drinking water program portal	0	325,000
Environmental data systems upgrade	<u>0</u>	<u>1,365,444</u>
Total all funds	\$1,000,000	\$1,984,594
Less estimated income	<u>0</u>	<u>1,796,794</u>
Total general fund	\$1,000,000	\$187,800

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of environmental quality shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. APPROPRIATION - FEDERAL FUNDS - LEAD PIPE REMOVAL AND CLEAN WATER PROJECT GRANTS - ONE-TIME FUNDING.** There is appropriated from federal funds, not otherwise appropriated, the sum of \$25,000,000, or so much of the sum as may be necessary, to the department of environmental quality for the purpose of providing grants to political subdivisions with a population of ten thousand or less for lead pipe removal and other projects eligible for funding from the clean water state revolving loan fund for the biennium beginning July 1, 2023, and ending June 30, 2025. The department shall require a political subdivision grant recipient to provide twenty-five percent matching funds and the department may not award grants in excess of \$5,000,000 to a political subdivision. The funding provided in this section is considered a one-time funding item.

**SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$250,000 from the environment and rangeland protection fund. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

**SECTION 5. ESTIMATED INCOME - PETROLEUM TANK RELEASE COMPENSATION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$723,595 from the petroleum tank release compensation fund for expenses related to the petroleum tank release program.

**SECTION 6. AMENDMENT.** Section 23.1-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**23.1-10-02. Environmental quality restoration fund - Continuing appropriation.**

There is established an environmental quality restoration fund into which the funds recovered in this chapter may be deposited. The fund is to be administered by the department of environmental quality and may be used by the department for costs of environmental assessment, removal, corrective action, or monitoring as determined on a case-by-case basis. All moneys placed in the fund under this section and section 23.1-10-05 are appropriated to the department on a continuing basis. If, on the first day of July in any year, the amount of uncommitted or unrestricted money in the environmental quality restoration fund is more than five million dollars, the amount in excess of five million dollars must be transferred to the general fund.

**SECTION 7. AMENDMENT.** Section 23.1-10-05 of the North Dakota Century Code is amended and reenacted as follows:

**23.1-10-05. Revenue to the fund.**

Revenue from the following sources must be deposited in the state treasury and credited to the fund:

1. ~~If the balance of the fund is less than five million dollars, moneys~~Moneys recovered by the department in an action or administrative proceeding based on violation of the state's environmental statutes, including actions for administrative expense recoveries, civil penalties, compensatory damages; and money paid pursuant to any agreement, stipulation, or settlement. This section does not limit the department's ability to agree to a supplemental environmental project as part of a settlement.
2. Moneys donated to the department for the purposes of this chapter.

3. Transfers from the abandoned oil and gas well plugging and site reclamation fund under subdivision f of subsection 2 of section 38-08-04.5.
4. Moneys received from a federal agency for the purpose of this section.
5. Any other moneys as may be deposited in the fund for use in carrying out the purposes of this chapter.

**SECTION 8. EXEMPTION - LABORATORY INFORMATION MANAGEMENT SYSTEM.** The sum of \$1,000,000, appropriated from the general fund for the laboratory information management system in section 1 of chapter 52 of the 2021 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the laboratory information management system during the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved May 4, 2023

Filed May 5, 2023

## CHAPTER 25

### HOUSE BILL NO. 1025

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of veterans' affairs; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	\$1,501,950	\$287,506	\$1,789,456
State approving agency	292,024	21,002	313,026
Grants - transportation program	1,220,000	(93,915)	1,126,085
Transport vans	18,800	0	18,800
Service dogs	50,000	(50,000)	0
Veterans' home cemetery	<u>0</u>	<u>291,500</u>	<u>291,500</u>
Total all funds	\$3,082,774	\$456,093	\$3,538,867
Less estimated income	1,512,150	319,297	1,831,447
Total general fund	\$1,570,624	\$136,796	\$1,707,420
Full-time equivalent positions	8.00	1.00	9.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Document scanning project	\$0	\$100,836
Accrued leave	0	19,066
Veterans' home cemetery	291,500	291,500
Fisher house construction assistant grant program	500,000	0
Veterans' medical transportation	<u>147,000</u>	<u>0</u>
Total all funds	\$938,500	\$411,402
Less estimated income	<u>938,500</u>	<u>392,336</u>
Total general fund	\$0	\$19,066

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of veterans' affairs shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - DOCUMENT SCANNING PROJECT.** The estimated income line item in section 1 of this Act includes the sum of \$100,836 from federal funds derived from the state fiscal recovery fund for the purpose of a document scanning project.

**SECTION 4. EXEMPTION - POSTTRAUMATIC STRESS DISORDER SERVICE DOG PROGRAM.** The \$50,000 appropriated from the general fund for the posttraumatic stress disorder service dog program in section 1 of chapter 25 of the 2019 Session Laws and the \$50,000 appropriated from the general fund for the posttraumatic stress disorder service dog program in section 1 of chapter 53 of the 2021 Session Laws is not subject to section 54-44.1-11 and any unspent funds from this program are available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The \$647,000 appropriated from the federal state fiscal recovery fund in subsections 32 and 33 of section 1 of chapter 550 of the 2021 Session Laws, of which \$500,000 was for a grant to assist in the construction of the Fisher house at the Fargo veterans' affairs medical center and \$147,000 was for improving and expanding veterans' medical transportation, is not subject to section 54-44.1-11 and any unspent funds from these programs are available for the programs during the biennium beginning July 1, 2023, and ending June 30, 2025. Of the \$147,000 for veterans' medical transportation, \$18,800 may be used for the purchase of a nonhighly rural transport van during the 2023-25 biennium.

Approved May 8, 2023

Filed May 9, 2023

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## CHAPTER 26

### HOUSE BILL NO. 1157

(Representatives Strinden, B. Anderson, Boschee, Brandenburg, Schauer, Swiontek)  
(Senators Hogan, K. Roers, Sorvaag)

AN ACT to provide an appropriation to the department of veterans' affairs for providing grants for the construction of the Fisher house.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - DEPARTMENT OF VETERANS' AFFAIRS - FISHER HOUSE - ONE-TIME FUNDING.** There is appropriated out of any moneys from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of providing a grant to assist in the construction of the Fisher house at the Fargo veterans' affairs medical center, for the biennium beginning July 1, 2023, and ending June 30, 2025. This funding is considered a one-time funding item.

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 27

### HOUSE BILL NO. 1199

(Representative Lefor)  
(Senator Hogue)

AN ACT to provide an appropriation to the department of career and technical education for the statewide area and career center initiative grant program; to authorize a Bank of North Dakota line of credit; to provide an exemption; to provide for a transfer; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - STATEWIDE AREA AND CAREER CENTER INITIATIVE GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of paying accrued interest on a Bank of North Dakota line of credit used for the statewide area and career center initiative grant program, for the period beginning with the effective date of this Act, and ending June 30, 2025. This funding is considered a one-time funding item.

**SECTION 2. BANK OF NORTH DAKOTA - LINE OF CREDIT - APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - STATEWIDE AREA AND CAREER CENTER INITIATIVE GRANT PROGRAM.** The Bank of North Dakota shall extend a line of credit not to exceed \$68,276,228 to the department of career and technical education at the prevailing interest rate charged to North Dakota governmental entities, the sum of which is appropriated to the department of career and technical education for the purpose of providing grants to entities approved by the state board for career and technical education to build career academies through the statewide area and career center initiative grant program for the period beginning with the effective date of this Act, and ending June 30, 2025. The department may award funding provided in this section to foundations that are working with school districts on career academy projects approved by the state board for career and technical education. The department shall repay the line of credit and accrued interest from funding appropriated from the general fund in section 1 of this Act and from funding appropriated from the federal coronavirus capital projects fund in section 1 of chapter 548 of the 2021 Session Laws. If moneys available on June 30, 2025, are not sufficient to repay the line of credit, the department of career and technical education shall request from the sixty-ninth legislative assembly a deficiency appropriation to repay the line of credit.

**SECTION 3. EXEMPTION - STATEWIDE AREA AND CAREER CENTER INITIATIVE GRANT PROGRAM.** The amount of \$68,276,228 appropriated from the federal coronavirus capital projects fund to the department of career and technical education for the statewide area and career center initiative grant program in section 1 of chapter 548 of the 2021 Session Laws is not subject to section 54-44.1-11 and may be continued and is available to the department of career and technical education for the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department may award funding provided in this section to

foundations that are working with school districts on career academy projects approved by the state board for career and technical education.

**SECTION 4. TRANSFER - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION.** The Bank of North Dakota shall transfer the sum of \$20,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the period beginning with the effective date of this Act and ending June 30, 2023.

**SECTION 5. EMERGENCY.** This Act is declared to be an emergency measure.

Approved February 2, 2023

Filed February 2, 2023

## CHAPTER 28

### HOUSE BILL NO. 1225

(Representatives Vetter, Brandenburg, Dyk, Fegley, Klemin, Louser, Steiner, Vigesaa)  
(Senators Bekkedahl, Kreun, Meyer, Myrdal)

AN ACT to provide an appropriation to the information technology department for providing grants to counties for expenses related to an online portal for electronically accessible property information and property tax information.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

##### SECTION 1. APPROPRIATION - ONLINE TAX PORTAL - ONE-TIME FUNDING.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the information technology department for the purpose of providing grants to counties for expenses related to an online portal or promulgating online access for electronically accessible property information and property tax information based on geographic information system data and electronic property information, for the biennium beginning July 1, 2023, and ending June 30, 2025. The information technology department shall develop guidelines for the grants, including an application process. The funding provided in this section is considered a one-time funding item.
2. If a county receives a grant under this section, the online portal or online access to electronically accessible property information and property tax information must:
  - a. Integrate with a computer-assisted mass appraisal system.
  - b. Use a consistent format to display property and property tax information for all properties.
  - c. Include any available pictures or sketches associated with each property.
  - d. Provide access to property tax estimates based on data from a computer-assisted mass appraisal system.
  - e. Have options to keep exempt and confidential information from being publicly accessible.
  - f. Allow users to perform basic and advanced searches of property and property tax information, including search options for comparable sales and by property classification for residential, commercial, and agriculture properties.

Approved April 29, 2023

Filed May 1, 2023

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## CHAPTER 29

### HOUSE BILL NO. 1232

(Representatives Nathe, Boschee, Christy, Heinert, Jonas, Warrey)  
(Senators Burckhard, Meyer, Schaible)

AN ACT to provide an appropriation to the department of career and technical education for career exploration software; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - CAREER EXPLORATION SOFTWARE - ONE-TIME FUNDING.** There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of purchasing career exploration virtual reality software capable of integrating with the RUReady career resource network, for the period beginning with the effective date of this Act, and ending June 30, 2025. This funding is considered a one-time funding item.

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

Approved April 12, 2023

Filed April 13, 2023

## CHAPTER 30

### HOUSE BILL NO. 1307

(Representatives Roers Jones, Lefor, Mock, O'Brien, Pyle)  
(Senators Meyer, Patten, J. Roers, K. Roers)

AN ACT to provide an appropriation to the attorney general for a back the blue grant program; and to provide for a report.

#### **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - ATTORNEY GENERAL - BACK THE BLUE GRANT PROGRAM - ONE-TIME FUNDING - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to the attorney general for the purpose of providing back the blue grants to assist local law enforcement agencies with workforce recruitment and retention, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall provide grants to each city and county law enforcement agency in the state based on the proportional number of licensed peace officers and correctional officers employed by the city or county law enforcement agency compared to the total number of licensed peace officers and correctional officers employed by all city and county law enforcement agencies. Of the funding available under this program, a sum of at least \$750,000 must be granted to local law enforcement agencies employing ten or fewer employees working in a law enforcement capacity. Funding appropriated in this section may be used for providing hiring and retention bonuses to new and current law enforcement and correctional officers and providing tuition and fee payments on behalf of law enforcement trainees. This funding is considered a one-time funding item. Law enforcement agencies receiving funding under this section shall report to the attorney general regarding the use and effectiveness of the funding. The attorney general shall report to the sixty-ninth legislative assembly regarding the use and effectiveness of grant funds and the number of grants provided pursuant to this section.

Approved April 18, 2023

Filed April 18, 2023

## CHAPTER 31

### HOUSE BILL NO. 1415

(Representatives Kiefert, K. Anderson, Heinert, Ostlie, Rohr, Satrom)  
(Senators Conley, Wanzek)

AN ACT to provide an appropriation to the attorney general for a law enforcement staffing grant program; and to provide for a legislative management study.

#### **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - LAW ENFORCEMENT STAFFING GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$29,000, or so much of the sum as may be necessary, to the attorney general for the purpose of awarding grants to any local police department located in a community that has recently experienced a significant increase in the number of registered sex offenders living in that community in order to hire additional law enforcement staff, for the biennium beginning July 1, 2023, and ending June 30, 2025. Eligible expenditures under the program include costs related to salaries and overtime, training, and purchases of equipment for existing and newly hired law enforcement staff. The attorney general shall establish guidelines to provide grants under the program. This funding is considered a one-time funding item.

**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - SEXUAL PREDATOR TASK FORCE.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of creating a multijurisdictional sexual predator task force. The study must include input from stakeholders, including representatives from law enforcement, regarding the need for or desire to have a sexual predator task force. The study also must include an analysis of interagency coordination. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

Approved May 4, 2023

Filed May 5, 2023

## CHAPTER 32

### HOUSE BILL NO. 1519

(Representatives Hagert, Nathe, O'Brien, Porter, Stemen)  
(Senators Bekkedahl, Meyer, Weber)

AN ACT to provide appropriations to the department of career and technical education and agriculture commissioner for uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants; to provide for a legislative management study; and to provide a report.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

#### **SECTION 1. APPROPRIATION - FEDERAL STATE FISCAL RECOVERY FUND - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - ONE-TIME FUNDING - REPORT TO LEGISLATIVE MANAGEMENT.**

1. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$475,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to a workforce training center serving the northwest area of the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this subsection is considered a one-time funding item.
2. There is appropriated from the strategic investment and improvements fund, not otherwise appropriated, the sum of \$12,500, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of administering the grant program in subsection 1 of section 1 of this Act, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this subsection is considered a one-time funding item.
3. The department of career and technical education shall develop an application process and guidelines for the grants, including eligibility criteria, maximum grant awards, and matching requirements. The department of career and technical education may require a workforce training center to provide one dollar of matching funds for every four dollars awarded by the state. To be eligible for a grant, a workforce training center shall certify to the department of career and technical education that the operation of the uncrewed aircraft system, autonomous vehicle, or other autonomous technology is related to workforce or educational training with uncrewed aircraft systems, autonomous vehicles, or other autonomous technologies.
4. A workforce training center may use grant funding to contract for services related to uncrewed aircraft systems, autonomous vehicles, or other autonomous technologies; for educational or training curriculum expenses related to uncrewed aircraft systems, autonomous vehicles, or other autonomous technologies; or for other eligible uses related to uncrewed aircraft system, autonomous vehicle, or other autonomous technology

operations as determined by the department of career and technical education.

5. During the 2023-24 interim, the department of career and technical education shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

**SECTION 2. APPROPRIATION - FEDERAL STATE FISCAL RECOVERY FUND - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - AGRICULTURE COMMISSIONER - ONE-TIME FUNDING - REPORT TO LEGISLATIVE MANAGEMENT.**

1. There is appropriated from federal funds derived from the state fiscal recovery fund, not otherwise appropriated, the sum of \$275,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of uncrewed aircraft system, autonomous vehicle, or other autonomous technology grants to individuals and entities in the agriculture industry, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this subsection is considered a one-time funding item.
2. There is appropriated from the strategic investment and improvements fund, not otherwise appropriated, the sum of \$12,500, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of administering the grant program in subsection 1 of section 2 of this Act, for the biennium beginning July 1, 2023, and ending June 30, 2025. The funding provided in this subsection is considered a one-time funding item.
3. The agriculture commissioner shall develop an application process and guidelines for the grants, including eligibility criteria, maximum grant awards, and matching requirements. The agriculture commissioner may require an individual or entity to provide one dollar of matching funds for every four dollars awarded by the state. To be eligible for a grant, an individual or entity shall certify to the agriculture commissioner that the operation of the uncrewed aircraft system, autonomous vehicle, or other autonomous technology is related to inspecting, operating, maintaining, or construction of agriculture property or infrastructure.
4. An individual or entity may use grant funding to contract for services related to uncrewed aircraft systems, autonomous vehicles, or other autonomous technologies; or for other eligible uses related to uncrewed aircraft system, autonomous vehicle, or other autonomous technology operations as determined by the agriculture commissioner.
5. During the 2023-24 interim, the agriculture commissioner shall provide at least one report to the legislative management regarding the grants, including a list of grant recipients, the amounts awarded, and a description of the use of the grant funding.

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - UNCREWED AUTONOMOUS SYSTEMS.** During the 2023-24 interim, the legislative management shall consider studying the utilization of existing autonomous system capabilities and infrastructure to provide solutions to workforce and safety needs in the state. The study must include an analysis of utilizing autonomous technology for infrastructure inspection, rural emergency service needs, agriculture advancement, energy industry application, and other opportunities for collaboration through the utilization of

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

Approved May 4, 2023

Filed May 5, 2023

## CHAPTER 33

### SENATE BILL NO. 2001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salaries of the governor and lieutenant governor; to provide for a report; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,861,034	\$427,289	\$4,288,323
Operating expenses	421,635	217,696	639,331
Contingencies	10,000	0	10,000
Rough rider awards	10,800	0	10,800
Governor's salary	284,475	26,146	310,621
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	\$4,587,944	\$736,131	\$5,324,075
Full-time equivalent positions	17.00	2.00	19.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Constituent software	\$0	\$130,000
Governor transition costs	0	65,000
Total general fund	\$0	\$195,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The governor shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE - BUDGET SECTION REPORT.** Subject to the limitations of this section, in addition to the amounts appropriated in section 1 of this Act, there is appropriated to the governor's office, any additional income from other funds, excluding federal funds, which may become available to the governor's office, for the period beginning July 1, 2023, and ending June 30, 2025. Any other funds received under this section must be

used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of other funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received. Federal funds which may become available to the governor's office may be accepted by the governor's office. Federal funds accepted by the governor's office may not be spent until authorization is received from the legislative assembly or from the emergency commission and budget section under chapter 54-16.

**SECTION 4. GOVERNOR'S SALARY - EXEMPTION.** The governor's salary line item in section 1 of this Act includes the sum of \$310,621 for the salary of the governor for the biennium beginning July 1, 2023, and ending June 30, 2025. If the governor chooses not to accept the salary or any portion of the salary pursuant to section 54-07-04, section 54-07-04 does not apply to the portion of the salary not accepted. Notwithstanding section 54-16-04, the office of management and budget may transfer appropriation authority from the governor's salary line item to other line items in section 1 of this Act.

**SECTION 5. AMENDMENT.** Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-07-04. Salary of governor.**

The annual salary of the governor is one hundred ~~forty thousand eight hundred twenty-nine~~forty-two thousand two hundred sixty-five dollars through June 30, ~~2022~~2024, and one hundred ~~forty-three thousand six hundred forty-six~~forty-eight thousand three hundred fifty-six dollars thereafter.

**SECTION 6. AMENDMENT.** Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-08-03. Salary of lieutenant governor.**

The annual salary of the lieutenant governor is one hundred ~~nine thousand five hundred thirty-six~~thirty thousand dollars through June 30, ~~2022~~2024, and one hundred ~~eleven thousand seven hundred twenty-seven~~thirty-five thousand two hundred dollars thereafter.

Approved April 20, 2023

Filed April 21, 2023

**CHAPTER 34****SENATE BILL NO. 2002**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; and to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

## Subdivision 1.

## SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,528,082	\$726,643	\$6,254,725
Operating expenses	3,308,424	4,175,907	7,484,331
Grants	25,000	0	25,000
Petition review	8,000	0	8,000
Election reform	<u>4,699,689</u>	<u>6,131,119</u>	<u>10,830,808</u>
Total all funds	\$13,569,195	\$11,033,669	\$24,602,864
Less estimated income	<u>8,305,574</u>	<u>9,526,501</u>	<u>17,832,075</u>
Total general fund	\$5,263,621	\$1,507,168	\$6,770,789
Full-time equivalent positions	33.00	2.00	35.00

## Subdivision 2.

## SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	<u>\$257,931</u>	<u>\$13,404</u>	<u>\$271,335</u>
Total general fund	\$257,931	\$13,404	\$271,335

## Subdivision 3.

## TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,521,552	\$1,520,572	\$7,042,124
Grand total special funds	<u>8,305,574</u>	<u>9,526,501</u>	<u>17,832,075</u>
Grand total all funds	\$13,827,126	\$11,047,073	\$24,874,199

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh Legislative Assembly for the 2021-23 biennium and the one-time items included in the appropriation in section 1 of this Act:

One-Time Funding Description	<u>2021-23</u>	<u>2023-25</u>
New campaign system and contracted website redesign	\$0	\$1,000,000
Election management system	0	5,000,000
FirstStop 0	1,000,000	
Information technology system enhancements	0	500,000
Help America Vote Act	0	1,000,000
Total other funds	\$0	\$8,500,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The secretary of state shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$6,000,000 from the federal state fiscal recovery fund for an election management system and to upgrade FirstStop.

**SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$1,500,000 from the strategic investment and improvements fund for a new campaign system, contracted website redesign, and information technology system enhancements for the secretary of state.

**SECTION 5. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-09-05. Salary of secretary of state.**

The annual salary of the secretary of state is ~~one hundred twelve thousand two hundred forty-one~~ one hundred thirty thousand dollars through June 30, ~~2022~~2024, and ~~one hundred fourteen thousand four hundred eighty-six~~ one hundred thirty-five thousand two hundred dollars thereafter.

Approved April 20, 2023

Filed April 21, 2023

## CHAPTER 35

### SENATE BILL NO. 2003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide a transfer; to provide an exemption; to provide for a legislative management study; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,832,646	(\$537,204)	\$50,295,442
Operating expenses	15,237,498	3,503,607	18,741,105
Capital assets	648,055	4,585,572	5,233,627
Grants	3,903,440	400,000	4,303,440
Human trafficking victims grants	1,101,879	3,525	1,105,404
Forensic nurse examiners grants	250,691	791	251,482
Statewide litigation funding pool	0	5,000,000	5,000,000
Litigation fees	127,500	0	127,500
Medical examinations	660,000	0	660,000
Children's forensic interviews	0	304,560	304,560
North Dakota lottery	5,254,844	61,790	5,316,634
Arrest and return of fugitives	8,500	0	8,500
Gaming commission	7,489	0	7,489
Criminal justice information sharing	4,074,968	412,169	4,487,137
Law enforcement	<u>3,048,927</u>	<u>82,770</u>	<u>3,131,697</u>
Total all funds	\$85,156,437	\$13,817,580	\$98,974,017
Less estimated income	<u>42,509,719</u>	<u>4,836,388</u>	<u>47,346,107</u>
Total general fund	\$42,646,718	\$8,981,192	\$51,627,910
Full-time equivalent positions	253.00	13.00	266.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Criminal history improvement system	\$400,000	\$0
Automated biometric identification system	300,000	0

Charitable gaming technology system	475,000	0
Additional income	250,000	0
Missing persons database	300,000	0
Prosecuting case management system	1,000,000	0
Charitable gaming tax information technology costs	50,000	0
Capital assets	1,111,706	2,818,877
State crime laboratory capital improvements	0	250,000
Statewide litigation funding pool	4,650,000	5,000,000
Staff operating and equipment costs	0	792,090
Inflationary increases	0	156,463
Anti-methamphetamine program	0	1,772,038
Law enforcement resiliency grants	0	400,000
Total all funds	\$8,536,706	\$11,189,468
Total other funds	<u>8,536,706</u>	<u>6,582,122</u>
Total general fund	\$0	\$4,607,346

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORT.** In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of \$250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

**SECTION 4. TRANSFER - LOTTERY OPERATING FUND TO GAMING AND EXCISE TAX ALLOCATION FUND - STATEWIDE LITIGATION FUNDING POOL.** Notwithstanding sections 53-12.1-09 and 53-12.1-10, the attorney general shall transfer \$2,760,000 from the lottery operating fund to the gaming and excise tax allocation fund by June 30, 2023, for the purpose of defraying litigation expenses of the state through the statewide litigation funding pool during the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 5. TRANSFER - STATEWIDE LITIGATION FUNDING POOL TO STATE AGENCIES - ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND.** The statewide litigation funding pool line item in section 1 of this Act includes \$5,000,000, of which \$1,797,748 is from the general fund and \$3,202,252 is from the gaming and excise tax allocation fund, which the attorney general shall transfer to eligible state agencies for litigation expenses during the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may not use funding from the statewide litigation funding pool to pay judgments under section 32-12-04.

**SECTION 6. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - CHARITABLE GAMING OPERATING FUND.** The estimated income line item in section 1 of this Act includes \$736,000 from the charitable gaming operating fund for defraying expenses related to the continued development and implementation of the charitable gaming technology system.

**SECTION 7. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS.** The human trafficking victims grants line item in section 1 of this Act includes \$1,105,404 from the general fund for the purpose of

providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims and related administrative costs for the biennium beginning July 1, 2023, and ending June 30, 2025. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2023-24 interim on the status and results of the grant program.

#### **SECTION 8. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS.**

The forensic nurse examiners grants line item in section 1 of this Act includes \$251,482 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs and related administrative costs, for the biennium beginning July 1, 2023, and ending June 30, 2025. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

**SECTION 9. LAW ENFORCEMENT RESILIENCY GRANT PROGRAM - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The grants line item in section 1 of this Act includes \$400,000 from the general fund for the purpose of providing law enforcement resiliency program grants, for the biennium beginning July 1, 2023, and ending June 30, 2025. Funding provided under this Act must be used to defray administrative, therapeutic, training, and outreach-related costs of providing mental health and wellness support services to current and retired correctional and law enforcement personnel. The attorney general shall establish guidelines to award funding under this section. Any organization that receives a grant under this section shall report to the attorney general and the attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of the funds received and the outcomes of its programs.

**SECTION 10. AMENDMENT.** Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

#### **53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.**

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium

authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;
2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;
3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and
4. Transfer of net proceeds:
  - a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;
  - b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;
  - c. Starting July 1, ~~2019~~2023, two hundred ~~forty~~ fifty thousand dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and
  - d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

**SECTION 11. AMENDMENT.** Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-12-11. Salary of attorney general.**

The annual salary of the attorney general is one hundred ~~sixty-five~~seventy-nine thousand ~~eight~~three hundred ~~forty-five~~twelve dollars through June 30, ~~2022~~2024, and one hundred ~~sixty-nine~~eighty-six thousand ~~one~~four hundred ~~sixty-two~~eighty-four dollars thereafter.

**SECTION 12. CRIMINAL HISTORY RECORD CHECKS - FEES.** Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-eighth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the general fund for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 13. EXEMPTION - CONTINGENT FEE ARRANGEMENT.** Notwithstanding section 54-12-08.1, the attorney general may contract for legal services compensated by a contingent fee arrangement for ongoing multistate technology litigation during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. EXEMPTION - GAMING TAX REVENUE GRANTS.** Notwithstanding section 53-06.1-12, the attorney general may distribute gaming tax

revenue grants to cities and counties relating to the seventh and eighth quarters of the 2021-23 biennium through October 31, 2023.

**SECTION 15. EXEMPTION - ATTORNEY GENERAL REFUND FUND.** Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2023.

**SECTION 16. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT.** The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19, 2019-21, and 2021-23 bienniums, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 17. EXEMPTION - LEGAL CASE MANAGEMENT SYSTEM.** The amount appropriated to the attorney general from other funds for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, continued into the 2019-21 biennium for the statewide automated victim information and notification system, and continued into the 2021-23 biennium for the legal case management system, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the legal case management system during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 18. EXEMPTION - CRIMINAL HISTORY IMPROVEMENT PROJECT.** The amount of \$400,000 appropriated from the attorney general refund fund in the operating expenses line item for the criminal history improvement project in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. EXEMPTION - AUTOMATED BIOMETRIC IDENTIFICATION SYSTEM.** The amount of \$300,000 appropriated from federal funds to upgrade the automated biometric identification system during the 2021-23 biennium in section 1 of chapter 3 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the system during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 20. EXEMPTION - COVID-19 FUNDS - JUSTICE ASSISTANCE GRANTS.** The amount of \$2,082,871 appropriated from federal funds derived from COVID-19 funds for justice assistance grants during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 21. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** The amount of \$1,000,000 appropriated from federal funds derived from the state fiscal recovery fund for the replacement of the prosecuting case management system in subsection 20 of section 1 of chapter 550 of the 2021 Special Session Session Laws is not subject to section 54-44.1-11 and is available for the program during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - STATE CRIME LABORATORY.** During the 2023-24 interim, the legislative management shall study

the services and needs of the North Dakota state crime laboratory, including staffing and equipment needs; the need for forensic scientists with training in firearms and fingerprint analysis; the feasibility and desirability of remodeling current state crime laboratory facilities, acquiring other vacant laboratory facilities in the state, and operating additional state crime laboratory facilities in the state; services the state crime laboratory should have the capability of providing to support law enforcement entities in the state; and whether the state crime laboratory should be administratively separate from the bureau of criminal investigation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 23. ATTORNEY COST-SAVINGS - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The attorney general shall report to the appropriations committees of the sixty-ninth legislative assembly regarding any cost-savings realized by hiring full-time equivalent attorney positions instead of contracting for third-party legal counsel during the 2023-25 biennium.

**SECTION 24. EMERGENCY.** The \$250,000 appropriated from the general fund in the capital assets line item in section 1 for state crime laboratory capital improvements and sections 4 and 14 of this Act are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 36

### SENATE BILL NO. 2004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state auditor; to create and enact section 54-10-31 of the North Dakota Century Code, relating to audits of the department of financial institutions; to amend and reenact sections 54-10-01 and 54-10-10 of the North Dakota Century Code, relating to the powers and duties of the state auditor and the salary of the state auditor; to provide for a legislative management study; to provide for a legislative management report; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,123,559	\$945,944	\$14,069,503
Operating expenses	1,371,703	416,068	1,787,771
Capital assets	0	70,550	70,550
Information technology consultants	<u>450,000</u>	<u>0</u>	<u>450,000</u>
Total all funds	\$14,945,262	\$1,432,562	\$16,377,824
Less estimated income	<u>5,826,152</u>	<u>518,000</u>	<u>6,344,152</u>
Total general fund	\$9,119,110	\$914,562	\$10,033,672
Full-time equivalent positions	61.00	4.00	65.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Local government audit office furniture	\$0	\$9,000
Inflationary increases for travel and professional development	0	59,000
Audit software setup and migration	0	45,550
Capital equipment replacement	<u>0</u>	<u>25,000</u>
Total all funds	\$0	\$138,550
Less estimated income	<u>0</u>	<u>37,000</u>
Total general fund	\$0	\$101,550

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state auditor shall report to the

appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. APPROPRIATION - 2021-23 BIENNIUM - REFUND OF AUDIT FEES.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$11,000, or so much of the sum as may be necessary, to the state auditor for the purpose of refunding audit fees to a certain political subdivision, for the period beginning with the effective date of this section, and ending June 30, 2023. To be eligible for a refund, the political subdivision must have been required to submit an audit report to the state auditor because the entity's revenue exceeded the audit threshold for a single year, pursuant to section 54-10-14 prior to the enactment of Senate Bill No. 2180, as approved by the sixty-eighth legislative assembly, due to one-time funding and contracted with the state auditor for an audit.

<sup>5</sup> **SECTION 4. AMENDMENT.** Section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

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

1. The state auditor shall:
  - a. Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.
  - b. Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state in accordance with government auditing standards.
  - c. ~~Perform~~Except for the audit of the department of financial institutions as outlined in section 54-10-31, perform or provide for audits of state agencies in accordance with government auditing standards and legislative audit and fiscal review committee guidelines developed under section 54-35-02.10. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit each state agency once every two years. Audits may be conducted at more frequent intervals if requested by the governor or the legislative audit and fiscal review committee. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for an agency that receives and expends both general fund and nongeneral fund moneys. State agencies shall use nongeneral fund moneys to pay for the cost of the audit. If nongeneral fund moneys are not available, the agency may, upon approval of the legislative assembly, or the budget section if the legislative assembly is not in session, use general fund moneys to pay for the audit. Any budget section action under this subdivision must comply with section 54-35-02.9.

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<sup>5</sup> Section 54-10-01 was also amended by section 1 of House Bill No. 1508, chapter 467, section 1 of Senate Bill No. 2180, chapter 468, and section 2 of Senate Bill No. 2259, chapter 469.

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- d. Perform Except for the audit of the department of financial institutions as outlined in section 54-10-31, perform or provide for performance audits of state agencies, or the agencies' blended component units or discreetly presented component units, as determined necessary by the legislative assembly, or the legislative audit and fiscal review committee if the legislative assembly is not in session. When determining the necessity of a performance audit, the legislative audit and fiscal review committee shall consider:
    - (1) The potential cost-savings or efficiencies that may be gained as a result of the performance audit;
    - (2) The staff resources of the state auditor's office and of the state agency being audited which will be required to conduct the audit;
    - (3) The potential for discovery of noncompliance with state law or legislative intent regarding the program or agency; and
    - (4) The potential for the performance audit to identify opportunities for program improvements.
  - e. Report on the functions of the state auditor's office to the governor and the secretary of state in accordance with section 54-06-04 or more often as circumstances may require.
  - f. Perform work on mineral royalties for the federal government in accordance with section 1735(a) of the Mineral Lands and Mining Act [30 U.S.C. 1735 et seq.].
  - g. Report to the legislative audit and fiscal review committee regarding final report distribution policies and practices and any final audit reports released to the public prior to distribution of the final audit report to all individuals charged with the governance of the audit client.
  - h. Perform all other duties as prescribed by law.
2. The state auditor may:
- a. Conduct any work required by the federal government.
  - b. Within the resources available to the state auditor, perform or provide for performance audits of state agencies as determined necessary by the state auditor.
  - c. Audit the International Peace Garden at the request of the board of directors of the International Peace Garden.
  - d. Contract with a private certified public accountant or other qualified professional to conduct or assist with an audit, review, or other work the state auditor is authorized to perform or provide for under this section. Before entering any contract, the state auditor shall present information to the legislative audit and fiscal review committee on the need for the contract and its estimated cost and duration. Except for performance audits conducted under subdivision d of subsection 1 or subdivision b of this subsection and except for audits of occupational or professional

boards, the state auditor shall execute the contract and any executive branch agency, including higher education institutions, shall pay the fees of the contractor. For performance audits conducted under subdivision d of subsection 1 or subdivision b of this subsection, the state auditor may charge a state agency for the cost of a contract relating to an audit, subject to approval by the legislative assembly or the legislative audit and fiscal review committee if the legislative assembly is not in session. When considering a request, the legislative audit and fiscal review committee shall consider the effect of the audit cost on the agency being audited, the necessity of the contract, and the potential benefit to the state resulting from the contract. The state auditor shall notify the affected agency of the potential cost before requesting approval from the legislative assembly or the legislative audit and fiscal review committee.

3. Notwithstanding subdivision c of subsection 1 and subdivision d of subsection 2, the state auditor may not charge audit fees to an institution of higher education, agency, or office under the control of the state board of higher education, including passthrough grants, except for a proportional share of audit fees on federal programs or grants to the extent those audited federal programs or grants provide for allowable cost recovery. Institutions without an approved indirect cost recovery fund may not be assessed audit fees on closed federal programs.

**SECTION 5. AMENDMENT.** Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

**54-10-10. Salary of state auditor.**

The annual salary of the state auditor is one hundred ~~twelve thousand two hundred forty-one~~thirty thousand dollars through June 30, ~~2022~~2024, and one hundred ~~fourteen thousand four hundred eighty-six~~thirty-five thousand two hundred dollars thereafter.

**SECTION 6.** Section 54-10-31 of the North Dakota Century Code is created and enacted as follows:

**54-10-31. Department of financial institutions - Audit and reports.**

Once every two years, the state banking board shall provide for an audit of the department of financial institutions by a certified public accountant. The state banking board may request the state auditor to conduct the audit. If the state auditor agrees to conduct the audit, the state auditor shall deposit any fees assessed for completion of the audit to the state auditor operating account.

**SECTION 7. LEGISLATIVE MANAGEMENT STUDY - LOCAL GOVERNMENT AUDIT SERVICES.** During the 2023-24 interim, the legislative management shall consider studying local government audit services and the challenges of political subdivisions to obtain auditing services. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 8. EMERGENCY.** Section 3 of this Act is declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 37

### SENATE BILL NO. 2005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$1,430,495	\$145,203	\$1,575,698
Operating expenses	157,423	135,748	293,171
Coal severance payments	118,000	0	118,000
Total general fund	\$1,705,918	\$280,951	\$1,986,869
Full-time equivalent positions	7.00	0.00	7.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2021-23	2023-25
Township allocations	\$20,000,000	\$0
Distributions to political subdivisions	50,160,000	0
Supplemental distributions to political subdivisions	3,014,975	0
Information technology costs	0	27,825
Total all funds	\$73,174,975	\$27,825
Less estimated income	73,174,975	0
Total general fund	\$0	\$27,825

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state treasurer shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. AMENDMENT.** Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

#### **54-11-13. Salary of state treasurer.**

The annual salary of the state treasurer is one hundred ~~twelve~~<sup>thirty</sup> thousand ~~two~~<sup>one</sup> hundred ~~forty~~<sup>one</sup> dollars through June 30, ~~2022~~<sup>2024</sup>, and one hundred ~~fourteen~~<sup>thirty-five</sup> thousand ~~four~~<sup>two</sup> hundred ~~eighty~~<sup>six</sup> dollars thereafter.

Approved April 20, 2023

Filed April 21, 2023

## CHAPTER 38

### SENATE BILL NO. 2006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans' tax credit; to create and enact a new section to chapter 57-39.2 of the North Dakota Century Code, relating to a sales tax exemption for materials used to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel; to amend and reenact section 57-01-04, subsection 2 of section 57-02-53, and subsection 3 of section 57-40.2-03.3 of the North Dakota Century Code, relating to the salary of the state tax commissioner, property assessment increase notices, and use tax exemptions; to provide an exemption; to provide for a transfer; to provide an effective date; and to provide an expiration date.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veterans' tax credit, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$22,594,196	\$730,838	\$23,325,034
Operating expenses	7,466,120	1,647,250	9,113,370
Capital assets	6,000	0	6,000
Homestead tax credit	18,000,000	900,000	18,900,000
Disabled veterans' tax credit	16,300,000	2,445,000	18,745,000
Total all funds	\$64,366,316	\$5,723,088	\$70,089,404
Less estimated income	125,000	0	125,000
Total general fund	\$64,241,316	\$5,723,088	\$69,964,404
Full-time equivalent positions	118.00	(1.00)	117.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Information technology enhancements	\$0	\$500,000
Total general fund	\$0	\$500,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state tax commissioner shall report to the

appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

**SECTION 4. MOTOR VEHICLE FUEL TAX REVENUE TRANSFER.** There is transferred to the general fund in the state treasury out of motor vehicle tax revenue collected pursuant to section 57-43.1-02, the sum of \$1,844,424, for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. AMENDMENT.** Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-01-04. Salary.**

The annual salary of the state tax commissioner is one hundred ~~twenty-one~~thirty-one thousand ~~eight~~seven hundred ~~fourteen~~five dollars through June 30, ~~2022~~2024, and one hundred ~~twenty-four~~thirty-six thousand ~~two~~nine hundred ~~fifty~~seventy-three dollars thereafter.

**SECTION 6. AMENDMENT.** Subsection 2 of section 57-02-53 of the North Dakota Century Code is amended and reenacted as follows:

2. The form of notice prescribed by the tax commissioner must require a statement to inform the taxpayer that an assessment increase ~~does not~~may mean property taxes on the parcel will increase. The notice may ~~not~~ contain an estimate of a tax increase resulting from the assessment increase.

**SECTION 7.** A new section to chapter 57-39.2 of the North Dakota Century Code is created and enacted as follows:

**Sales and use tax exemption for materials used to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel.**

1. As used in this section, "renewable feedstock" means ethanol and other types of feedstock from renewable sources.
2. Gross receipts from sales of tangible personal property used to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel are exempt from taxes under this chapter.
3. The exemption may be received only at the time of purchase. To receive the exemption, the owner of the facility must receive from the tax commissioner a certificate indicating the tangible personal property the owner intends to purchase to construct, expand, or upgrade the facility qualifies for the exemption under this section.
4. This chapter and chapter 57-40.2 apply to an exemption under this section.

**6 SECTION 8. AMENDMENT.** Subsection 3 of section 57-40.2-03.3 of the North Dakota Century Code is amended and reenacted as follows:

3. The tax imposed by this section does not apply to:
  - a. Production equipment or tangible personal property as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.2~~;~~
  - b. Machinery, equipment, or other tangible personal property used to construct an agricultural commodity processing facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.3 or 57-39.2-04.4~~;~~
  - c. Tangible personal property used to construct or expand a system used to compress, process, gather, or refine gas recovered from an oil or gas well in this state or used to expand or build a gas-processing facility in this state as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.5~~;~~
  - d. Tangible personal property used to construct or expand a qualifying oil refinery as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.6~~;~~
  - e. Tangible personal property used to construct or expand a qualifying facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.10~~;~~
  - f. Tangible personal property used to construct or expand a qualifying facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.11~~;~~
  - g. Materials used in compressing, gathering, collecting, storing, transporting, or injecting carbon dioxide for use in enhanced recovery of oil or natural gas as provided in section 57-39.2-04.14~~;~~
  - h. Tangible personal property used to construct a qualifying fertilizer or chemical processing facility as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.15~~;~~~~or~~
  - i. Tangible personal property used to construct a qualified straddle plant, a qualified fractionator, or qualified associated infrastructure as authorized or approved for exemption by the tax commissioner under section 57-39.2-04.16.
  - j. Tangible personal property used to construct, expand, or upgrade a facility that refines renewable feedstock into sustainable aviation fuel as authorized or approved by the tax commissioner under section 7 of this Act.

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<sup>6</sup> Section 57-40.2-03.3 was also amended by section 2 of House Bill No. 1430, chapter 546, and section 3 of House Bill No. 1455, chapter 538, and section 3 of House Bill No. 1511, chapter 540.

**SECTION 9. EFFECTIVE DATE - EXPIRATION DATE.** Sections 7 and 8 of this Act are effective for taxable events occurring after June 30, 2023, and remain effective until June 30, 2025, after which sections 7 and 8 become ineffective.

Approved April 20, 2023

Filed April 21, 2023

## CHAPTER 39

### SENATE BILL NO. 2007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of the department of labor and human rights, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,394,979	\$334,160	\$2,729,139
Operating expenses	<u>338,358</u>	<u>40,049</u>	<u>378,407</u>
Total all funds	\$2,733,337	\$374,209	\$3,107,546
Less estimated income	<u>486,868</u>	<u>16,530</u>	<u>503,398</u>
Total general fund	\$2,246,469	\$357,679	\$2,604,148
Full-time equivalent positions	13.00	0.00	13.00

**SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Case management system	\$177,717	\$0
Total all funds	\$177,717	\$0
Less estimated income	<u>30,000</u>	<u>0</u>
Total general fund	\$147,717	\$0

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 40

### SENATE BILL NO. 2008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 49-01-05, subsection 4 of section 49-22-22, and sections 49-22.1-21 and 57-43.2-19 of the North Dakota Century Code, relating to the salaries of the public service commissioners, the transfer and distribution of funds in the highway tax distribution fund, and siting process administrative fees; to provide a transfer; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,991,488	\$930,538	\$10,922,026
Operating expenses	1,801,570	403,917	2,205,487
Capital assets	25,000	100,000	125,000
Grants	20,000	0	20,000
Abandoned mined lands contractual services	6,000,000	0	6,000,000
Rail rate complaint case	900,000	0	900,000
Railroad safety program	614,724	54,594	669,318
Specialized legal services	420,000	0	420,000
Total all funds	\$19,772,782	\$1,489,049	\$21,261,831
Less estimated income	13,347,095	377,026	13,724,121
Total general fund	\$6,425,687	\$1,112,023	\$7,537,710
Full-time equivalent positions	43.00	2.00	45.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Real-time kinematic equipment	\$120,000	\$0
Indirect cost recovery shortfall	0	101,700
Drone	0	20,000
Weights and measures equipment	0	70,000
Copier replacement	0	10,000
Total all funds	\$120,000	\$201,700
Total other funds	114,600	18,200
Total general fund	\$5,400	\$183,500

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The public service commission shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. 2021-23 BIENNIUM APPROPRIATION - TRANSFER - PUBLIC SERVICE COMMISSION PROGRAM FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$60,000, which the office of management and budget shall transfer to the public service commission program fund for the purpose of establishing a balance in the public service commission program fund, during the period beginning with the effective date of this Act, and ending June 30, 2023.

**SECTION 4. BANK OF NORTH DAKOTA - LINE OF CREDIT.** The Bank of North Dakota shall extend a line of credit to the public service commission to provide funding to pay costs associated with a rail rate complaint case. The line of credit may not exceed \$900,000, and the interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota governmental entities. The public service commission shall repay the line of credit from amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case. If moneys available on June 30, 2025, are not sufficient to repay the line of credit, the public service commission shall request from the legislative assembly a deficiency appropriation to repay the line of credit.

**SECTION 5. AMENDMENT.** Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

**49-01-05. Salary of commissioners.**

The annual salary of a commissioner is one hundred ~~fifteen~~<sup>thirty</sup> thousand ~~three hundred four~~ dollars through June 30, ~~2022~~<sup>2024</sup>, and one hundred ~~seventeen~~<sup>thirty</sup> ~~five~~ thousand ~~six~~<sup>two</sup> hundred ~~ten~~ dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

<sup>7</sup> **SECTION 6. AMENDMENT.** Subsection 4 of section 49-22-22 of the North Dakota Century Code is amended and reenacted as follows:

4. Every applicant under this chapter shall pay to the commission an administrative fee equal to ~~one~~<sup>two</sup> hundred dollars for each one million dollars of original investment, not to exceed ~~twenty-five~~<sup>fifty</sup> thousand dollars. The administrative fee must be deposited in the public service commission program fund.

<sup>8</sup> **SECTION 7. AMENDMENT.** Section 49-22.1-21 of the North Dakota Century Code is amended and reenacted as follows:

**49-22.1-21. Siting process expense recovery - Deposit in special fund - Continuing appropriation.**

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<sup>7</sup> Section 49-22-22 was also amended by section 5 of House Bill No. 1097, chapter 413.

<sup>8</sup> Section 49-22.1-21 was also amended by section 8 of House Bill No. 1097, chapter 413.

1. Every applicant under this chapter shall pay to the commission an application fee:
  - a. An applicant for a certificate of site compatibility shall pay an amount equal to five hundred dollars for each one million dollars of investment in the facility.
  - b. An applicant for a certificate of corridor compatibility shall pay an amount equal to five thousand dollars for each one million dollars of investment in the facility.
  - c. An applicant for a waiver shall pay the amount that would be required for an application for a certificate of site or corridor compatibility for the proposed facility. If a waiver is not granted for a proposed facility, the application fee paid must be allowed as a credit against fees payable under this section in connection with an application under this chapter for a certificate or permit for the proposed facility.
  - d. An applicant for a transfer of a certificate or permit shall pay an amount to be determined by the commission to cover anticipated expenses of processing the application.
  - e. An applicant requesting an amendment to a certificate or permit, or certifying to the commission under subsection 3 of section 49-22.1-01 or obtaining siting authority under subdivision b of subsection 2 or subdivision c of subsection 4 of section 49-22.1-15, shall pay an amount to be determined by the commission to cover anticipated expenses of processing the application.
  - f. The application fee under subdivision a, b, or c may not be less than ten thousand dollars nor more than one hundred thousand dollars.
  - g. ~~If an application fee is less than twenty-five thousand dollars, an~~An applicant may agree to pay additional fees that are reasonably necessary for completion of the site, corridor, or route evaluation and designation process.
2. ~~At if an applicant does not agree to pay additional fees reasonably necessary for completion of the site, corridor, or route evaluation and designation process, at~~ the request of the commission and with the approval of the emergency commission, the applicant shall pay any additional fees as are reasonably necessary for completion of the gas or liquid energy conversion facility site, gas or liquid transmission facility corridor, or gas or liquid transmission facility route evaluation and designation process by the commission. The application fee under subsection 1 and any additional fees required of the applicant under this subsection may not exceed an amount equal to one thousand dollars for each one million dollars of investment in a proposed energy conversion facility or ten thousand dollars for each one million dollars of investment in a proposed gas or liquid transmission facility.
3. A siting process expense recovery fund is established in the state treasury. The commission shall deposit payments received under subsections 1 and 2 in the siting process expense recovery fund. All moneys deposited in the fund are appropriated on a continuing basis to the commission to pay expenses incurred in the siting process. The commission shall specify the time and

method of payment of any fees and shall refund the portion of fees collected under subsections 1 and 2 which exceeds the expenses incurred for the evaluation and designation process.

4. Every applicant ~~for a certificate of site compatibility, certificate of corridor compatibility and route permit, and transfer of a certificate or permit~~ under this chapter shall pay to the commission an administrative fee equal to ~~one~~two hundred dollars for each one million dollars of original investment, not to exceed ~~twenty-five~~fifty thousand dollars. The administrative fee must be deposited into the public service commission program fund.

**SECTION 8. AMENDMENT.** Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

**57-43.2-19. Transfer, deposit, and distribution of funds. (~~Effective through June 30, 2025~~)**

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to ~~two~~three hundred ~~ninety-seven~~thirty-two thousand three hundred ~~sixty-two~~twenty-seven dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

~~**Transfer, deposit, and distribution of funds. (Effective after June 30, 2025)** All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in the highway tax distribution fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.~~

**SECTION 9. EMERGENCY.** Sections 3, 6, and 7 of this Act are declared to be an emergency measure.

Approved April 21, 2023

Filed April 24, 2023

## CHAPTER 41

### SENATE BILL NO. 2009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to amend and reenact sections 4.1-01-02, 4.1-01-18, 4.1-01-21.1, and 49-22-09.2 of the North Dakota Century Code, relating to the salary of the agriculture commissioner, the federal environmental law impact review committee, the environmental impact mitigation fund, and mitigating environmental impacts; to provide for a transfer; to provide an exemption; and to provide for a legislative management study.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,717,126	\$873,888	\$16,591,014
Operating expenses	6,848,052	578,121	7,426,173
Capital assets	15,000	(8,000)	7,000
Grants	9,031,774	3,922,195	12,953,969
Agricultural products utilization commission	1,760,417	3,350,000	5,110,417
North Dakota trade office	1,600,000	500,000	2,100,000
Board of animal health	865,718	0	865,718
Wildlife services	1,457,400	200,000	1,657,400
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Bioscience innovation program transfer	0	6,500,000	6,500,000
Crop harmonization board	<u>75,000</u>	<u>0</u>	<u>75,000</u>
Total all funds	\$37,570,487	\$15,916,204	\$53,486,691
Less estimated income	<u>24,110,775</u>	<u>6,856,343</u>	<u>30,967,118</u>
Total general fund	\$13,459,712	\$9,059,861	\$22,519,573
Full-time equivalent positions	79.00	1.00	80.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Agricultural products utilization commission	\$2,700,000	\$3,000,000
Soil health grants	700,000	0

Grasslands grazing grants	5,000,000	1,000,000
Bioscience innovation grant program transfer	5,500,000	6,500,000
Food distribution grants	0	1,000,000
Federal environmental law impact review	5,000,000	0
Intermodal facility construction grant program	2,000,000	0
North Dakota trade office	0	<u>500,000</u>
Total all funds	\$20,900,000	\$12,000,000
Less estimated income	<u>10,400,000</u>	<u>4,000,000</u>
Total general fund	\$10,500,000	\$8,000,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO BIOSCIENCE INNOVATION FUND - BIOSCIENCE INNOVATION GRANT PROGRAM.** The office of management and budget shall transfer \$5,500,000 from the strategic investment and improvements fund to the bioscience innovation grant fund for the purpose of the bioscience innovation grant program under section 4.1-01-20.1 for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. TRANSFER - GENERAL FUND TO BIOSCIENCE INNOVATION FUND - BIOSCIENCE INNOVATION GRANT PROGRAM.** The bioscience innovation program transfer line item in section 1 of this Act includes \$6,500,000 from the general fund, which the office of management and budget shall transfer to the bioscience innovation grant fund for the purpose of the bioscience innovation grant program under section 4.1-01-20.1 for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND TO ENVIRONMENTAL IMPACT MITIGATION FUND - MITIGATION OF AGRICULTURAL LAND.** The agriculture commissioner shall transfer \$250,000 from the environment and rangeland protection fund to the environmental impact mitigation fund for the purpose of mitigation of agricultural land under section 4.1-01-21.1 for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 6. ESTIMATED INCOME - TRANSFER - DEPARTMENT OF WATER RESOURCES.** The estimated income line item in section 1 of this Act includes the sum of \$125,000 which the department of water resources shall transfer to the agriculture commissioner for the purpose of defraying the expenses of the wildlife services program.

**SECTION 7. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND.** The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 8. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$7,351,547 from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 9. ESTIMATED INCOME - GAME AND FISH FUND.** The estimated income line item in section 1 of this Act includes the sum of \$648,228 from the game

and fish department operating fund for the purpose of defraying the expenses of various agriculture commissioner programs.

**SECTION 10. ESTIMATED INCOME - TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION.** The estimated income line item in section 1 of this Act includes the sum of \$3,000,000 which the Bank of North Dakota shall transfer from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization fund for the purpose of defraying the expenses of the agricultural products utilization commission for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 11. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GRASSLANDS GRAZING GRANTS - MATCHING FUNDS REQUIREMENT.** The estimated income line item in section 1 of this Act includes the sum of \$1,000,000 from the strategic investment and improvements fund for the purpose of providing grasslands grazing grants to an organization representing cooperative grazing associations in the state. To be eligible for a grant under this program, an organization must provide one dollar of matching funds from nonstate sources for every four dollars of grant funding. An organization that receives a grant under this program may distribute the funding to cooperative grazing associations for eligible infrastructure projects, which must be located on national grasslands within the state. Eligible infrastructure projects include water development; fencing; conservation initiatives; compliance with federal permitting requirements, including fees for professional services; and other projects to enhance wildlife habitat or capture carbon, or to increase the health of grasslands. Program participants shall develop and implement a grazing land plan in compliance with local soil conservation district guidance and the plan must be approved by the local soil conservation district. The agriculture commissioner shall establish additional guidelines for the program.

**SECTION 12. ESTIMATED INCOME - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND.** The estimated income line item in section 1 of this Act includes the sum of \$700,000 from the abandoned oil and gas well plugging and site reclamation fund, of which \$200,000 is for the purpose of defraying the expenses of the pipeline restoration and reclamation program and \$500,000 is for the purpose of defraying the expenses of the post-production royalty oversight program.

**SECTION 13. TRADE OFFICE - MATCHING FUND REQUIREMENT.** The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include \$2,100,000 of funding related to the North Dakota trade office. The agriculture commissioner may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the agriculture commissioner. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, providing training to export assistants, or to purchase computer equipment as part of the North Dakota trade office's export assistant program.

**SECTION 14. WATERBANK PROGRAM - MATCHING FUNDS.** The salaries and wages line item in section 1 of this Act includes up to \$50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

**SECTION 15. AMENDMENT.** Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-02. Salary of agriculture commissioner.**

The annual salary of the agriculture commissioner is one hundred ~~twenty-one~~thirty-one thousand ~~five hundred fifty-three~~four hundred twenty-three dollars through June 30, ~~2022~~2024, and one hundred ~~twenty-three~~thirty-six thousand ~~nine~~six hundred ~~eighty-four~~eighty dollars after that date.

**SECTION 16. AMENDMENT.** Section 4.1-01-18 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-18. Federal environmental law impact review committee.**

1. The federal environmental law impact review committee consists of:
  - a. The commissioner, who shall serve as the chairman;
  - b. The governor or the governor's designee;
  - c. The majority leader of the house of representatives, or the leader's designee;
  - d. The majority leader of the senate, or the leader's designee;
  - e. One member of the legislative assembly from the minority party, selected by the chairman of the legislative management;
  - f. One individual appointed by the North Dakota corn growers association;
  - g. One individual appointed by the North Dakota grain growers association;
  - h. One individual appointed by the North Dakota soybean growers association;
  - i. One individual appointed by the North Dakota stockmen's association;
  - j. One individual appointed by the North Dakota farm bureau;
  - k. One individual appointed by the North Dakota farmers union;
  - l. The chairman of the public service commission or the chairman's designee;
  - m. The director of the department of water resources or the director's designee;
  - n. The director of the game and fish department, or the director's designee;
  - o. The director of the department of transportation, or the director's designee;
  - p. The director of the department of environmental quality, or the director's designee;
  - q. One representative of an investor-owned utility company;

- r. One representative from the North Dakota association of rural electric cooperatives; and
  - s. Two individuals from the energy community, of which one individual must be a representative of an organization that supports lignite energy in the state appointed by the commissioner and one individual must be a representative of an organization that supports oil and gas activity in the state appointed by the governor.
2. The committee shall review federal environmental legislation and regulations detrimentally impacting or potentially detrimentally impacting the state's agricultural, energy, or oil production sectors. The committee shall confer with the attorney general with respect to participation in administrative or judicial processes pertaining to the legislation or regulations.
  3. a. Any member of the legislative assembly serving on the committee is entitled to compensation at the rate provided for attendance at interim committee meetings and reimbursement for expenses, as provided by law for state officers, if the member is attending meetings of the committee or performing duties directed by the committee.
  - b. The compensation and reimbursement of expenses, as provided for in this subsection, are payable by the legislative council.

**SECTION 17. AMENDMENT.** Section 4.1-01-21.1 of the North Dakota Century Code is amended and reenacted as follows:

**4.1-01-21.1. Environmental impact mitigation fund - Report to legislative management - Continuing appropriation.**

1. There is created in the state treasury the environmental impact mitigation fund. The fund consists of all moneys deposited in the fund under section 49-22-09.2. All moneys in the fund are appropriated to the commissioner on a continuing basis for ~~distribution~~disbursement by the agriculture commissioner to landowners for the mitigation of agricultural land impacted by development ~~as set forth under subsection 2 in accordance with this section.~~
2. ~~Funding~~Moneys in the fund may be used only for:
  - a. ~~Contracting for consultation~~Consultation with environmental scientists or engineers, ~~industry specialists, or others~~ for relevant services to analyze or implement mitigation required from the impact of development; and
  - b. ~~Reclamation or mitigation~~Creation, restoration, or mitigation of similar habitat affected by the construction or operation of an energy conversion or transmission facility. Mitigation of adverse impacts from development under this section shall be conducted in the following order of priority:
    - (1) The area immediately impacted by the development;
    - (2) The county impacted by the development;
    - (3) The region impacted by the development; and
    - (4) Other areas within the state.

3. The commissioner is not subject to chapter 54-44.4 when contracting for services under this chapter.
4. ~~The federal environmental law impact review committee shall establish criteria for disbursement of environmental impact funds~~In consultation with the federal environmental law impact review committee, the commissioner shall adopt rules pursuant to chapter 28-32 to implement the provisions of this section.
5. ~~The commissioner shall make disbursements based upon the determinations made by the federal environmental law impact review committee.~~
6. ~~For purposes of this section, the federal environmental law impact review committee shall hold meetings as the chairman determines necessary at a time and place set by the chairman. Upon written request of any four members, the presiding officer shall call a special meeting of the committee.~~
7. ~~The federal environmental law impact review committee shall make determinations for the disbursement of grants in accordance with subsection 2 and provide those determinations to the commissioner~~Easements or leaseholds purchased by a person to mitigate adverse environmental effects of the construction or operation of an energy conversion or transmission facility under chapter 49-22 must be limited to the operational life of the facility as defined under chapter 49-22. Any payment made to mitigate adverse environmental effects of the construction or operation of an energy conversion or transmission facility under chapter 49-22 must be made to the commissioner who shall deposit the payment into the environmental impact mitigation fund. Prior to the public service commission issuing a permit or certificate to an applicant under chapter 49-22, the commissioner shall notify the public service commission of mitigation efforts under this section to create, restore, or mitigate similar habitat affected by the construction or operation of an energy conversion or transmission facility.
- 8-6. ~~The federal environmental law impact review committee~~commissioner shall provide a biennial report of environmental impact mitigation fund disbursements to the legislative management.
- 9-7. For purposes of this section, the environmental impact mitigation fund is not subject to subsection 2 of section 4.1-01-18.

**SECTION 18. AMENDMENT.** Section 49-22-09.2 of the North Dakota Century Code is amended and reenacted as follows:

**49-22-09.2. Mitigating direct environmental impacts.**

1. ~~An applicant may elect to provide payment to mitigate any assessed adverse direct environmental impacts of a proposed site, corridor, route, or facility. The applicant may elect to provide the payment to the agriculture commissioner.~~
2. ~~The agriculture commissioner shall deposit any moneys paid to mitigate the adverse environmental impacts of a proposed site, corridor, route, or facility as follows:~~
  - a. ~~Fifty percent into the environmental impact mitigation fund; and~~
  - b. ~~Fifty percent into the federal environmental law impact review fund~~If an applicant elects to provide a payment to mitigate the environmental impact

of the construction or operation of an energy conversion or transmission facility, the payment must be made to the agriculture commissioner who shall deposit the payment into the environmental impact mitigation fund under section 4.1-01-21.1. Nothing in this section shall be construed to limit an applicant from conducting mitigation activities.

**SECTION 19. WILDLIFE SERVICES PROGRAM - INDIRECT COSTS.** The wildlife services line item in section 1 of this Act includes the sum of \$1,657,400 for the purpose of defraying the expenses of the wildlife services program during the biennium beginning July 1, 2023, and ending June 30, 2025. The agriculture commissioner may not use funding appropriated for the program to pay indirect costs as part of the United States department of agriculture animal and plant health inspection service wildlife services program.

**SECTION 20. EXEMPTION - COVID-19 SPECIALTY CROP BLOCK GRANT PROGRAM AND COVID-19 STRESS ASSISTANCE PROGRAM.** The amount of \$5,500,000 appropriated from federal funds derived from COVID-19 funds, of which \$5,000,000 was for the specialty crop block grant program and \$500,000 was for stress assistance program operating expenses, during the 2019-21 biennium in section 1 of chapter 27 and continued into the 2021-23 biennium in section 2 of chapter 27 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for the programs during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 21. EXEMPTION - GRASSLANDS GRAZING GRANTS.** The amount of \$5,000,000 appropriated from the strategic investment and improvements fund for grasslands grazing grants in the grants line item in section 1 of chapter 9 of the 2021 Session Laws is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 22. LEGISLATIVE MANAGEMENT STUDY - ENERGY CONVERSION OR TRANSMISSION FACILITY - ENVIRONMENTAL MITIGATION.** During the 2023-24 interim, the legislative management shall consider studying plans for mitigation of adverse wildlife and environmental impacts and monetary payments made to state agencies, contractors, nongovernmental organizations, and others by applicants or other persons for mitigation during the siting and operation of energy conversion or transmission facilities. The study must include consideration of the provisions of law that affect the ability of developers to effectively mitigate adverse wildlife habitat and environmental impacts, applicant payments used for the purchase of perpetual or nonperpetual conservation easements, the distinction between an adverse direct environmental effect or an adverse indirect environmental effect, methods to monetarily quantify adverse direct or adverse indirect environmental effects, and alternative programs that may be used or developed for the mitigation of adverse wildlife and environmental effects. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - TRANSFER OF AGRICULTURE EDUCATION PROGRAMS.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of transferring agriculture education programs in the department of career and technical education to the agriculture commissioner. The study must include an analysis of each program, duties and responsibilities of the programs and department of career and technical education staff, the potential to gain administrative and resource efficiencies if the programs are transferred to the agriculture commissioner, and future staffing, operating, and equipment needs of the programs. The legislative

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

Approved May 5, 2023

Filed May 9, 2023

## CHAPTER 42

### SENATE BILL NO. 2010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to amend and reenact sections 26.1-01-09, 26.1-23.1-02, and 26.1-23.1-06 of the North Dakota Century Code, relating to the salary of the insurance commissioner and government self-insurance pools.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,076,281	\$2,591,891	\$10,668,172
Operating expenses	1,507,359	1,130,308	2,637,667
Capital assets	0	147,540	147,540
Grants	<u>0</u>	<u>2,400,000</u>	<u>2,400,000</u>
Total special funds	\$9,583,640	\$6,269,739	\$15,853,379
Full-time equivalent positions	38.00	9.00	47.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Office remodel	\$100,000	\$75,000
State fire marshal equipment	0	72,540
State flexibility to stabilize the market grant	662,000	0
Coal and fossil fuel industry insurance study	200,000	0
Reinsurance pool study	200,000	0
Retirement leave payouts	<u>0</u>	<u>98,300</u>
Total special funds	\$1,162,000	\$245,840

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. ADDITIONAL INCOME - APPROPRIATION - REPORTING.** In addition to the amounts appropriated in section 1 of this Act, any federal funds that become available are appropriated to the insurance commissioner for the biennium beginning July 1, 2023, and ending June 30, 2025. The insurance commissioner shall

report any additional federal funds under this section to the office of management and budget and the legislative council.

**SECTION 4. AMENDMENT.** Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-01-09. Salary of commissioner.**

The annual salary of the commissioner is one hundred ~~twelve~~<sup>thirty</sup> thousand ~~two~~<sup>hundred</sup> ~~forty-one~~ dollars through June 30, ~~2022~~<sup>2024</sup>, and one hundred ~~fourteen~~<sup>thirty-five</sup> thousand ~~four~~<sup>two</sup> hundred ~~eighty-six~~ dollars thereafter.

**SECTION 5. AMENDMENT.** Section 26.1-23.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-23.1-02. Government self-insurance pools not insurers.**

Any government self-insurance pool organized under chapter 32-12.1 is not an insurance company or insurer. The coverages provided by ~~such~~<sup>the</sup> pools and the administration of ~~such~~<sup>the</sup> pools do not constitute the transaction of insurance business. Participation in a government self-insurance pool under this chapter does not constitute a waiver of any existing immunities otherwise provided by the constitution or laws of this state. In all respects not specifically provided for under this chapter, a government self-insurance pool is subject to chapters 26.1-01, 26.1-02, 26.1-04, 26.1-25, and 26.1-26 with the exception of sections 26.1-26-06, 26.1-26-07, and 26.1-26-13.1 relating to insurance companies generally.

**SECTION 6. AMENDMENT.** Section 26.1-23.1-06 of the North Dakota Century Code is amended and reenacted as follows:

**26.1-23.1-06. Pool reserve records confidential - Open records.**

1. Information regarding that portion of the funds or liability reserves of a government self-insured government pool established for purposes of satisfying a specific claim or cause of action is confidential. A person is not entitled to discover that portion of the funds or liability reserves established for purposes of satisfying a claim or cause of action, except that the reserve is discoverable in any supplementary or ancillary proceeding to enforce a judgment against the pool or a governmental entity participating in the pool.
2. Unless otherwise provided by law, a government self-insurance pool record, as defined under section 44-04-17.1, is subject to chapter 44-04.

Approved May 5, 2023

Filed May 9, 2023

**CHAPTER 43**

**SENATE BILL NO. 2011**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the securities department; and to provide a report.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the securities department for the purpose of defraying the expenses of the securities department, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$2,213,881	\$138,421	\$2,352,302
Operating expenses	595,103	311,327	906,430
Total special funds	\$2,808,984	\$449,748	\$3,258,732
Full-time equivalent positions	10.00	0.00	10.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Technology enhancements	<u>\$0</u>	<u>\$150,000</u>
Total special funds	\$0	\$150,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The securities department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 44

### SENATE BILL NO. 2012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of various divisions of the department of health and human services; to provide an appropriation to the university of North Dakota school of medicine and health sciences; to provide an exemption; to create and enact a new section to chapter 50-06 and a new subsection to section 50-24.1-07 of the North Dakota Century Code and two new subsections to the new section to chapter 54-52.1 as created by section 2 of Senate Bill No. 2140, as approved by the sixty-eighth legislative assembly, of the North Dakota Century Code, relating to public employee health benefits coverage of insulin, a North Dakota legislative health care task force, and Medicaid claims; to amend and reenact subsection 2 of section 12.1-04-07, sections 50-01.2-01, 50-06-42, 50-11.1-02, 50-11.1-22, 50-11.1-23, 50-11.1-24, and 50-24.1-26, subsection 5 of section 50-24.1-37, and sections 50-24.5-02.3 and 50-29-04 of the North Dakota Century Code, relating to fitness to proceed examination, human service zone board membership, the substance use disorder treatment voucher system, Medicaid in-home services, the best in class program, basic care payment rates, the Medicaid expansion program, and the children's health insurance program; to repeal section 50-06-32.1 of the North Dakota Century Code, relating to the autism voucher; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a report; to provide an effective date; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of health and human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

##### Subdivision 1.

#### MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,363,556	(\$21,363,556)	\$0
Salaries and wages block grant	0	456,750,493	456,750,493
Operating expenses	151,161,924	95,654,000	246,815,924
Capital assets	75,000	0	75,000
Total all funds	\$172,600,480	\$531,040,937	\$703,641,417
Less estimated income	92,905,426	293,796,361	386,701,787
Total general fund	\$79,695,054	\$237,244,576	\$316,939,630

##### Subdivision 2.

#### PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$122,081,310	(\$122,081,310)	\$0
Operating expenses	176,078,719	59,740,165	235,818,884
Capital assets	10,000	0	10,000
Grants	467,144,387	168,924,549	636,068,936
Grants - medical assistance	3,028,666,463	396,605,903	3,425,272,366
Opioid prevention	0	2,000,000	2,000,000
Total all funds	\$3,793,980,879	\$505,189,307	\$4,299,170,186
Less estimated income	2,499,452,627	269,279,579	2,768,732,206
Total general fund	\$1,294,528,252	\$235,909,728	\$1,530,437,980

Subdivision 3.

## FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$163,213,829	(\$115,810,747)	\$47,403,082
Institutions	130,383,428	(69,570,994)	60,812,434
Total all funds	\$293,597,257	(\$185,381,741)	\$108,215,516
Less estimated income	114,273,300	(84,296,246)	29,977,054
Total general fund	\$179,323,957	(\$101,085,495)	\$78,238,462

Subdivision 4.

## COUNTY SOCIAL SERVICE FINANCING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
County social services	\$189,917,386	\$7,746,275	\$197,663,661
Total all funds	\$189,917,386	\$7,746,275	\$197,663,661
Less estimated income	188,676,995	8,969,793	197,646,788
Total general fund	\$1,240,391	(\$1,223,518)	\$16,873

Subdivision 5.

## TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,554,787,654	\$370,845,291	\$1,925,632,945
Grand total special funds	2,895,308,348	487,749,487	3,383,057,835
Grand total all funds	\$4,450,096,002	\$858,594,778	\$5,308,690,780
Full-time equivalent positions	2,265.33	0.00	2,265.33

**SECTION 2. ONE-TIME FUNDING.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Technology projects	\$67,596,372	\$71,000,000
Quality measures	45,375	0
Nursing payment methodology	7,200,000	0
Developmental disabilities provider stabilization grants	125,000	0
Human service center projects	724,000	735,154
Opioid settlement funding	2,000,000	0

Special session one-time appropriations	138,389,558	0
State hospital design	0	12,500,000
Service grants	0	585,000
Cross-disability advisory council	0	1,400,000
Behavioral health facility grants	0	1,950,000
Base care payment study	0	600,000
Health care task force	0	750,000
Operating inflation	0	20,564,344
Program integrity audits	0	4,500,000
Pregnant and parenting residential	0	1,000,000
Law enforcement telehealth	0	2,650,000
Total all funds	\$216,080,305	\$118,234,498
Less estimated income	191,847,089	103,752,326
Total general fund	\$24,233,216	\$14,482,172

**SECTION 3. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES - CLINICAL INTEGRATED NETWORK GRANT.**

1. There is appropriated out of any moneys in the community health trust fund in the state treasury, not otherwise appropriated, the sum of \$3,500,000, or so much of the sum as may be necessary, to the university of North Dakota school of medicine and health sciences for the purpose of the center for rural health awarding a grant to a clinically integrated network, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. To qualify for a grant under this section, an applicant:
  - a. Must be a statewide value-based clinically integrated network that supports a majority of the independent critical access hospitals in the state.
  - b. Must certify one dollar of matching funds for every five dollars of grant funds awarded.
  - c. Shall demonstrate a strategic plan to accomplish the following goals:
    - (1) Implementation of a data-sharing platform;
    - (2) Utilization of value-based care contract modeling;
    - (3) Utilization of data analytics software to provide for risk stratification and referral management capabilities;
    - (4) Development of unified care management practices; and
    - (5) Staffing of the clinically integrated network.
  - d. Shall agree during the 2023-25 and 2025-27 bienniums to make annual reports to the department of health and human services and the center for rural health on the use of the grant funds and the status of accomplishing the clinically integrated network strategic plan goals.

**SECTION 4. APPROPRIATION - 2021-23 BIENNIUM - CHILD SUPPORT.** There is appropriated out of any moneys in the department of health and human services operating fund in the state treasury, not otherwise appropriated, the sum of \$4,500, or

so much of the sum as may be necessary, to the the department of health and human services for the purpose of repayment of moneys, including interest, not withheld by the state in accordance with section 14-09-09.16 from an obligor's unemployment benefits from June 1, 2021, through September 30, 2021, for the period beginning with the effective date of this section and ending June 30, 2023.

**SECTION 5. FUNDING TRANSFERS - EXEMPTION - AUTHORIZATION - REPORT.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, 3, and 4 of section 1 of this Act, section 1 of House Bill No. 1004 as approved by the sixty-eighth legislative assembly, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025, as requested by the department of health and human services. The department of health and human services may use the transfer authority in this section to transfer or expend funds for the continuation of the community behavioral health program pursuant to section 54-23.3-10. The department of health and human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2024, any transfer made in excess of \$50,000 and to the appropriations committees of the sixty-ninth legislative assembly regarding any transfers made pursuant to this section.

**SECTION 6. TRANSFER OF APPROPRIATION AUTHORITY.** Section 1 of this Act and section 1 of House Bill No. 1004 include appropriation authority for the department of health and human services for the biennium beginning July 1, 2023, and ending June 30, 2025. On July 1, 2023, the office of management and budget shall combine the appropriation authority contained in section 1 of this Act and section 1 of House Bill No. 1004, and any other appropriation authority for the department of health and human services in other bills approved by the sixty-eighth legislative assembly, into one budget for the department of health and human services. The department of health and human services shall submit one budget request for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 7. FULL-TIME EQUIVALENT POSITION BLOCK GRANT PROGRAM - REPORT.** Subdivision 1 of section 1 of this Act includes funding for a full-time equivalent position block grant program. This funding, along with salaries and wages funding appropriated in House Bill No. 1004, as approved by the sixty-eighth legislative assembly, is available to fund full-time equivalent positions as determined by the department of health and human services. Notwithstanding any other provision of law, the department is authorized to increase or decrease authorized full-time equivalent positions subject to the availability of funds and the provisions of this section. The department may not increase full-time equivalent positions for the purpose of transferring human service zone employees to state employment. Pursuant to section 5 of this Act, the department is authorized to transfer funding to and from the salaries and wages block grant line item. The department shall report to the office of management and budget and legislative council any adjustments to full-time equivalent positions. The department shall provide reports to the legislative management regarding the use of funding for the program.

**SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - HUMAN SERVICE FINANCE FUND.** The office of management and budget shall transfer the sum of \$26,950,000 from the strategic investment and improvements fund to the human service finance fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. ESTIMATED INCOME - HUMAN SERVICE FINANCE FUND.** The estimated income line items in subdivisions 1 and 4 of section 1 of this Act includes the sum of \$226,950,000 from the human service finance fund for state-paid economic assistance and social and human services.

**SECTION 10. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND.** The estimated income line items in subdivisions 1 and 2 of section 1 of this Act includes the sum of \$24,317,500 from the community health trust fund for the following purposes:

1. The sum of \$20,400,000 for the child support computer replacement project;
2. The sum of \$1,867,500 for the 988 crisis hotline program;
3. The sum of \$700,000 for costs to implement the cross-disability advisory council;
4. The sum of \$600,000 for a study of basic care funding rates; and
5. The sum of \$750,000 for costs of the health care task force.

**SECTION 11. ESTIMATED INCOME - HEALTH CARE TRUST FUND.** The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$500,000 from the health care trust fund for basic care facility bad debt expense.

**SECTION 12. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND.** The estimated income line items in subdivisions 2 and 3 of section 1 of this Act includes the sum of \$3,235,000 from the federal state fiscal recovery fund for the following purposes:

1. The sum of \$2,650,000 to implement a virtual behavioral health crisis care program for rural law enforcement;
2. The sum of \$300,000 for crisis organizations that provide crisis services to young adults who are at risk of being homeless or experiencing other serious adverse life events. After July 1, 2024, this funding may be provided only to organizations that are certified in services provided by the organization; and
3. The sum of \$285,000 for grants to volunteer-based ecumenical ministry organizations.

**SECTION 13. ESTIMATED INCOME - CHARITABLE GAMING OPERATING FUND.** Notwithstanding section 53-06.1-11.2, the estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$500,000 from the charitable gaming operating fund for costs of gambling disorder prevention services.

**SECTION 14. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in subdivision 5 of section 1 of this Act includes the sum of \$25,235,154 from the strategic investment and improvements fund for the following purposes:

1. The sum of \$11,000,000 for the procurement and grants management system;
2. The sum of \$12,500,000 for the design of a new state hospital;

3. The sum of \$1,000,000 for pregnant and parenting women residential facilities; and
4. The sum of \$735,154 for projects at the southeast human service center.

**SECTION 15. BEHAVIORAL HEALTH FACILITY GRANTS.** Section 1 of this Act includes the sum of \$1,950,000 from the general fund for the purpose of providing a one-time behavioral health facility grant to establish a behavioral health facility in the northwest human service center region, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department of health and human services shall provide a grant as follows:

1. The grant recipient must provide matching funds of \$1,750,000 to establish the facility.
2. The grant term must be for five years.
3. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this section.
4. To receive the grant, the behavioral health facility shall:
  - a. Submit an application in the form and manner prescribed by the department;
  - b. Enter a grant agreement with the department;
  - c. Use grant funds to support the provision of behavioral health in the grant award service areas;
  - d. Provide and disclose information needed to comply with the department's data collection requirements; and
  - e. Operate in compliance with grant requirements.
5. The department may recapture grant funds distributed to a grant recipient found by the department to be out of compliance with the requirements established by the grant program, including ending or reducing the operation of the behavioral health facility in the service area.
6. The department may not collect property, equipment, or supplies purchased with grant funds from the grant recipient after successful completion of the terms of the grant.

**SECTION 16. HEALTH CARE TASK FORCE - APPROPRIATION - REPORT.**

Subdivision 1 of section 1 of this Act includes the sum of \$750,000 from the community health trust fund for expenses of the health care task force and for the purpose of facilitating the task force. The task force may seek funding from outside sources and any funds received are appropriated to the department of health and human services for activities of the task force for the biennium beginning July 1, 2023, and ending June 30, 2025. The purpose of the task force is to understand and create transparency around health care costs and the drivers of cost growth with the goal of lessening the impact of rising health care costs to citizens, businesses, and government. The task force shall take a holistic view to include the full payor mix, including the uninsured and charity care. The task force shall collect and analyze health care spending data to create meaningful actions to slow spending growth and

improve health care access and quality. The task force shall meet at least once each quarter and may request, obtain, review, and analyze information relating to North Dakota health care, including data, reports, audits, and other information as requested by the task force.

**SECTION 17. CAPITAL PAYMENTS.** During the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services is authorized to expend funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center. Pursuant to section 5 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of House Bill No. 1004, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly. The department may transfer funds for the payment of special assessments at the state hospital, southeast human service center, and life skills and transition center ahead of the special assessments schedule. Notwithstanding section 54-27-12, the department may spend funds for the payment of special assessments at the state hospital and life skills and transition center.

**SECTION 18. CAPITAL PROJECTS - EMERGENCY COMMISSION APPROVAL.** During the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services is authorized to proceed with the demolition of the administrative building and employee building and associated tunnels at the state hospital. Pursuant to section 5 of this Act, the director of the office of management and budget may transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act, section 1 of House Bill No. 1004, and any remaining appropriation authority for the department of health and human services approved by the sixty-eighth legislative assembly. The department may transfer funds for the demolition of the identified buildings and associated tunnels and for emergency capital projects. Notwithstanding section 54-27-12, the department of health and human services may spend up to \$5,000,000 for emergency projects under this section and may seek emergency commission approval to spend more than \$5,000,000 under this section.

**SECTION 19. CHILD CARE FINANCIAL ASSISTANCE - DIRECT PAYMENTS.** Notwithstanding subsection 3 of section 50-11.1-14.1, the department may provide financial assistance to beneficiaries related to child care services. The requirements of chapter 54-44.4 do not apply to this subsection, including the selection of recipients and the disbursement of funds.

**SECTION 20. PERMANENT SUPPORTIVE HOUSING GRANTS.** Subdivision 2 of section 1 of this Act includes the sum of \$4,672,536 from the general fund for permanent supportive housing grants. The department of health and human services shall develop a funding methodology to distribute the funding to qualified entities that utilize best practices for permanent supportive housing, provide recovery-oriented and person-centered services, submit process and outcome measures to the department, and authorize the department to conduct onsite visits to review program operations.

**SECTION 21. STATE HOSPITAL PROJECT - COMMUNITY ACUTE PSYCHIATRY - REPORT.** Subdivision 3 of section 1 of this Act includes the sum of \$12,500,000 from the strategic investment and improvements fund as identified in section 14 of this Act for the design of a new state hospital. As part of the design process, the department of health and human services shall consider statewide acute psychiatric needs, including the establishment of acute psychiatric facilities in

Dickinson, Williston, Minot, Devils Lake, and Grand Forks and shall consider collaborating and entering partnerships with local mental health and substance use disorder providers. The department shall present a report to the sixty-ninth legislative assembly regarding options for a new state hospital. The requirements of chapter 54-44.4 do not apply to the selection of a vendor, the procurement award, or payments made under this section regarding the design process and design of the new state hospital.

**SECTION 22. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM - APPLICATION.**

1. Subdivision 2 of section 1 of this Act includes the sum of \$802,616,809, of which \$80,261,681 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2023, and ending June 30, 2025. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount.
2. The department of health and human services may exceed appropriations for increases in medical assistance expansion program caseload, for the addition of coverage consistent with the traditional Medicaid 1915(i) state plan, utilization rates, and unwinding of the federal Medicaid continuous enrollment requirement, and reduction in federal medical assistance percentage.
3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program approved by the department. The managed care organization shall reimburse all North Dakota substance use providers of American society of addiction medicine level 2.5 at consistent levels and with consistent methodology. The managed care organization may consider urban and rural providers as different provider types.
4. The managed care organization and the department of health and human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs and human service centers may not be paid less than one hundred percent of the current traditional Medicaid rate. Behavioral health services involving partial hospitalization, intensive outpatient, professional services, and residential behavioral health services provided in facilities that are not institutions for mental diseases are not subject to the provisions in subsection 6.
5. The department of health and human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.
6. Except for the provisions in subsection 4, managed care organization premium payments must be built using the assumption that rates paid to providers under the medical assistance expansion program may not exceed

one hundred forty-five percent of Medicare reimbursement. This subsection applies to any medical assistance expansion program provider fee schedule that becomes effective on or after January 1, 2025.

**SECTION 23. DEPARTMENT OF HEALTH AND HUMAN SERVICES - PUBLIC AND PARENTING RESOURCE WEBSITE.** The department of health and human services shall develop and maintain a state internet website that provides information and links to social services, financial assistance, parenting information, maternal and childbirth life services, planning guidance, care centers and agencies, and other available public and private resources for expectant families and new parents. The department may contract with a third party for the development of the website. The website must be operational by August 1, 2023, and have a domain name life.nd.gov or a similar domain name. The website must be distinct from the department's website and the department shall place a clear and conspicuous link to the website on the department website.

**SECTION 24. QUARTERLY BUDGET AND UTILIZATION REPORTS.** During the biennium beginning July 1, 2023, and ending June 30, 2025, the department of health and human services shall make quarterly reports available that detail the status of the department's budget and the utilization rates of programs. The reports must be made available within 30 days of the close of each quarter.

**SECTION 25. AMENDMENT.** Subsection 2 of section 12.1-04-07 of the North Dakota Century Code is amended and reenacted as follows:

2. An examination must occur within fifteen days from receipt of material necessary to examine the fitness of the individual and notice of entry of the order served upon the tier 1a mental health professional. Attorneys shall disclose any materials necessary to examine the fitness of the individual to the tier 1a examiner contemporaneously with the order. For good cause shown, the court may grant an extension allowing an additional seven days to complete the examination.

**SECTION 26. AMENDMENT.** Section 50-01.2-01 of the North Dakota Century Code is amended and reenacted as follows:

**50-01.2-01. Human service zone board - Members - Qualifications.**

The board of county commissioners of each county within the human service zone shall appoint the appointed members of the human service zone board based upon fitness to serve as members by reason of character, experience, and training without regard to political affiliation. Appointed members of the human service zone board must consist of local elected officials and other key community partners, including at least one member of the legislative assembly. If a human service zone consists of two or more counties, each county must be represented on the human service zone board by only one county commissioner of that county. If a human service zone consists of a single county, the county must be represented on the human service zone board by no more than two county commissioners of that county and the human service zone board must have at least five appointed members. Appointed members shall elect a vice presiding officer and appoint a secretary, and other officers as the human service zone board determines necessary. The human service zone director shall serve as presiding officer of the human service zone board as a nonappointed member.

**SECTION 27. AMENDMENT.** Section 50-06-42 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-42. Substance use disorder treatment voucher system. (~~Retroactive application~~—[See note](#))**

1. The department shall establish and administer, within the limits of legislative appropriations, a voucher system to address underserved areas and gaps in the state's substance abuse treatment system and to assist in the payment of addiction treatment services provided by licensed substance abuse treatment programs, excluding regional human service centers, and hospital- or medical clinic-based programs for medical management of withdrawal, ~~and any institution for mental diseases in accordance with subsection 2.~~ An out-of-state licensed substance abuse treatment program located within a bordering state may participate in the voucher program to serve an underserved area of this state pursuant to the rules adopted by the department. The department shall develop rules to include processes and requirements for an out-of-state provider to receive reimbursement only for outpatient and community-based services upon a provider completing an assessment of need and receiving approval from the department.
2. ~~The department shall deny a licensed substance abuse treatment program's substance use disorder treatment voucher system application and deny reimbursement by the substance use disorder treatment voucher system if the licensed substance abuse treatment program is an institution for mental diseases and reimbursement is requested for residential beds added on or after July 1, 2020.~~
3. Services eligible for the voucher program include only those levels of care recognized by the American society of addiction medicine, with particular emphasis given to underserved areas and programs. The department shall ensure that a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers collects and reports process and outcome measures.
- 4.3. The department shall develop requirements and provide training and technical assistance to a licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers. A licensed substance abuse treatment program, hospital, and medical clinic program accepting vouchers shall provide evidence-based services.
- 5.4. The department shall allocate funding appropriated for the substance use disorder treatment voucher as follows:
  - a. No more than forty-five percent of the appropriated amount may be allocated for residential substance use disorder services administered by licensed substance abuse treatment programs with more than sixteen beds.
  - b. The remaining appropriation must be allocated for residential programs with sixteen or fewer beds, nonresidential outpatient, and ancillary substance use disorder services administered by licensed substance abuse treatment programs.

**SECTION 28.** A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

**North Dakota legislative health care task force - Duties - Membership - Legislative management report.**

There is created a North Dakota legislative health care task force. The task force shall meet at least once each quarter and may request, obtain, review, and analyze information relating to North Dakota health care, including data, reports, audits, and other information as requested by the task force. The department of health and human services shall provide staff services for the task force. The task force shall submit a report of its activities and any recommendations to improve health care in the state to the legislative management by October first of each year. The chairman of the task force must be a member of the legislative assembly appointed by the chairman of the legislative management. The chairman of the task force may invite guests to participate in task force activities. The task force consists of the following members:

1. The chairman of the house appropriations committee human resources division, or the chairman's designee;
2. The chairman of the senate appropriations committee human resources division, or the chairman's designee;
3. The chairman of the house human services committee, or the chairman's designee;
4. The chairman of the senate human services committee, or the chairman's designee;
5. One member of the house of representatives as appointed by the house minority leader;
6. One member of the senate as appointed by the senate minority leader;
7. The commissioner of the department of health and human services, or the commissioner's designee;
8. Two members of the department of health and human services, including the state health officer and one member appointed by the commissioner of the department of health and human services;
9. One member from the governor's office, appointed by the governor;
10. The insurance commissioner, or the insurance commissioner's designee;
11. Two members to represent the North Dakota health insurance industry;
12. One member of the public, appointed by an organization that represents North Dakota businesses;
13. One member appointed by the Indian affairs commissioner to represent tribal health care;
14. One member from a North Dakota association that represents physicians;
15. Five members from a North Dakota association that represents hospitals, of which:
  - a. Two members must represent rural hospitals, including one representative of a hospital in a city with a population of ten thousand or more and one representative of a hospital in a city with a population under ten thousand;

- b. Two members must represent urban hospitals, including one representative of an independent hospital and one representative of an integrated health care system; and
- c. One member must represent a psychiatric hospital; and

16. Any other members appointed by the chairman of legislative management.

<sup>9</sup> **SECTION 29. AMENDMENT.** Section 50-11.1-02 of the North Dakota Century Code is amended and reenacted as follows:

**50-11.1-02. Definitions. (~~Effective through June 30, 2025~~)**

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

1. "Authorized agent" means the human service zone, unless another entity is designated by the department.
2. "Child care center" means an early childhood program licensed to provide early childhood services to nineteen or more children.
3. "Department" means the department of health and human services.
4. "Drop-in care" means the care of children on a one-time, occasional, or unscheduled basis to meet the short-term needs of families.
5. "Early childhood program" means any program licensed under this chapter where early childhood services are provided for at least two hours a day for three or more days a week.
6. "Early childhood services" means the care, supervision, education, or guidance of a child or children, which is provided in exchange for money, goods, or other services. Early childhood services does not include:
  - a. Substitute parental child care provided pursuant to chapter 50-11.
  - b. Child care provided in any educational facility, whether public or private, in grade one or above.
  - c. Child care provided in a kindergarten which has been established pursuant to chapter 15.1-22 or a nonpublic elementary school program approved pursuant to section 15.1-06-06.1.
  - d. Child care, preschool, and prekindergarten services provided to children under six years of age in any educational facility through a program approved by the department.
  - e. Child care provided in facilities operated in connection with a church, business, or organization where children are cared for during periods of time not exceeding four continuous hours while the child's parent is attending church services or is engaged in other activities, on the premises.

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<sup>9</sup> Section 50-11.1-02 was also amended by section 1 of Senate Bill No. 2104, chapter 435, and section 1 of Senate Bill No. 2182, chapter 434.

- f. Schools or classes for religious instruction conducted by religious orders during the summer months for not more than two weeks, Sunday schools, weekly catechism, or other classes for religious instruction.
  - g. Summer resident or day camps for children which serve no children under six years of age for more than two weeks.
  - h. Sporting events, practices for sporting events, or sporting or physical activities conducted under the supervision of an adult.
  - i. Head start and early head start programs that are federally funded and meet federal head start performance standards.
  - j. Child care provided in a medical facility by medical personnel to children who are ill.
7. "Family child care" means a private residence licensed to provide early childhood services for no more than seven children at any one time, except that the term includes a residence licensed to provide early childhood services to two additional school-age children.
  8. "Four-year old program" means an approved child care program operated by a public or private educational entity or an early childhood program designed to serve four-year olds.
  9. "Group child care" means a child care program licensed to provide early childhood services for thirty or fewer children.
  10. "Household member" means an adult living in the private residence out of which a program is operated, regardless of whether the adult is living there permanently or temporarily.
  11. "Human service zone" means a county or consolidated group of counties administering human services within a designated area in accordance with an agreement or plan approved by the department.
  12. "In-home provider" means any person who provides early childhood services to children in the children's home.
  13. "Licensed" means an early childhood program has the rights, authority, or permission granted by the department to operate and provide early childhood services.
  14. "Multiple licensed program" means an early childhood program licensed to provide more than one type of early childhood services.
  15. "Owner" or "operator" means the person who has legal responsibility for the early childhood program and premises.
  16. "Parent" means an individual with the legal relationship of father or mother to a child or an individual who legally stands in place of a father or mother, including a legal guardian or custodian.
  17. "Premises" means the indoor and outdoor areas approved for providing early childhood services.

18. "Preschool" means a program licensed to offer early childhood services, which follows a preschool curriculum and course of study designed primarily to enhance the educational development of the children enrolled and which serves no child for more than three hours per day.
19. "Public approval" means a nonlicensed early childhood program operated by a government entity that has self-certified that the program complies with this chapter.
20. "Registrant" means the holder of an in-home provider registration document issued by the department in accordance with this chapter.
21. "Registration" means the process whereby the department maintains a record of all in-home providers who have stated that they have complied or will comply with the prescribed standards and adopted rules.
22. "Registration document" means a written instrument issued by the department to publicly document that the registrant has complied with this chapter and the applicable rules and standards as prescribed by the department.
23. "School-age child care" means a child care program licensed to provide early childhood services on a regular basis for nineteen or more children aged five years through eleven years.
24. "School-age children" means children served under this chapter who are at least five years but less than twelve years of age.
25. "Self-declaration" means voluntary documentation of an individual providing early childhood services in a private residence for up to five children through the age of eleven, of which no more than three may be under the age of twenty-four months.
26. "Staff member" means an individual:
  - a. Who is an employee of an early childhood program or of an early childhood services provider under a self-declaration;
  - b. Whose activities involve the care, supervision, or guidance of children of an early childhood program; or
  - c. Who may have unsupervised access to children under the care, supervision, or guidance of an early childhood program or early childhood services provider under a self-declaration.

**Definitions. (Effective after June 30, 2025)**

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

1. ~~"Authorized agent" means the human service zone, unless another entity is designated by the department.~~
2. ~~"Child care center" means an early childhood program licensed to provide early childhood services to nineteen or more children.~~
3. ~~"Department" means the department of health and human services.~~

4. ~~"Drop-in care" means the care of children on a one-time, occasional, or unscheduled basis to meet the short-term needs of families.~~
5. ~~"Early childhood program" means any program licensed under this chapter where early childhood services are provided for at least two hours a day for three or more days a week.~~
6. ~~"Early childhood services" means the care, supervision, education, or guidance of a child or children, which is provided in exchange for money, goods, or other services. Early childhood services does not include:~~
  - a. ~~Substitute parental child care provided pursuant to chapter 50-11.~~
  - b. ~~Child care provided in any educational facility, whether public or private, in grade one or above.~~
  - c. ~~Child care provided in a kindergarten which has been established pursuant to chapter 15.1-22 or a nonpublic elementary school program approved pursuant to section 15.1-06-06.1.~~
  - d. ~~Child care, preschool, and prekindergarten services provided to children under six years of age in any educational facility through a program approved by the department.~~
  - e. ~~Child care provided in facilities operated in connection with a church, business, or organization where children are cared for during periods of time not exceeding four continuous hours while the child's parent is attending church services or is engaged in other activities, on the premises.~~
  - f. ~~Schools or classes for religious instruction conducted by religious orders during the summer months for not more than two weeks, Sunday schools, weekly catechism, or other classes for religious instruction.~~
  - g. ~~Summer resident or day camps for children which serve no children under six years of age for more than two weeks.~~
  - h. ~~Sporting events, practices for sporting events, or sporting or physical activities conducted under the supervision of an adult.~~
  - i. ~~Head start and early head start programs that are federally funded and meet federal head start performance standards.~~
  - j. ~~Child care provided in a medical facility by medical personnel to children who are ill.~~
7. ~~"Family child care" means a private residence licensed to provide early childhood services for no more than seven children at any one time, except that the term includes a residence licensed to provide early childhood services to two additional school-age children.~~
8. ~~"Group child care" means a child care program licensed to provide early childhood services for thirty or fewer children.~~

9. "Household member" means an adult living in the private residence out of which a program is operated, regardless of whether the adult is living there permanently or temporarily.
10. "Human service zone" means a county or consolidated group of counties administering human services within a designated area in accordance with an agreement or plan approved by the department.
11. "In-home provider" means any person who provides early childhood services to children in the children's home.
12. "Licensed" means an early childhood program has the rights, authority, or permission granted by the department to operate and provide early childhood services.
13. "Multiple licensed program" means an early childhood program licensed to provide more than one type of early childhood services.
14. "Owner" or "operator" means the person who has legal responsibility for the early childhood program and premises.
15. "Parent" means an individual with the legal relationship of father or mother to a child or an individual who legally stands in place of a father or mother, including a legal guardian or custodian.
16. "Premises" means the indoor and outdoor areas approved for providing early childhood services.
17. "Preschool" means a program licensed to offer early childhood services, which follows a preschool curriculum and course of study designed primarily to enhance the educational development of the children enrolled and which serves no child for more than three hours per day.
18. "Public approval" means a nonlicensed early childhood program operated by a government entity that has self-certified that the program complies with this chapter.
19. "Registrant" means the holder of an in-home provider registration document issued by the department in accordance with this chapter.
20. "Registration" means the process whereby the department maintains a record of all in-home providers who have stated that they have complied or will comply with the prescribed standards and adopted rules.
21. "Registration document" means a written instrument issued by the department to publicly document that the registrant has complied with this chapter and the applicable rules and standards as prescribed by the department.
22. "School-age child care" means a child care program licensed to provide early childhood services on a regular basis for nineteen or more children aged five years through eleven years.
23. "School-age children" means children served under this chapter who are at least five years but less than twelve years of age.

24. ~~"Self-declaration" means voluntary documentation of an individual providing early childhood services in a private residence for up to five children through the age of eleven, of which no more than three may be under the age of twenty-four months.~~
25. ~~"Staff member" means an individual:~~
- ~~a. Who is an employee of an early childhood program or of an early childhood services provider under a self-declaration;~~
  - ~~b. Whose activities involve the care, supervision, or guidance of children of an early childhood program; or~~
  - ~~c. Who may have unsupervised access to children under the care, supervision, or guidance of an early childhood program or early childhood services provider under a self-declaration.~~

<sup>10</sup> **SECTION 30. AMENDMENT.** Section 50-11.1-22 of the North Dakota Century Code is amended and reenacted as follows:

**50-11.1-22. Early childhood grant for best in class four-year old experiences. (Expired effective July 1, 2025)**

1. A four-year old program deemed eligible under section 50-11.1-23 may submit an application for the best in class four-year old experiences grant. An approved program is eligible for an annual award of one hundred twenty thousand dollars per approved group size. The grant award must be matched with no less than twenty thousand dollars in other funds. The department shall assign a program support coach to each approved program. An approved program:
  - a. Shall utilize the assigned support coach and utilize the sliding fee scale for parent fees, as established by the department.
  - b. May use grant funds to support the provision of quality early childhood experiences, including expenditures related to staffing, training, equipment, and supplies.
  - c. May not use grant funds for construction or rehabilitation. An approved program must enter a grant agreement with the department.
2. The department may not collect equipment or supplies purchased with grant funds from the approved program after successful completion of the term of the grant.

<sup>11</sup> **SECTION 31. AMENDMENT.** Section 50-11.1-23 of the North Dakota Century Code is amended and reenacted as follows:

**50-11.1-23. Eligibility for best in class four-year old experiences grant. (Expired effective July 1, 2025)**

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- <sup>10</sup> Section 50-11.1-22 was also amended by section 26 of Senate Bill No. 2104, chapter 435.
- <sup>11</sup> Section 50-11.1-23 was also amended by section 27 of Senate Bill No. 2104, chapter 435.

1. A four-year old program may submit, in the form and manner prescribed by the department, an application to the department for a grant under section 50-11.1-22, if the provider certifies to the department the provider:
  - a. Operates a four-year old program in this state;
  - b. Operates a four-year old program for children who have reached four years of age before August first in the year of enrollment;
  - c. Operates a four-year old program that has a duration of at least four hundred hours over a period of at least thirty-two consecutive weeks;
  - d. Incorporates within the four-year old program at least ten hours of research-based family engagement;
  - e. Has been determined to meet the standards and expectations of no less than step three in the North Dakota early childhood quality improvement system;
  - f. Is willing to admit children of all learning abilities into the four-year old program;
  - g. Is willing to admit children who receive assistance from the child care assistance program into the four-year old program; and
  - h. Is willing to operate in compliance with the grant requirements, including:
    - (1) Maintaining the recommended group size for number of children served in the four-year old program;
    - (2) Complying with requirements related to qualifications, training, and professional development of staff delivering services in the four-year old program; and
    - (3) Adhering to expectations established by the department related to four-year old program monitoring and oversight.
2. The department may distribute grants under this section to approved four-year old programs, including four-year old programs operated as early childhood programs by educational facilities or federally funded head start programs or in connection with a church, business, or organization that operates a four-year old program.
3. The department may recapture grant funds distributed to an approved four-year old program found by the department to be out of compliance with requirements established for the best in class four-year old experiences grant program.

<sup>12</sup> **SECTION 32. AMENDMENT.** Section 50-11.1-24 of the North Dakota Century Code is amended and reenacted as follows:

**50-11.1-24. Grant program data collection - Requirements. (Expired effective July 1, 2025)**

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<sup>12</sup> Section 50-11.1-24 was also amended by section 28 of Senate Bill No. 2104, chapter 435.

The state agency with approval authority over four-year old programs, with the advice and consent of the department, shall implement a uniform system for the accounting, budgeting, and reporting of data by any four-year old program provider to whom or to which grants are distributed under section 50-11.1-23. Grants may be withheld or forfeited, in whole or in part, if information required in accordance with this section is not submitted at the time or in the manner requested by the state agency with approval authority over four-year old programs. A grant recipient shall consent to provide information needed to comply with data collection requirements. The state agency with approval authority over four-year old programs shall disclose the requested information to the department.

**SECTION 33.** A new subsection to section 50-24.1-07 of the North Dakota Century Code is created and enacted as follows:

In any probate proceedings in which the department has filed a claim under this section, no additional evidence of foundation may be required for the admission of the department's payment record supporting the department's claim if the payment record is certified as a true copy and bears the signature of a representative of the department. There is a rebuttable presumption that the amount of medical assistance on the claim was incurred and paid on behalf of the recipient of medical assistance and is an allowable claim.

**SECTION 34. AMENDMENT.** Section 50-24.1-26 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-26. Medicaid waivers - In-home services.**

The department shall administer Medicaid waivers to provide in-home services to children with extraordinary medical needs and to children up to the age of ~~sixteen~~eighteen diagnosed with an autism spectrum disorder who would otherwise meet institutional level of care. The department may prioritize applicants for the waiver for children with extraordinary medical needs by degree of need.

**SECTION 35. AMENDMENT.** Subsection 5 of section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

5. Provider and managed care organization reimbursement rate information received or held by the department under this section is an open record.

**SECTION 36. AMENDMENT.** Section 50-24.5-02.3 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.5-02.3. Basic care payment rates.**

1. The department shall ~~establish, by rule, procedures for determining rates~~determine limits for the care of residents of basic care facilities that qualify as vendors of an aged, blind, and disabled persons program and for implementing provisions of this chapter. ~~The procedures must be based on methods and standards that the department finds are adequate to recognize the~~data demonstrating the most recent costs that must be incurred for the care of residents in efficiently and economically operated basic care facilities. The department shall determine the limits every four years by July first, beginning with July 1, 2023.
2. The department shall ~~identify costs that are recognized for establishing payment rates~~establish the limits by using the median rates from the most

recent data available. The direct care limit must be the median plus eighteen percent. The indirect care limit must be the median plus twelve percent.

3. For the rate year beginning July 1, 20162023, the department shall establish the limits by using the average of the highest and lowest rates from the 2014 rate year. The direct care limit must be ninety-five percent of the average and the indirect care limit must be ninety percent of the average. Beginning with the July 1, 2017, rate year, the department shall adjust the limits by using the cost percentage change from the prior two rate years, within the limits of legislative appropriationsincrease rates and limits three and one-half percent for inflation. For the rate year beginning July 1, 2024, the department shall increase rates and limits three and one-half percent for inflation.
4. The department shall provide, by rule, within the limits of legislative appropriations, for payment of rates paid by the aged, blind, and disabled persons program for a maximum of thirty days per occurrence for leave days for a resident who is in a licensed health care facility when the resident is expected to return to the facilityprovide a rate increase in the amount of five dollars per day for the period beginning July 1, 2023, and ending June 30, 2025, after which the increase is not effective. This rate increase may not be included in any calculation of inflation increase.
5. Within the limits of legislative appropriations, the department shall establish an uncompensated care expense of one hundred eightythree hundred sixty-five days.

**SECTION 37. AMENDMENT.** Section 50-29-04 of the North Dakota Century Code is amended and reenacted as follows:

**50-29-04. Plan requirements.**

The plan:

1. Must be consistent with coverage provided to children eligible for medical assistance in the state; and
2. Must provide:
  - a. A modified adjusted gross income eligibility limit of one two hundred seventy-fiveten percent of the poverty line; and
  - b. Current eligibility may be established from the first day of the month in which the application was received. Retroactive eligibility may be established for the three calendar months that immediately preceded the month in which the application was received even if there is no eligibility in the month of application. Eligibility can be established if all factors of eligibility are met during each month.

<sup>13</sup> **SECTION 38.** Two new subsections to the new section to chapter 54-52.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2140, as approved by the sixty-eighth legislative assembly, are created and enacted as follows:

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<sup>13</sup> Section 54-52.1-04.18 was created by section 2 of Senate Bill No. 2140, chapter 516.

If application of subsection 3 would result in the ineligibility of a health benefit plan that is a qualified high-deductible health plan to qualify as a health savings account under section 223 of the Internal Revenue Code [26 U.S.C. 223], the requirements of subsection 3 do not apply with respect to the deductible of the health benefit plan until after the enrollee has satisfied the minimum deductible under section 26 U.S.C. 223.

This section does not apply to the Medicare part D prescription drug coverage plan.

**SECTION 39. REPEAL.** Section 50-06-32.1 of the North Dakota Century Code is repealed.

**SECTION 40. BUILDING PROJECT - LEASE.** The department of health and human services is authorized to enter into agreements with vendors to build two buildings for the department to lease for the lake region human service center and northwest human service center for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 41. LEASE OF LAND - STATE HOSPITAL.** The department of health and human services and national guard may enter an agreement to lease up to twenty acres of real property associated with the state hospital for the national guard to construct a new training and storage facility.

**SECTION 42. PROVIDER PROCESS AND OUTCOME MEASURES.** Providers that receive funding from the department of health and human services shall submit process and outcome measures, as required by the department, to the department for programs and services supported by state funding during the biennium beginning July 1, 2023, and ending June 30, 2025, for the department to evaluate the administration of the programs and services using the appropriation for the program or service.

**SECTION 43. HUMAN SERVICE CENTERS - CERTIFIED COMMUNITY BEHAVIORAL HEALTH CLINICS - FULL-TIME EQUIVALENT POSITIONS - REPORT - EXEMPTION.**

1. The department of health and human services shall select at least one human service center to begin the process of becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults. The department shall pursue additional federal funding as available. Subject to the availability of generated income, the department may add full-time equivalent positions for field services to provide direct services for the period beginning with the effective date of this Act and ending June 30, 2025. The department shall report to the office of management and budget and legislative council each time a position is added.
2. The department may consider the inclusion of providers of integrated, wraparound crisis services to young adults, who are at risk of being homeless or experiencing serious adverse life events, into the creation of any certified community behavioral health clinic.
3. The \$15,000,000 from the general fund appropriated to the department of health and human services for the substance use disorder treatment voucher system in chapter 12 of the 2021 Session Laws is not subject to the provisions

of section 54-44.1-11, and any unexpended funds of up to \$4,150,000 from this appropriation may be continued and spent for defraying the expenses of additional human service centers to begin the process of becoming a certified community behavioral health clinic to provide continuous community-based behavioral health services for children and adults during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 44. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$750,000 appropriated from the general fund for suicide prevention grants in chapter 37 of the 2019 Session Laws;
2. The sum of \$1,776,000 appropriated from the strategic investment and improvements fund and the sum of \$5,328,000 appropriated from federal funds for the Medicaid management information system technology stack upgrade in chapter 37 of the 2019 Session Laws;
3. The sum of \$600,000 appropriated from the general fund and the sum of \$1,800,000 appropriated from federal funds for the Medicaid management information system technology stack upgrade in chapter 12 of the 2021 Session Laws;
4. The sum of \$4,326,686 appropriated from the general fund and the sum of \$30,673,314 appropriated from federal funds for the Medicaid management information system modularization technology project in chapter 12 of the 2021 Session Laws;
5. Any amounts appropriated to the department of health and human services in chapter 549 of the 2021 Special Session Session Laws;
6. Any amounts appropriated to the department of health and human services in chapter 550 of the 2021 Special Session Session Laws;
7. Any amounts appropriated to the department of health and human services for COVID-19 relief in chapters 27 and 28 of the 2021 Session Laws;
8. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws which was continued into the 2013-15 biennium, then the 2015-17 biennium, then the 2017-19 biennium, then the 2019-21 biennium, and then 2021-23 biennium;
9. The sum of \$2,000,000 appropriated for substance use disorder voucher system grants in chapter 12 of the 2021 Session Laws which may be continued and spent pursuant to section 50-06-42.1;
10. The sum of \$175,000 for home and community-based services housing assistance in chapter 12 of the 2021 Session Laws; and
11. The sum of \$15,000,000 appropriated from the general fund and the sum of \$15,000,000 appropriated from federal funds for the child welfare technology project in chapter 12 of the 2021 Session Laws.

**SECTION 45. EXEMPTION - EARLY CHILDHOOD INFORMATION SYSTEM.**

The requirements of chapter 54-44.4 do not apply to the selection of a vendor, the procurement award, or payments made under this section regarding an early childhood workforce and professional development information system or an early childhood resource and referral information system for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 46. EXEMPTION - PURCHASE OF CONSUMABLES.**

The requirements of chapter 54-44.4 do not apply to the purchase of consumables at the department of health and human services continuously staffed residential units during low-census time periods for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 47. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENT.**

It is the intent of the sixty-eighth legislative assembly that the department of health and human services seeks a deficiency appropriation from the sixty-ninth legislative assembly for any expenditures that exceed appropriated amounts as a result of underfunding, utilization rates, discontinuation of the federal Medicaid continuous enrollment requirement, value-based purchasing for nursing facilities, reduction in federal medical assistance percentage, and unexpected contract cost increases that exceed ten percent, during the biennium beginning July 1, 2023, and ending June 30, 2025, if funding is not sufficient to pay actual expenses.

**SECTION 48. LEGISLATIVE INTENT - PROVIDER RATE INCREASE.**

Except as otherwise noted, section 1 of this Act includes funding for human service provider inflation increases of two percent for each year of the biennium beginning July 1, 2023, and ending June 30, 2025. Section 1 of this Act includes funding for developmental disability service payment inflation increases of three percent each year of the biennium beginning July 1, 2023, and ending June 30, 2025. The provider inflation increase in this section does not apply to nursing and basic care facilities or prospective payment system hospitals that have different inflation rates.

**SECTION 49. DEVELOPMENTAL DISABILITY PROVIDER ADJUSTMENT.**

Subdivision 2 of section 1 of this Act includes funding for developmental disability provider rate adjustments. Adjustments must provide for the equivalent of a one dollar per hour increase for direct care staff and the equivalent of a one dollar per hour increase for indirect program support staff of licensed developmental disability providers. Developmental disability providers shall provide a report to the department of health and human services as determined by the department. The increase to direct care staff and related indirect program support staff does not apply to qualified service provider rates as established under the long-term care program.

**SECTION 50. FEDERAL FUNDING APPEAL LIMITATION.**

Except as otherwise specifically provided by federal law, a person may not appeal a denial, revocation, reduction in services or payment, or the termination of a program or service by the department of health and human services due to the unavailability of federal coronavirus funding received under federal law resulting from the federal coronavirus pandemic emergency declaration for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 51. LEGISLATIVE MANAGEMENT STUDY - EARLY CHILDHOOD PROGRAMS AND SERVICES.**

During the 2023-24 interim, the legislative management shall consider studying the early child care programs and child care services to identify major needs and systemic approaches to stabilize child care infrastructure. The legislative management shall report its findings and

recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 52. LEGISLATIVE MANAGEMENT STUDY - SOCIAL WORK LICENSURE COMPACT.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of the legislative assembly enacting the social work licensure compact. The study may include consideration of whether the public and the social work community support enactment and whether the North Dakota board of social work examiners has the capacity to participate in the compact. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 53. LEGISLATIVE MANAGEMENT STUDY - MEDICAID PROVIDER REIMBURSEMENT ARRANGEMENTS.** During the 2023-24 interim, the legislative management shall study the benefits of basing provider reimbursement rates for the Medicaid program in accordance with a provider's performance under established and accepted value-based care metrics. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 54. LEGISLATIVE MANAGEMENT STUDY - INTERMEDIATE CARE FACILITY RATE FORMULA.** During the 2023-24 interim, the legislative management shall consider studying the payment rates for intermediate care facilities, including options to increase the rates. The study must consider the funded percentage of costs for services including day and small group care, individual employment, in-home supports, respite care, habilitative care, independent habitation, and residential habitation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 55. SUPREME COURT STUDY - WELLNESS COURT - REPORT TO LEGISLATIVE MANAGEMENT.** During the 2023-24 interim, the supreme court, in consultation with the department of corrections and rehabilitation, the department of health and human services, and the attorney general, shall study and identify those provisions of the North Dakota Century Code which pertain to drug court and assess whether the term wellness court should be adopted to replace drug court. The supreme court shall report its findings and recommendations, together with any legislation required to implement the statutory change of drug court to wellness court, to the legislative management by June 1, 2024.

**SECTION 56. LEGISLATIVE MANAGEMENT REPORT - EARLY CHILDHOOD PROGRAMS.** During the 2023-24 interim, the department of health and human services shall provide reports to the legislative management regarding the status of early childhood programs managed by the department.

**SECTION 57. EFFECTIVE DATE.** Section 39 of this Act becomes effective on January 1, 2024; Senate Bill No. 2181, as approved by the sixty-eighth legislative assembly, becomes effective on October 1, 2023; and section 2 of Senate Bill No. 2276, as approved by the sixty-eighth legislative assembly, becomes effective on April 1, 2024.

**SECTION 58. EMERGENCY.** Section 4 of this Act is declared to be an emergency measure.

Approved May 9, 2023

Filed May 10, 2023

**CHAPTER 45**

**SENATE BILL NO. 2013**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the center for distance education, the state library, the school for the deaf, and North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-27-04.1, 15.1-32-01, 15.1-32-14, 15.1-32-18, and 54-24.3-01 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, baseline funding, high-cost students, and regional library cooperative definitions; to provide for a transfer; to provide for reports; to provide an exemption; to provide an effective date; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the center for distance education, the state library, the school for the deaf, and North Dakota vision services - school for the blind for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

Subdivision 1.

**DEPARTMENT OF PUBLIC INSTRUCTION**

		<u>Base Level</u>	<u>Enhancements</u>
			Adjustments or
	<u>Appropriation</u>		
Salaries and wages	\$17,854,747	\$965,839	\$18,820,586
Operating expenses	33,098,149	(304,829)	32,793,320
Integrated formula payments	2,131,825,000	164,849,851	2,296,674,851
Grants - special education	27,000,000	(3,000,000)	24,000,000
Grants - transportation	58,100,000	0	58,100,000
Grants - other grants	312,738,893	70,000,000	382,738,893
Grants - program grants	0	13,550,000	13,550,000
Grants - passthrough grants	0	8,569,000	8,569,000
Grants - program and passthrough	10,387,064	(10,387,064)	0
PowerSchool	5,250,000	525,000	5,775,000
National board certification	176,290	0	176,290
Total all funds	\$2,596,430,143	\$244,767,797	\$2,841,197,940
Less estimated income	938,233,270	187,349,226	1,125,582,496
Total general fund	\$1,658,196,873	\$57,418,571	\$1,715,615,444
Full-time equivalent positions	86.25	0.00	86.25

Subdivision 2.

## CENTER FOR DISTANCE EDUCATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Center for distance education	\$0	\$11,347,980	\$11,347,980
Total all funds	\$0	\$11,347,980	\$11,347,980
Less estimated income	0	4,550,000	4,550,000
Total general fund	\$0	\$6,797,980	\$6,797,980
Full-time equivalent positions	0.00	30.80	30.80

Subdivision 3.

## STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,139,907	\$295,408	\$4,435,315
Operating expenses	1,822,703	752,595	2,575,298
Grants	2,233,528	50,000	2,283,528
Total all funds	\$8,196,138	\$1,098,003	\$9,294,141
Less estimated income	2,364,417	107,626	2,472,043
Total general fund	\$5,831,721	\$990,377	\$6,822,098
Full-time equivalent positions	26.75	0.00	26.75

Subdivision 4.

## SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,332,820	\$604,780	\$8,937,600
Operating expenses	1,705,586	120,171	1,825,757
Capital assets	158,678	843,500	1,002,178
Total all funds	\$10,197,084	\$1,568,451	\$11,765,535
Less estimated income	2,790,528	875,163	3,665,691
Total general fund	\$7,406,556	\$693,288	\$8,099,844
Full-time equivalent positions	44.61	0.75	45.36

Subdivision 5.

## NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,992,194	\$354,219	\$5,346,413
Operating expenses	792,671	103,015	895,686
Capital assets	39,192	439,000	478,192
Total all funds	\$5,824,057	\$896,234	\$6,720,291
Less estimated income	1,062,178	598,533	1,660,711
Total general fund	\$4,761,879	\$297,701	\$5,059,580
Full-time equivalent positions	27.75	0.00	27.75

Subdivision 6.

## TOTAL - SECTION 1

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$1,676,197,029	\$66,197,917	\$1,742,394,946
Grand total special funds	<u>944,450,393</u>	<u>193,480,548</u>	<u>1,137,930,941</u>
Grand total all funds	\$2,620,647,422	\$259,678,465	\$2,880,325,887

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Department of public instruction		
Science experiments grants	\$13,500,000	\$5,500,000
Regional education association grants	250,000	70,000
State automated reporting system maintenance	200,000	0
Children's science center	5,900,000	0
State automated reporting system and statewide longitudinal data system upgrades	10,100,000	0
Elementary and secondary school emergency education relief	305,266,879	0
Emergency education relief homeless children and youth program	1,999,661	0
Assistance to nonpublic schools	4,151,371	0
Individuals with Disabilities Education Act grant	8,632,569	0
School board training grants	0	1,500,000
Statewide reading tool	0	1,600,000
Statewide teacher retention program	<u>0</u>	<u>2,300,000</u>
Total department of public instruction - all funds	\$350,000,480	\$10,970,000
Total department of public instruction - estimated income	<u>349,800,480</u>	<u>10,900,000</u>
Total department of public instruction - general fund	\$200,000	\$70,000
State library		
COVID-19 salaries and wages	\$86,669	\$0
COVID-19 operating expenses	1,580,057	0
COVID-19 grants	500,000	0
Retirement leave payouts	0	40,000
Maintenance of effort	0	100,000
IT equipment	0	43,000
Building renovations	<u>0</u>	<u>150,000</u>
Total state library - all funds	\$2,166,726	\$333,000
Total state library - estimated income	<u>2,166,726</u>	<u>0</u>
Total state library - general fund	\$0	\$333,000
School for the deaf		
Campus server upgrade	\$7,500	\$0
Operating expenses	21,500	0
Equipment	40,000	43,500
Boiler and resource center projects	650,000	0
Operating expense inflation	0	120,171
Boiler replacement	0	650,000
Fire alarm and controls	<u>0</u>	<u>150,000</u>
Total school for the deaf - all funds	\$719,000	\$963,671
Total school for the deaf - estimated income	<u>719,000</u>	<u>873,586</u>

Total school for the deaf - general fund	\$0	\$90,085
North Dakota vision services - school for the blind		
Vision screening devices	\$11,500	\$0
Replace flooring	10,000	0
Replace south wing air conditioning	40,000	0
Repair sidewalk, roof, and parking lot	24,000	0
Replace doors and key system	45,000	0
Heating, ventilation, and air conditioning upgrades	86,000	0
Install LED lighting	33,000	0
South wing electrical service	165,000	0
Equipment	0	26,000
Repairs and maintenance	0	439,000
Total school for the blind - estimated income	\$414,500	\$465,000
Grand total - all funds	\$353,300,706	\$12,731,671
Grand total - estimated income	<u>353,100,706</u>	<u>12,238,586</u>
Grand total - general fund	\$200,000	\$493,085

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The department of public instruction, state library, school for the deaf, and North Dakota vision services - school for the blind shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. APPROPRIATION - TUITION APPORTIONMENT.** The sum of \$510,860,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$157,000,000 from the foundation aid stabilization fund for integrated formula payments.

**SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND.** The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of \$19,493,086 from the strategic investment and improvements fund for integrated formula payments and certain passthrough grants.

**SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY.** The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational services that were due in the 2021-23 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2023. To be reimbursed under this section, claims must be properly supported and filed with the superintendent of public instruction by June 30, 2024.

**SECTION 7. GIFTED AND TALENTED PROGRAM.** The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The

superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.

**SECTION 8. MEDICAID MATCHING FUNDING AND SCHOOL APPROVAL - WITHHOLDING AND DISTRIBUTION.**

1. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program for the biennium beginning July 1, 2023, and ending June 30, 2025. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of health and human services on behalf of the school district or unit.
2. State school aid payments for integrated formula payments must be reduced by the amount of funds required to be paid by school districts for school approval for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 9. REGIONAL EDUCATION ASSOCIATION MERGER GRANTS - ONE-TIME FUNDING - DISTRIBUTION.** The grants - program grants line item included in subdivision 1 of section 1 of this Act includes \$70,000 from the general fund for the purpose of providing a one-time \$35,000 grant to each regional education association that merges with another regional education association to form a single entity with a single governing board during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 10. REGIONAL EDUCATION ASSOCIATIONS - GRANTS - DISTRIBUTION.** The integrated formula payments line item in subdivision 1 of section 1 of this Act includes \$700,000 from the general fund for the purpose of providing annual grants to regional education associations for the biennium beginning July 1, 2023, and ending June 30, 2025. An annual grant of \$50,000 is provided to each regional education association that exists as of July 1, 2023. Regional education associations that merge during the 2023-25 biennium are entitled to the annual grants that would have been paid to each of the member associations.

**SECTION 11. USE OF NEW MONEY - NONADMINISTRATIVE PERSONNEL COMPENSATION INCREASES.**

1. During the 2023-25 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district, resulting from increases in the base integrated formula payment rate, to increase the compensation and benefits paid to nonadministrative personnel.
2. For purposes of this section, the superintendent of public instruction shall provide guidance to school districts regarding the calculation of the amount of new money resulting from increases in the base integrated formula payment rate during the 2023-25 biennium.

**SECTION 12. EXEMPTION - INDIRECT COST RECOVERIES, GENERAL EDUCATIONAL DEVELOPMENT FEES, AND DISPLACED HOMEMAKER DEPOSITS.** Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account. In addition, any moneys collected by the department of public instruction for general educational development fees and displaced homemakers deposits must be deposited in the public instruction

fund in the state treasury. Any funds deposited in the public instruction fund may only be spent subject to appropriation by the legislative assembly.

**SECTION 13. EXEMPTION - TRANSFER - PUBLIC INSTRUCTION FUND - TRANSFER - GENERAL FUND.** Notwithstanding section 54-44.1-11, if, after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2021-23 biennium, from any moneys remaining in the integrated formula payments line item in subdivision 1 of section 1 of chapter 13 of the 2021 Session Laws, the lesser of \$16,549,000 or the remaining amount must be continued into the 2023-25 biennium and the office of management and budget shall transfer this amount into the public instruction fund for the purpose of providing program and passthrough grants as appropriated in subdivision 1 of section 1 of this Act. The superintendent of public instruction shall transfer any of these funds remaining unspent at the end of the 2023-25 biennium to the general fund.

**SECTION 14. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. Any funds remaining from federal funds derived from the elementary and secondary school emergency education relief fund and any other federal funds appropriated in subdivision 2 of section 2 of chapter 28 of the 2021 Session Laws; and
2. Any funds remaining from federal funds appropriated in subsection 2 of section 6 of chapter 15 of the 2021 Session Laws, as amended in section 1 of chapter 548 of the 2021 Special Session Session Laws.

**SECTION 15. EXEMPTION - UNEXPENDED STATE AUTOMATED REPORTING SYSTEM AND STATEWIDE LONGITUDINAL DATA SYSTEM UPGRADE APPROPRIATION - TRANSFER.** The sum of \$10,000,000 of special funds from the public instruction fund in the state treasury, derived from reimbursements withheld from school districts' integrated formula payments for the purpose of information technology project upgrades to the state automated reporting system and the statewide longitudinal data system, appropriated to the department of public instruction in section 17 of chapter 549 of the 2021 Special Session Session Laws, is not subject to the provisions of section 54-44.1-11 and any unexpended funds from this one-time appropriation may be continued and are available for information technology project upgrades to the state automated reporting system and the statewide longitudinal data system during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of public instruction shall transfer any funds continued in excess of \$5,000,000 to the information technology department for statewide longitudinal data system upgrades.

**SECTION 16. STATE AID TO PUBLIC LIBRARIES.** The grants line item in subdivision 3 of section 1 of this Act includes \$1,737,582 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2024.

**SECTION 17. AMENDMENT.** Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-02-02. Salary.**

The annual salary of the superintendent of public instruction is one hundred ~~twenty-seven thousand seven hundred sixty-eight~~ thirty-eight thousand one hundred

~~forty-two~~ dollars through June 30, ~~2022~~2024, and one hundred ~~thirty thousand three hundred twenty-three~~forty-three thousand six hundred ~~sixty-eight~~ dollars thereafter.

<sup>14</sup> **SECTION 18. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)**

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
    - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force

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<sup>14</sup> Section 15.1-27-04.1 was also amended by section 25 of Senate Bill No. 2015, chapter 47, and section 10 of Senate Bill No. 2284, chapter 173. The North Dakota Supreme Court declared Senate Bill No. 2015 void in *Board of Trustees of The North Dakota Public Employees' Retirement System v. North Dakota Legislative Assembly*, by judgment filed October 12, 2023.

- base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
- (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
  - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
  - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
  - (2) Telecommunications tax revenue; and
  - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit; and
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.
2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
- b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
- c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding

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

3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the greater of:
  - (1) The district's weighted student units multiplied by ten thousand one hundred thirty-six dollars;
  - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand one hundred thirty-six dollars; or
  - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by fifteen percent and then the difference added to the amount determined in paragraph 1.
- b. For the 2022-23 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
  - (1) The district's weighted student units multiplied by ten thousand two hundred thirty-seven dollars;
  - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand two hundred thirty-seven dollars; or
  - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by thirty percent for the 2022-23 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
- c. The superintendent also shall adjust state aid determined in this subsection to ensure the amount does not exceed the transition maximum as follows:

- (1) For the 2021-22 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
  - (2) For the 2022-23 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
  - (3) For the 2023-24 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus twenty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
  - (4) For the 2024-25 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus forty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
  - (5) For the 2025-26 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus sixty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
  - (6) For the 2026-27 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus eighty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
    - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes

of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and

- b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:

- (1) Tuition revenue shall be adjusted as follows:

- (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

- (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

- (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2020 by the school district for sinking and interest relative to the total mills levied in 2020 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
  - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
  - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and

- c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

**Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)**

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
    - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2025-26 school year, eighty-five percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
    - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
    - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
    - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c) (3); and

- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
    - (1) Mobile home tax revenue;
    - (2) Telecommunications tax revenue; and
    - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.
  - e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.
2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
  - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
  - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. The superintendent shall reduce the district's baseline funding per weighted student unit by fifteen percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2021-22 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.

3. a. For the 2021-22 school year, the superintendent shall calculate state aid as the greater of:
  - (1) The district's weighted student units multiplied by ten thousand one hundred thirty-six dollars;
  - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand one hundred thirty-six dollars; or
  - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by fifteen percent and then the difference added to the amount determined in paragraph 1.
- b. For the 2022-23 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
  - (1) The district's weighted student units multiplied by ten thousand two hundred thirty-seven dollars;
  - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand two hundred thirty-seven dollars; or
  - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by thirty percent for the 2022-23 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
- c. The superintendent also shall adjust state aid determined in this subsection to ensure the amount does not exceed the transition maximum as follows:
  - (1) For the 2021-22 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
  - (2) For the 2022-23 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units from the previous school year.
  - (3) For the 2023-24 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus twenty percent of the

difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.

- (4) For the 2024-25 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus forty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
  - (5) For the 2025-26 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus sixty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
  - (6) For the 2026-27 school year, the transition maximum rate is one hundred ten percent of the district's baseline funding per weighted student unit, as established in subsection 2, plus eighty percent of the difference between the rate under paragraph 1 of subdivision b of this subsection and one hundred ten percent of the district's baseline funding per weighted student unit. The transition maximum is determined by multiplying the transition maximum rate, which may not exceed the rate under paragraph 1 of subdivision b of this subsection, by the district's weighted student units from the previous school year.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
  - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
    - (1) Tuition revenue shall be adjusted as follows:
      - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, tuition received for the education of high-cost and special education students, and tuition received

under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

(b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

(2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2020 by the school district for sinking and interest relative to the total mills levied in 2020 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
  - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
  - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
  - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

**SECTION 19. AMENDMENT.** Section 15.1-32-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-01. Definitions.**

As used in this chapter:

1. "Major life activities" include learning, walking, talking, breathing, and caring for oneself.
2. "Related services" means transportation and developmental and corrective or supportive services required to assist a student with disabilities to benefit from special education.

- 2-3. "Special education" means instruction designed to meet the needs of a student with disabilities, transportation, and corrective and supporting services required to assist a student with disabilities in taking advantage of, or responding to, educational programs and opportunities.
- 3-4. "Student who is gifted" means an individual who is identified by qualified professionals as being capable of high performance and who needs educational programs and services beyond those normally provided in a regular education program.
- 4-5. a. "Student with a disability" means an individual who is at least three years of age but who has not reached the age of twenty-one before August first of the year in which the individual turns twenty-one and who requires special education and related services because of:
- (1) An intellectual disability;
  - (2) A hearing impairment, including deafness;
  - (3) Deaf-blindness;
  - (4) A speech or language impairment;
  - (5) A visual impairment, including blindness;
  - (6) An emotional disturbance;
  - (7) An orthopedic impairment;
  - (8) Autism;
  - (9) A traumatic brain injury;
  - (10) Other health impairment; or
  - (11) A specific learning disability.
- b. "Student with a disability" includes a student age eighteen through twenty-one who is incarcerated in an adult correctional facility and who, in the last educational placement prior to incarceration, was identified as being a student with a disability and did not have an individualized education program or was identified as being a student with a disability and had an individualized education program.
6. "Student with a significant medical condition" means a student with a physical or mental impairment, whether permanent or temporary, which substantially limits one or more major life activities and who is not entitled to special education and related services.

**SECTION 20. AMENDMENT.** Section 15.1-32-14 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-14. Special education students – Contracts for placementHigh-cost students.**

1. If in the opinion of an individualized education program team or a services plan team a student with a disability or a student with a significant medical condition is unable to attend a public school in the ~~special education unit to which the student's school district of residence belongs,~~ the student's school district of residence shall ~~contract~~ release the student at the time deemed necessary to begin attendance with another public school that:
  - a. ~~Does not belong to the same special education unit;~~
  - b. Is located in this state;
  - ~~e.b.~~ Is willing to admit the student; and
  - ~~d.c.~~ Is able to provide appropriate services to the student.
2. ~~The superintendent of public instruction shall approve in advance the terms of the contract and the services to be provided by the admitting school.~~
3. The contract must provide that the student's school district of residence is liable for the cost of educating the student.
4. ~~3.~~ Upon being notified by the district in which the student receives services that the student's school district of residence has not paid for services that were provided to the student, the superintendent of public instruction, after verification, shall withhold all state aid payments to which the student's school district of residence is entitled, until the required payments have been made.

**SECTION 21. AMENDMENT.** Section 15.1-32-18 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-32-18. Cost - Liability of school district for special education and other high-cost services.**

1. Each year the superintendent of public instruction shall identify the approximately one percent of ~~special education~~ students with a disability and students with a significant medical condition statewide who are not eligible for cost reimbursement under section 15.1-29-14 and who require the greatest school district expenditures ~~in order to provide them with~~ education and services, including special education and related services. This percentage represents the number of students that would qualify for excess cost reimbursement beyond the multiplier that is established in subsection 3.
2. The excess costs of providing ~~special education and related~~ services to these students are the responsibility of the state and the superintendent of public instruction shall reimburse the school districts for any excess costs incurred in the provision of ~~special education and related~~ the services to the identified students.
3. "Excess costs" are those that exceed four times the state average cost of education per student and which are incurred by the ~~special education~~ students identified in subsection 1.
4. All costs of providing ~~special education and related~~ services to those students identified in subsection 1, other than excess costs reimbursed by the state, are the responsibility of the student's school district of residence.

5. In addition to any other reimbursements provided under this section, if a school district expends more than two percent of its annual budget for the provision of special education and related services to one student with a disability or significant medical condition, the district shall notify the superintendent of public instruction. Upon verification, the superintendent shall reimburse the district for the difference between:
  - a. Two percent of the district's annual budget; and
  - b. The lesser of:
    - (1) The amount actually expended by the district for the provision of special education and related services to that student; or
    - (2) The amount representing four times the state average cost of education per student.

**SECTION 22. AMENDMENT.** Section 54-24.3-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-24.3-01. Definitions.**

In this chapter, unless the context otherwise requires:

1. "Academic library" means a library that is part of a college or university that is publicly or privately funded and whose primary role is to provide resources to enrich and support the school's curricula and the research needs of students and faculty.
2. "Library resource center" means a central service unit, whose location is to be agreed upon by members of the regional library cooperative and which is responsible for extending special services to support members of the regional library cooperative, while meeting all cooperative standards.
3. "Multitype library authority" means a geographic subdivision within which multitype libraries are organized for the purpose of providing library and information services through cooperation and mutual support.
4. "Participant library" means any library agreeing to join a regional library cooperative.
5. "Public library" means a library that is supported with funds derived from taxation and which maintains a balanced collection of materials to serve the lifelong information, reading, and recreational needs of the general population. For purposes of this chapter, "public library" includes tribal libraries.
6. "Regional library cooperative" means an organization of one or more types of library organized under Article VI of section 54-24.1-01, or a multitype library authority.
7. "School library media center" means a learning center operated as part of a publicly or privately supported school or school district and whose role is to provide instruction, cooperatively design learning strategies, and provide resources that support and enrich the curriculum, following the North Dakota school library media guidelines.

8. "Special library" means a public or private sector library whose collection is specialized and limited in scope and size and whose role is to provide information to a limited clientele.

**SECTION 23. EFFECTIVE DATE.** Senate Bill No. 2269, as approved by the sixty-eighth legislative assembly, becomes effective July 1, 2023. Sections 3, 4, and 7 of Senate Bill No. 2050, as approved by the sixty-eighth legislative assembly, become effective May 15, 2023.

**SECTION 24. EMERGENCY.** Sections 3, 4, and 7 of Senate Bill No. 2050 and Senate Bill No. 2269, as approved by the sixty-eighth legislative assembly, are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

# CHAPTER 46

## SENATE BILL NO. 2014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the protection and advocacy project.

### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the protection and advocacy project for the purpose of defraying the expenses of the protection and advocacy project, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Protection and advocacy operations	\$7,402,940	\$186,971	\$7,589,911
Total all funds	\$7,402,940	\$186,971	\$7,589,911
Less estimated income	4,263,590	2,951	4,266,541
Total general fund	\$3,139,350	\$184,020	\$3,323,370
Full-time equivalent positions	28.50	0.00	28.50

Approved April 18, 2023

Filed April 19, 2023

## CHAPTER 47

### SENATE BILL NO. 2015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation to the office of the governor, legislative assembly, adjutant general, legislative council, department of environmental quality, department of labor and human rights, department of public instruction, department of commerce, department of health and human services, department of career and technical education, and judicial branch; to create and enact a new subsection to section 10-30.5-02 and a new subsection to section 54-44-11 of the North Dakota Century Code, relating to the purpose and use of the North Dakota development fund and a facility management operating fund; to amend and reenact section 15.1-27-04.1 as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, sections 15.1-36-02 and 15.1-36-04, subsection 2 of the new section to chapter 19-03.1, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, subsection 1 of section 21-10-12, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, section 24-02-37.3, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, sections 48-10-02, 54-06-14.7, and 54-21-19, sections 54-52-02.5, 54-52-02.9, 54-52-02.11, and 54-52-02.12, as amended in sections 3, 4, 5, and 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-02.15 as created by section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52-03, subsection 2 of section 54-52-06.4, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, subsection 4 of section 54-52-17, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, section 54-52.2-09 as created by section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 3 of section 54-52.6-01 and section 54-52.6-02 as amended in sections 14 and 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 1 of section 54-52.6-02.1 and section 54-52.6-02.2 as created by sections 16 and 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, subsection 2 of section 54-52.6-03 as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-52.6-09 as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, section 54-63.1-04, and the new subsection to section 61-16.1-11, as created in section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, of the North Dakota Century Code and section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly, relating to baseline funding and the determination of state school aid, loans from the coal development trust fund, evidence of indebtedness, distribution of illegal drugs, legacy fund earnings, the flexible transportation fund, the capitol grounds planning commission spending limit, the state leave sharing program, capitol grounds rent collections, the retirement board, the public employees retirement system retirement plan, the public employees retirement system plan for state peace officers, the clean sustainable energy authority duties, and joint water resource boards; to repeal

section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, relating to a transfer of Bank of North Dakota profits to a water infrastructure revolving loan fund; to provide for a transfer; to provide an exemption; to provide for a legislative management study; to provide a report; to provide a penalty; to provide for application; to provide a retroactive effective date; to provide a contingent effective date; to provide an effective date; and to declare an emergency.

## BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of the office of management and budget, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$21,926,979	\$1,231,851	\$23,158,830
Operating expenses	15,663,214	3,729,579	19,392,793
Capital assets	764,515	8,567,640	9,332,155
Emergency commission contingency fund	400,000	0	400,000
Targeted market equity pool	0	82,500,000	82,500,000
Guardianship grants	2,450,000	4,650,000	7,100,000
Prairie public broadcasting	1,200,000	1,792,450	2,992,450
Community service supervision grants	350,000	0	350,000
State student internship program	0	500,000	500,000
Governor's emergency education relief	0	3,659,555	3,659,555
Deferred maintenance funding pool	0	20,000,000	20,000,000
New and vacant FTE funding pool	0	98,200,000	98,200,000
Employer retirement contribution pool	0	12,538,779	12,538,779
Infrastructure grant	0	<u>200,000</u>	<u>200,000</u>
Total all funds	\$42,754,708	\$237,569,854	\$280,324,562
Less estimated income	<u>8,828,309</u>	<u>137,175,715</u>	<u>146,004,024</u>
Total general fund	\$33,926,399	\$100,394,139	\$134,320,538
Full-time equivalent positions	108.00	2.00	110.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Griggs County medical center grant	\$500,000	\$0
Facility consolidation study	350,000	0
Special assessments on capitol grounds	300,000	0
Interior and exterior signage projects	500,000	0
Statewide budget software	1,230,100	0
Capitol accessibility improvements	750,000	0
Legislative wing ventilation improvements	7,000,000	0

Pierce County medical center grant	1,000,000	0
Accrued leave retirement payouts	0	100,369
Inflationary increases	0	340,000
Capitol accessibility consulting	25,000	50,000
Accessibility improvements - legislative areas	0	150,000
State employee leave management system	0	335,000
Cash management study	0	450,000
Procurement software	2,021,204	400,000
Building automation project	518,800	800,000
Extraordinary repairs	500,000	250,000
Capitol space utilization improvements	0	2,500,000
Central services software and equipment	0	573,800
Governor's residence improvements	0	100,000
Brynhild Haugland room remodeling project	0	250,000
Capitol window replacement project	0	4,000,000
Deferred maintenance projects	10,000,000	20,000,000
Prairie public broadcasting grants	0	1,792,450
State student internship program	100,000	500,000
Governor's emergency education relief	0	3,659,555
Infrastructure grant	0	200,000
Total all funds	\$24,795,104	\$36,451,174
Less estimated income	<u>24,695,104</u>	<u>29,934,355</u>
Total general fund	\$100,000	\$6,516,819

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The office of management and budget shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

### **SECTION 3. APPROPRIATION - COMMUNITY SERVICE SUPERVISION FUND.**

Any moneys in the community service supervision fund under section 29-26-22 are appropriated to the office of management and budget for distribution to community corrections association regions on or before August first of each year for the biennium beginning July 1, 2023, and ending June 30, 2025.

### **SECTION 4. APPROPRIATION - 2021-23 BIENNIUM - OFFICE OF THE GOVERNOR - LEGISLATIVE ASSEMBLY.**

1. There is appropriated from special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$6,500, or so much of the sum as may be necessary, to the office of the governor for the salaries and wages line item for the period beginning with the effective date of this section, and ending June 30, 2023.
2. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000, or so much of the sum as may be necessary, to the legislative assembly for international legislators' forum dues for the period beginning with the effective date of this section, and ending June 30, 2023.

### **SECTION 5. APPROPRIATION - 2021-23 BIENNIUM - ADJUTANT GENERAL - STATE DISASTER RELIEF FUND - SNOW REMOVAL GRANTS - REPORT TO LEGISLATIVE MANAGEMENT.**

1. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing full season emergency snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this section, and ending June 30, 2023.
2. A tribal government, county, township, or city may apply to the department of emergency services for a full season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022.
3. Each tribal government, county, city, or township requesting reimbursement under this section shall submit the request in accordance with guidelines developed by the department of emergency services. An award under subsection 2 must be reduced by any amount awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly. A tribal government, county, city, or township may not be required to return any funds awarded under Senate Bill No. 2183, as approved by the sixty-eighth legislative assembly, due to the calculation completed under subsection 2.
4. The department of emergency services shall distribute the grants under this section before June 30, 2023, and shall report to the legislative management regarding the grants awarded.

**SECTION 6. APPROPRIATION - GENERAL FUND - LEGISLATIVE COUNCIL - DEPARTMENT OF ENVIRONMENTAL QUALITY - DEPARTMENT OF LABOR AND HUMAN RIGHTS - DEPARTMENT OF PUBLIC INSTRUCTION - DEPARTMENT OF COMMERCE - REPORT - ONE-TIME FUNDING.** For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$500,000 to the legislative council for the purpose of contracting for a performance audit of the state auditor and for other consulting services of interim committees. The chairman of the legislative management shall arrange for the audit and receive the audit report. The performance audit must address the efficiency and effectiveness of the state auditor's office relative to industry best practices. The performance audit must include a review of the appropriateness of the number of hours to complete audits; methods used to monitor staff time and allocate hours charged to audits; billing processes; quality assurance processes; the adequacy and timeliness of communications with audited entities, governing boards, and the public; and other areas as determined by the chairman of the legislative management. The funding provided in this subsection is considered a one-time funding item.
2. \$40,000 to the department of environmental quality for the purpose of providing meeting expense reimbursement to members of the onsite wastewater recycling technical committee. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the

department of environmental quality. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency.

3. \$50,000 to the department of labor and human rights for the purpose of defraying expenses of analyzing the administration of occupational and professional boards pursuant to Senate Bill No. 2249, as approved by the sixty-eighth legislative assembly. The funding provided in this subsection is considered a one-time funding item.
4. \$3,000,000 to the department of public instruction for the purpose of providing integrated formula payments.
5. \$500,000 to the department of commerce for the purpose of providing workforce development grants to a tribally controlled community college in the Turtle Mountain area. To be eligible for a grant under this section, a tribally controlled community college shall partner with at least one high school in the state for programs under section 54-60.2-02. During the 2023-24 interim, a tribally controlled community college receiving funding under this program shall report to the department of commerce by August 1, 2024, regarding the use of grant funds and the department of commerce shall provide a report to the legislative management by October 1, 2024, regarding the use of grant funds. The funding provided in this subsection is considered a one-time funding item.
6. \$2,000,000 to the department of commerce for the purpose of defraying the expenses of the office of legal immigration. The funding provided in this subsection is considered a one-time funding item.

**SECTION 7. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEPARTMENT OF HEALTH AND HUMAN SERVICES - DEPARTMENT OF CAREER AND TECHNICAL EDUCATION - ONE-TIME FUNDING - LEGISLATIVE MANAGEMENT REPORT.** For the biennium beginning July 1, 2023, and ending June 30, 2025, there is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the following amounts, or so much of the sum as may be necessary:

1. \$8,250,000 to the department of health and human services for the purpose of providing a behavioral health facility grant. The department of health and human services shall provide the grant as follows:
  - a. A grant of \$8,250,000 must be provided to establish a behavioral health facility in the badlands human service center service region. The grant recipient must provide matching funds of \$1,950,000 to establish the facility.
  - b. The department shall require an entity receiving funding under this subsection to operate the facility for a period of at least ten years and require the grant amount to be repaid if the entity does not operate the facility for at least ten years.
  - c. The requirements of chapter 54-44.4 do not apply to the selection of a grant recipient, the grant award, or payments made under this subsection.
  - d. The funding provided under this subsection is a one-time funding item.

2. \$26,500,000 to the department of career and technical education for the purpose of defraying inflationary costs of existing projects approved under the statewide area career center initiative grant program during the 2021-23 biennium. The department of career and technical education shall distribute the funding to existing career academy projects proportionally based on funding allocations provided to each project during the 2021-23 biennium. If funding approved in this subsection is provided for a career academy project and the funding becomes uncommitted during the 2023-25 biennium, the department of career and technical education may redistribute the funding for existing projects under the program during the biennium beginning July 1, 2023, and ending June 30, 2025. The department of career and technical education shall report to the legislative management during the 2023-24 interim and to the appropriations committees of the sixty-ninth legislative assembly regarding the amount of inflationary funding provided for each project and the construction status of each project. The funding provided under this subsection is considered a one-time funding item.

**SECTION 8. APPROPRIATION - JUDICIAL BRANCH - EMPLOYER RETIREMENT CONTRIBUTION FUNDING.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

Salaries and wages	<u>\$347,518</u>
Total all funds	\$347,518
Less estimated income	<u>4,273</u>
Total general fund appropriation	\$343,245

**SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL - EMPLOYER RETIREMENT CONTRIBUTION FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$58,283, or so much of the sum as may be necessary, to the legislative council for the purpose of providing funding for the cost of the one percent employer retirement contribution increase included in House Bill No. 1040, as approved by the sixty-eighth legislative assembly, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 10. APPROPRIATION - TRANSFER OF APPROPRIATION AUTHORITY - FEDERAL STATE FISCAL RECOVERY FUND - EXEMPTION - SPENDING RESTRICTION - REPORT.**

1. Notwithstanding any other provision of law, on December 1, 2024, the office of management and budget shall transfer any uncommitted federal state fiscal recovery fund appropriation authority from the state agency that received the appropriation authority to the department of corrections and rehabilitation for the purpose of defraying the expenses of salaries and wages and other operating costs of the department of corrections and rehabilitation for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The office of management and budget shall transfer any uncommitted accumulated interest and earnings of the federal state fiscal recovery fund to the department of corrections and rehabilitation during the biennium beginning July 1, 2023, and ending June 30, 2025. Any interest and earnings received

by the department of corrections and rehabilitation under this section are appropriated to the department for the purpose of defraying the expenses of salaries and wages and other operating costs of the department for the biennium beginning July 1, 2023, and ending June 30, 2025.

3. The department of corrections and rehabilitation may not spend general fund savings resulting from the use of the federal state fiscal recovery fund moneys.
4. The office of management and budget shall report to the budget section regarding any appropriation authority and interest and earnings transferred under this section.

**SECTION 11. TRANSFER - TAX RELIEF FUND OR SOCIAL SERVICES FUND TO HUMAN SERVICE FINANCE FUND.** The office of management and budget shall transfer the sum of \$200,000,000 from the tax relief fund or the social services fund under section 57-51.1-07.5 to the human service finance fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 12. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM FUNDS TO STATE AGENCIES.** The office of management and budget shall transfer funds from the state student internship program line item in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 13. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND.** The office of management and budget shall transfer the sum of \$50,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 14. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO NORTH DAKOTA DEVELOPMENT FUND.** The office of management and budget shall transfer the sum of \$30,000,000 from the strategic investment and improvements fund to the North Dakota development fund for programs under chapter 10-30.5, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - DEFERRED MAINTENANCE FUNDING POOL - EXEMPTION - TRANSFER TO STATE AGENCIES.** The sum of \$20,000,000 included in the deferred maintenance funding pool line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the strategic investment and improvements fund for a deferred maintenance funding pool. The office of management and budget may use up to \$12,700,000 from the deferred maintenance funding pool, including up to \$12,000,000 for a boiler replacement project in the capitol and up to \$700,000 for a water mitigation project at the liberty memorial building. Notwithstanding any other provision of law, the office of management and budget shall transfer funds from the deferred maintenance funding pool line item in section 1 of this Act to other eligible state agencies for deferred maintenance.

**SECTION 16. ESTIMATED INCOME - CAPITOL BUILDING FUND.** The sum of \$5,550,000 included in the capital assets line item in section 1 of this Act and identified as one-time funding in section 2 of this Act is from the capitol building fund for the following:

1. \$150,000 for accessibility improvements in legislative areas of the capitol;
2. \$800,000 for a building automation project;
3. \$250,000 for electrical and mechanical repairs;
4. \$100,000 for security improvements at the governor's residence;
5. \$250,000 for a remodeling project in the Brynhild Haugland room in the capitol; and
6. \$4,000,000 for a capitol window replacement project.

**SECTION 17. OPERATING EXPENSES LINE ITEM - CASH MANAGEMENT STUDY - OFFICE OF MANAGEMENT AND BUDGET - REPORT TO LEGISLATIVE MANAGEMENT.** The operating expenses line item in section 1 of this Act includes the sum of \$450,000 from the general fund for the purpose of the office of management and budget procuring consulting services to conduct a study and develop recommendations for improvement of the cash management practices of the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The study must include cash management practices employed by the Bank of North Dakota, state treasurer, retirement and investment office, board of university and school lands, and other agencies as determined by the office of management and budget. The office of management and budget shall report to the legislative management before September 30, 2024, regarding the findings and recommendations resulting from its study.

**SECTION 18. INFRASTRUCTURE GRANT LINE ITEM - RURAL SENIOR CENTER.** The infrastructure grant line item in section 1 of this Act includes the sum of \$200,000 from the general fund for the purpose of providing a rural senior center infrastructure grant to an organization in Wells County located in a city with a population between 1,500 and 1,800 according to the 2020 census, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 19. GRANTS AND SPECIAL ITEMS.** Section 1 of this Act includes appropriation authority which may be used only for the following grants and special items:

Unemployment insurance	\$1,800,000
Capitol grounds planning commission	\$25,000
Statewide memberships and related expenses	\$685,657

**SECTION 20. TARGETED MARKET EQUITY COMPENSATION ADJUSTMENTS - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - BUDGET SECTION REPORT.**

1. The targeted market equity pool line item in section 1 of this Act includes \$45,100,000 from the general fund and \$37,400,000 from special funds derived from federal funds and other income for the purpose of providing compensation adjustments for executive branch state employees in accordance with provisions of this section for the period beginning with the effective date of this section and ending June 30, 2025.
2. The targeted market equity compensation adjustments must be prioritized based on a statewide plan prepared by the office of management and budget based on the funding available in the pool. The plan must address

occupational market disparities, recruitment and retention challenges, and external pay inequities for employees who are critical to the mission of the agency. Employees whose documented performance levels do not meet standards are not eligible for the market equity compensation adjustments.

3. All targeted market equity compensation adjustments must be provided by July 1, 2023.
4. The funding allocated to each agency must be used for the cost to continue the compensation adjustments for the 2023-25 biennium, including the effect of the market equity adjustments on funding needed for the salary increases authorized by the legislative assembly in section 21 of this Act.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the targeted market equity funding pool to eligible executive branch state agencies for approved targeted market equity salary adjustments.
6. The office of management and budget shall provide a report to the budget section regarding the statewide plan, any changes to the plan presented to the sixty-eighth legislative assembly, and the appropriation authority transferred from the pool.

#### **SECTION 21. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.**

1. The 2023-25 biennium compensation adjustments for permanent state employees are to average 6 percent per eligible employee for the first fiscal year of the biennium and are to average 4 percent per eligible employee for the second year of the biennium. The increases for the first year of the biennium are to be given beginning with the month of July 2023, to be paid in August 2023, and for the second year of the biennium are to be given beginning with the month of July 2024, to be paid in August 2024. Increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.
2. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.
3. Probationary employees are not entitled to the increases. However, at the discretion of the appointing authority, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

#### **SECTION 22. NEW AND VACANT FTE FUNDING POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY - APPLICATION - BUDGET SECTION REPORT.**

1. The new and vacant FTE funding pool line item in section 1 of this Act includes \$40,100,000 from the general fund and \$58,100,000 from special funds derived from federal funds and other income for the purpose of providing funding for hiring new full-time equivalent positions and for agencies that do not realize sufficient savings from vacant full-time equivalent positions

in accordance with provisions of this section for the biennium beginning July 1, 2023, and ending June 30, 2025.

2. An executive branch state agency that had funding removed by the sixty-eighth legislative assembly for purposes of the new and vacant full-time equivalent funding pool may submit a request to the office of management and budget for an allocation of funding from the pool:
  - a. To provide funding for the salaries and wages necessary for the 2023-25 biennium for a new full-time equivalent position authorized by the sixty-eighth legislative assembly from the date of hiring through the end of the biennium;
  - b. To provide funding for the salaries and wages necessary for the 2023-25 biennium for filling a full-time equivalent position that was vacant on July 1, 2023, from the date of hiring through the end of the biennium;
  - c. After March 1, 2025, for salaries and wages funding necessary for the 2023-25 biennium if actual salaries and wages savings from vacant positions adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
  - d. As requested by the department of transportation, the sum of up to \$7,400,000 for salaries and wages funding needs.
3. The office of management and budget may transfer general fund appropriation authority from the pool to an agency only upon the agency certifying to the office of management and budget that special funds from federal or other sources are not available for the salaries and wages of the full-time equivalent position.
4. An agency may not receive more funding from the pool than the amount that was removed from the agency budget for new and vacant full-time equivalent positions as contained in the statement of purpose of amendment of bills approved by the sixty-eighth legislative assembly as printed in the house and senate journals.
5. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority from the new and vacant full-time equivalent funding pool to eligible executive branch state agencies:
  - a. Within fifteen days of receiving an agency request for the hiring of a new full-time equivalent position authorized by the sixty-eighth legislative assembly, along with documentation of the salaries and wages necessary for the position for the remainder of the biennium, limited to the amount identified for the position in the statement of purpose of amendment;
  - b. Within fifteen days of receiving an agency request for filling a full-time equivalent position that was vacant on July 1, 2023, along with documentation verifying that funding available for salaries and wages within the agency's budget is insufficient to provide funding for the position for the remainder of the biennium;

- c. Within thirty days of receiving an agency request, along with documentation verifying that actual salaries and wages savings from vacant positions through February 2025 and estimates for the remainder of the biennium adjusted for other salaries and wages uses are less than the estimate used by the sixty-eighth legislative assembly in the development of the agency's appropriation; or
  - d. Within fifteen days of receiving a request from the department of transportation to transfer the sum of up to \$7,400,000 for salaries and wages funding needs.
6. The provisions of section 54-27-10 do not apply to the salaries and wages line item of appropriations approved by the sixty-eighth legislative assembly for the biennium beginning July 1, 2023, and ending June 30, 2025.
  7. If funding in the new and vacant full-time equivalent funding pool is insufficient to provide the necessary salaries and wages funding for the biennium, the office of management and budget shall request a deficiency appropriation from the sixty-ninth legislative assembly. Any funding remaining in the funding pool at the end of the biennium must be canceled in accordance with the provisions of section 54-44.1-11.
  8. The office of management of budget shall report to each meeting of the budget section regarding salaries and wages, vacant position information, and use of funding in the pool including:
    - a. The number of agency requests submitted, amounts transferred from the pool, and information on:
      - (1) New full-time equivalent positions, including the date hired; and
      - (2) Vacant full-time equivalent positions, including dates the positions were vacated and filled;
    - b. Salaries and wages savings to date resulting from vacant positions by agency; and
    - c. Each agency's use of salaries and wages funding, including amounts spent for accrued leave payouts, salary increases in addition to general salary increases provided by the sixty-eighth legislative assembly, bonuses, incentive or location pay adjustments, reclassifications, funding used for temporary salaries or overtime in excess of amounts provided by the sixty-eighth legislative assembly, or other purposes.

**SECTION 23. EMPLOYER RETIREMENT CONTRIBUTION POOL - GUIDELINES - EXEMPTION - TRANSFER OF APPROPRIATION AUTHORITY.**

1. The employer retirement contribution pool line item in section 1 of this Act includes \$5,563,709 from the general fund and \$6,975,070 from special funds derived from federal funds and other income for providing funding to executive branch agencies for the increased cost of the employer retirement contribution increases included in House Bill No. 1040, House Bill No. 1183, and House Bill No. 1309, as approved by the sixty-eighth legislative assembly, in accordance with provisions of this section, for the biennium beginning July 1, 2023, and ending June 30, 2025.

2. Notwithstanding any other provision of law, the office of management and budget shall transfer appropriation authority provided in this section to the listed executive branch state agencies as follows:

	<u>General Fund</u>	<u>Other Funds</u>	<u>Total Funds</u>
Governor	\$26,154	\$0	\$26,154
Secretary of state	24,295	4,050	28,345
Office of management and budget	95,753	16,423	112,176
Information technology department	104,514	525,014	629,528
State auditor	44,533	32,769	77,302
State treasurer	7,502	0	7,502
Attorney general	1,268,037	843,938	2,111,975
Tax commissioner	114,348	0	114,348
Office of administrative hearings	0	7,135	7,135
Commission on legal counsel for indigents	45,111	1,268	46,379
Retirement and investment office	0	42,355	42,355
Public employees retirement system	0	36,736	36,736
Ethics commission	1,957	0	1,957
Department of public instruction	31,605	53,383	84,988
North Dakota university system	39,435	16,789	56,224
Department of trust lands	0	40,947	40,947
Bismarck state college	31,441	56,303	87,744
Lake region state college	14,693	20,449	35,142
Williston state college	8,607	12,224	20,831
University of North Dakota	100,821	520,248	621,069
University of North Dakota school of medicine and health sciences	38,691	68,304	106,995
North Dakota state university	97,772	375,024	472,796
North Dakota state college of science	43,662	53,548	97,210
Dickinson state university	15,061	19,859	34,920
Mayville state university	11,331	43,952	55,283
Minot state university	31,980	49,180	81,160
Valley City state university	17,606	16,577	34,183
Dakota college at Bottineau	8,526	9,863	18,389
North Dakota forest service	8,411	669	9,080
State library	16,695	3,148	19,843
School for the deaf	23,099	1,617	24,716
North Dakota vision services - school for the blind	12,195	1,382	13,577
Center for distance education	9,799	0	9,799
Department of career and technical education	21,878	3,144	25,022
Department of health and human services - public health	49,333	156,146	205,479
Department of environmental quality	51,295	119,961	171,256
Veterans' home	20,372	58,979	79,351
Indian affairs commission	4,454	0	4,454
Department of veterans' affairs	7,261	1,075	8,336
Department of health and human services - human services	1,265,293	831,416	2,096,709
Protection and advocacy project	12,935	16,646	29,581
Job service North Dakota	1,878	138,944	140,822
Insurance commissioner	0	51,040	51,040
Industrial commission	123,610	11,031	134,641

Department of labor and human rights	11,636	2,448	14,084
Public service commission	26,468	21,823	48,291
Aeronautics commission	0	8,712	8,712
Department of financial institutions	0	42,723	42,723
Securities department	0	11,771	11,771
Bank of North Dakota	0	181,939	181,939
Housing finance agency	0	53,004	53,004
Mill and elevator association	0	168,887	168,887
Workforce safety and insurance	0	254,365	254,365
Highway patrol	15,723	14,180	29,903
Department of corrections and rehabilitation	1,111,528	59,883	1,171,411
Adjutant general	128,680	235,829	364,509
Department of commerce	65,463	12,165	77,628
Agriculture commissioner	46,693	31,803	78,496
Upper great plains transportation institute	4,868	11,964	16,832
Branch research centers	21,139	14,106	35,245
NDSU extension service	22,744	17,085	39,829
Northern crops institute	797	671	1,468
NDSU main research center	33,694	9,151	42,845
Agronomy seed farm	0	2,958	2,958
North Dakota racing commission	2,008	105	2,113
State historical society	66,191	9,389	75,580
Council on the arts	5,650	0	5,650
Game and fish department	0	381,164	381,164
Parks and recreation department	148,484	8,375	156,859
Department of water resources	0	108,163	108,163
Department of transportation	0	1,050,871	1,050,871
Total	\$5,563,709	\$6,975,070	\$12,538,779

<sup>15</sup> **SECTION 24.** A new subsection to section 10-30.5-02 of the North Dakota Century Code is created and enacted as follows:

Moneys in the fund may be used to provide financing for projects that enhance production of clean sustainable energy in the state only to the extent the project has been recommended by the clean sustainable energy authority under chapter 54-63.1.

<sup>16</sup> **SECTION 25. AMENDMENT.** Section 15.1-27-04.1 of the North Dakota Century Code as amended by section 10 of Senate Bill No. 2284, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**15.1-27-04.1. Baseline funding - Establishment - Determination of state aid. (Effective through June 30, 2025)**

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:

<sup>15</sup> Section 10-30.5-02 was also amended by section 1 of House Bill No. 1216, chapter 105.

<sup>16</sup> Section 15.1-27-04.1 was also amended by section 18 of Senate Bill No. 2013, chapter 45, and section 10 of Senate Bill No. 2284, chapter 173.

- a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
- b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
- c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:
  - (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2021-22 school year, seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, and an additional seventeen percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid each school year thereafter, until the 2024-25 school year when sixty-eight percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
  - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
  - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
  - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c) (3);
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
  - (1) Mobile home tax revenue;
  - (2) Telecommunications tax revenue; and

- (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit; and
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.
2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
  - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
  - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~TheFor the 2023-24 school year the~~ superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the ~~2024-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
    - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;

- (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
    - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.
  - b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
    - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
    - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
    - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~fifty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, except the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent, adjusted pursuant to section 15.1-27-04.3; and
  - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
    - (1) Tuition revenue shall be adjusted as follows:
      - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of

subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and

(b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.

(2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
  - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
  - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
  - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

**Baseline funding - Establishment - Determination of state aid. (Effective after June 30, 2025)**

1. To determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - a. All state aid received by the district in accordance with chapter 15.1-27 during the 2018-19 school year;
  - b. An amount equal to the property tax deducted by the superintendent of public instruction to determine the 2018-19 state aid payment;
  - c. An amount equal to seventy-five percent of the revenue received by the school district during the 2017-18 school year for the following revenue types:

- (1) Revenue reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (2) Mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
  - (3) Tuition reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition received for the provision of an adult farm management program, and beginning in the 2025-26 school year, eighty-five percent of tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid, until the 2026-27 school year, and each school year thereafter, when all tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid must be excluded from the tuition calculation under this paragraph;
  - (4) Revenue from payments in lieu of taxes on the distribution and transmission of electric power;
  - (5) Revenue from payments in lieu of taxes on electricity generated from sources other than coal; and
  - (6) Revenue from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c) (3); and
- d. An amount equal to the total revenue received by the school district during the 2017-18 school year for the following revenue types:
- (1) Mobile home tax revenue;
  - (2) Telecommunications tax revenue; and
  - (3) Revenue from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans credit.
- e. Beginning with the 2020-21 school year, the superintendent shall reduce the baseline funding for any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2012-13 school year. The reduction must be proportional to the number of weighted student units in the grades that are offered through another school district relative to the total number of weighted student units the school district offered in the year before the school district became an elementary district. The reduced baseline funding applies to the calculation of state aid for the first school year in which the school district becomes an elementary district and for

- each year thereafter. For districts that become an elementary district prior to the 2020-21 school year, the superintendent shall use the reduced baseline funding to calculate state aid for the 2020-21 school year and for each year thereafter.
2. a. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's 2017-18 weighted student units to determine the district's baseline funding per weighted student unit.
  - b. For any school district that becomes an elementary district pursuant to section 15.1-07-27 after the 2017-18 school year, the superintendent shall adjust the district's baseline funding per weighted student unit used to calculate state aid. The superintendent shall divide the district's baseline funding determined in subsection 1 by the district's weighted student units after the school district becomes an elementary district to determine the district's adjusted baseline funding per weighted student unit. The superintendent shall use the district's adjusted baseline funding per weighted student unit in the calculation of state aid for the first school year in which the school district becomes an elementary district and for each year thereafter.
  - c. Beginning with the 2021-22 school year and for each school year thereafter, the superintendent shall reduce the district's baseline funding per weighted student unit. Each year the superintendent shall calculate the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit provided in subsection 3. ~~TheFor the 2023-24 school year the superintendent shall reduce the district's baseline funding per weighted student unit by ~~fifteen~~forty percent of the amount by which the district's baseline funding per weighted student unit exceeds the payment per weighted student unit for the 2024-22~~2023-24 school year. For each year thereafter, the reduction percentage is increased by an additional fifteen percent. However, the district's baseline funding per weighted student unit, after the reduction, may not be less than the payment per weighted student unit provided in subsection 3.
3. a. For the 2023-24 school year, the superintendent shall calculate state aid as the greater of:
    - (1) The district's weighted student units multiplied by ten thousand six hundred forty-six dollars;
    - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by ten thousand six hundred forty-six dollars; or
    - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~forty-five~~forty percent and then the difference added to the amount determined in paragraph 1.

- b. For the 2024-25 school year and each school year thereafter, the superintendent shall calculate state aid as the greater of:
  - (1) The district's weighted student units multiplied by eleven thousand seventy-two dollars;
  - (2) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's weighted student units, not to exceed the district's 2017-18 baseline weighted student units, plus any weighted student units in excess of the 2017-18 baseline weighted student units multiplied by eleven thousand seventy-two dollars; or
  - (3) The district's baseline funding as established in subsection 1 less the amount in paragraph 1, with the difference reduced by ~~sixty~~fifty-five percent for the 2024-25 school year and the reduction percentage increasing by fifteen percent each school year thereafter until the difference is reduced to zero, and then the difference added to the amount determined in paragraph 1.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
  - a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district; and
  - b. Subtract an amount equal to seventy-five percent of all revenue types listed in subdivisions c and d of subsection 1. Before determining the deduction for seventy-five percent of all revenue types, the superintendent of public instruction shall adjust revenues as follows:
    - (1) Tuition revenue shall be adjusted as follows:
      - (a) In addition to deducting tuition revenue received specifically for the operation of an educational program provided at a residential treatment facility, tuition revenue received for the provision of an adult farm management program, and tuition received under an agreement to educate students from a school district on an air force base with funding received through federal impact aid as directed each school year in paragraph 3 of subdivision c of subsection 1, the superintendent of public instruction also shall reduce the total tuition reported by the school district by the amount of tuition revenue received for the education of students not residing in the state and for which the state has not entered a cross-border education contract; and
      - (b) The superintendent of public instruction also shall reduce the total tuition reported by admitting school districts meeting the requirements of subdivision e of subsection 2 of section 15.1-29-12 by the amount of tuition revenue received for the education of students residing in an adjacent school district.
    - (2) After adjusting tuition revenue as provided in paragraph 1, the superintendent shall reduce all remaining revenues from all revenue types by the percentage of mills levied in 2022 by the school district for

sinking and interest relative to the total mills levied in 2022 by the school district for all purposes.

5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.
6. On or before June thirtieth of each year, the school board shall certify to the superintendent of public instruction the final average daily membership for the current school year.
7. For purposes of the calculation in subsection 4, each county auditor, in collaboration with the school districts, shall report the following to the superintendent of public instruction on an annual basis:
  - a. The amount of revenue received by each school district in the county during the previous school year for each type of revenue identified in subdivisions c and d of subsection 1;
  - b. The total number of mills levied in the previous calendar year by each school district for all purposes; and
  - c. The number of mills levied in the previous calendar year by each school district for sinking and interest fund purposes.

<sup>17</sup> **SECTION 26. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.**

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, ~~or~~ an emergency repair, or a legislatively defined condition, and the board of a school district shall:
  - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order ~~it~~ the application received approval under section 15.1-36-01.

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<sup>17</sup> Section 15.1-36-02 was also amended by section 27 of Senate Bill No. 2015, chapter 47. The North Dakota Supreme Court declared Senate Bill No. 2015 void in *Board of Trustees of The North Dakota Public Employees' Retirement System v. North Dakota Legislative Assembly*, by judgment filed October 12, 2023.

4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
  - a. For a loan made under this section subsection:
    - a.(1) The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is ~~two~~five million dollars;
    - b.(2) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
    - e.(3) The interest rate of the loan may not exceed two percent per year.
  - b. During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under subsection 2. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:
    - (1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;
    - (2) The maximum loan amount for which a school district may qualify is five million dollars;
    - (3) The interest rate on the loan may not exceed two percent per year;
    - (4) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
    - (5) The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.

- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

<sup>18</sup> **SECTION 27. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. Coal development trust fund - Board of university and school lands - School construction projects - Unanticipated construction projects and emergency repairs - Loans.**

1. Up to sixty million dollars from the coal development trust fund is available to the board of university and school lands for loans under this section.
2. To be eligible for a loan under this section, the school district must demonstrate a need based on an unanticipated construction project, an unanticipated replacement project, an emergency repair, or a legislatively defined condition, and the board of a school district shall:
  - a. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - b. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. The superintendent of public instruction shall consider each loan application in the order the application received approval under section 15.1-36-01.
4. If the superintendent of public instruction approves the loan, the board of university and school lands shall issue a loan from the coal development trust fund.
  - a. For a loan made under this ~~subsection~~section:
    - (1)a. The minimum loan amount is two hundred fifty thousand dollars and the maximum loan amount for which a school district may qualify is five million dollars;
    - (2)b. The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and
    - (3)c. The interest rate of the loan may not exceed two percent per year.
  - ~~b. During the 2023-25 biennium, a loan including additional expenses due to unanticipated construction inflation is an allowable condition under~~

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<sup>18</sup> Section 15.1-36-02 was also amended by section 26 of Senate Bill No. 2015, chapter 47. The North Dakota Supreme Court declared Senate Bill No. 2015 void in *Board of Trustees of The North Dakota Public Employees' Retirement System v. North Dakota Legislative Assembly*, by judgment filed October 12, 2023.

~~subsection 2 of this section. For a loan made under this subsection which includes additional expenses due to unanticipated construction inflation:~~

- ~~(1) The unanticipated construction inflation must have occurred for a construction project bid after January 1, 2021, and before June 30, 2024;~~
  - ~~(2) The maximum loan amount for which a school district may qualify is five million dollars;~~
  - ~~(3) The interest rate on the loan may not exceed two percent per year;~~
  - ~~(4) The term of the loan is twenty years, unless the board of the school district requests a shorter term in the written loan application; and~~
  - ~~(5) The school district may pledge revenues derived from its general fund levy authority or other sources of revenue authorized by law.~~
5. a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating the loan originated under this section.
  - b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
  - c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
  - d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
6. For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 28. AMENDMENT.** Section 15.1-36-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-04. Evidences of indebtedness.**

~~The~~Except as otherwise provided in this chapter, the board of a school district may issue and sell evidences of indebtedness under chapter ~~21-02 or 21-03~~ to finance the construction or improvement of a project approved under this chapter. The principal amount of the loan and the evidences of indebtedness to repay the loan may not exceed the loan amount for which the district is eligible under this chapter.

Evidences of indebtedness issued under this chapter or chapter 21-03 constitute a general obligation of the school district.

<sup>19</sup> **SECTION 29. AMENDMENT.** Subsection 2 of the new section to chapter 19-03.1 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2248, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. An individual is guilty of causing death or injury by distributing a controlled substance if the individual willfully ~~supplies another to deliver a controlled substance to an individual who consumes the controlled substance and that delivers a controlled substance, or supplies another to deliver or consume a controlled substance, and~~ an individual dies or is injured from overdosing after consuming a portion of ~~the~~that controlled substance.
  - a. A violation of this section is a class A felony.
  - b. This section does not limit a conviction under chapter 12.1-16, but an individual may not be found guilty of this section and an offense under chapter 12.1-16 if the conduct arises out of the same course of conduct.

**SECTION 30. AMENDMENT.** Subsection 1 of section 21-10-12 of the North Dakota Century Code, as amended in section 3 of Senate Bill No. 2330, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. "Earnings" means an amount equal to ~~seven~~eight percent of the five-year average value of the legacy fund assets as reported by the state investment board using the value of the assets at the end of each fiscal year for the five-year period ending with the most recently completed even-numbered fiscal year.

<sup>20</sup> **SECTION 31. AMENDMENT.** Section 24-02-37.3 of the North Dakota Century Code, as amended by section 10 of House Bill No. 1012, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**SECTION 10. AMENDMENT.** Section 24-02-37.3 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2113, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**24-02-37.3. Flexible transportation fund - Budget section approval - Report.**

There is created in the state treasury the flexible transportation fund. The fund consists of eligible federal or state funding and any contributed private funds.

1. The flexible transportation fund must be administered and expended by the director and may be used for the following:

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<sup>19</sup> Section 19-03.1-22.6 was created by section 1 of Senate Bill No. 2248, chapter 209.

<sup>20</sup> Section 24-02-37.3 was created by section 1 of Senate Bill No. 2113, chapter 266, and was also amended by section 10 of House Bill No. 1012, chapter 12.

- a. Providing a match for federal funding obtained by the department of transportation.
  - b. State-funded road and bridge construction and maintenance, and transportation support costs including staffing, facilities, and operational expenditures on the state highway system.
  - c. State-funded road and bridge construction and maintenance activities within the state but off of the state highway system. The director shall establish the terms and provisions of the program.
2. All money derived from the investment of the flexible transportation fund or any portion of the fund, must be credited to the flexible transportation fund. The director shall monthly transmit all moneys collected and received under this chapter to the state treasurer to be transferred and credited to the flexible transportation fund.
  3. The director must receive budget section approval for any project that utilizes more than fifteen million dollars from the fund except for projects that match federal or private funds and the amount utilized from the fund is fifty percent or less of total project costs. Any request considered by the budget section must comply with section 54-35-02.9.
  4. The director shall allocate at least twenty-five percent of motor vehicle excise tax collections deposited in the flexible transportation fund pursuant to section 57-40.3-10 for non-oil-producing county and township road and bridge projects as follows:
    - a. The funds must be allocated by the department to counties for projects or grants for the benefit of counties and organized and unorganized townships;
    - b. The department shall establish criteria to distribute the funds;
    - c. The funds must be used for the maintenance and improvement of county and township paved and unpaved roads and bridges;
    - d. Priority must be given to projects that match federal funds and to projects that improve roadways that serve as local corridors;
    - e. An organized township is not eligible to receive funding if the township does not maintain any roadways or does not levy at least eighteen mills for general purposes; and
    - f. For purposes of this subsection, "non-oil-producing county" means a county that received no allocation of funding or a total allocation of less than five million dollars under subsection 2 of section 57-51-15 in the most recently completed even-numbered fiscal year before the start of each biennium.
  5. The director shall provide periodic reports to the budget section regarding the status of the fund and projects receiving allocations from the fund.

**SECTION 32. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

**48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.**

1. The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.
2. Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.
3. The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning related to remodeling expenses but may not exceed two hundred fifty thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

**SECTION 33. AMENDMENT.** Section 54-06-14.7 of the North Dakota Century Code is amended and reenacted as follows:

**54-06-14.7. State leave sharing program - Rulemaking.**

1. The human resource management services division of the office of management and budget shall establish a state leave sharing program for permanent employees of the state. The program must provide for a mechanism for state employees to donate accrued annual and sick leave to an employee who does not have available leave who is suffering from a severe, extreme, or life-threatening condition or who is caring for an immediate relative or household member who is suffering from a severe, extreme, or life-threatening condition.
2. A ~~probationary~~, temporary, employee or contracted employee with a limited-term appointment is not eligible to participate in the leave sharing program. An employee may not use more than four months donated leave in any twelve-

month period and an employee may not retain leave beyond the occurrence necessitating the leave.

3. The human resource management services division shall:
  - a. Require medical certification from a physician, physician assistant, psychologist, or advanced practice nurse practitioner verifying the severe, extreme, or life-threatening nature of the medical condition and the expected duration of the condition;
  - b. Track the amount of leave taken by permanent state employees under the program; and
  - c. Adopt rules in accordance with chapter 28-32 to implement this section.

**SECTION 34. AMENDMENT.** Section 54-21-19 of the North Dakota Century Code is amended and reenacted as follows:

**54-21-19. Director to furnish supplies and maintain capitol, state offices, and executive mansion - Authority to charge for services.**

The director of the office of management and budget shall provide all necessary fuel, electricity, insurance, janitorial, and other services necessary to maintain the state offices on the capitol grounds as well as all necessary furniture, fuel, electricity, express, freight, drayage, and all other necessary supplies for the executive mansion and the capitol grounds and shall make all necessary repairs. The purchases must be in accordance with chapter 54-44.4. The director shall charge an amount equal to the fair value of the office space and other services rendered to all departments that receive and expend moneys from other than the general fund executive branch agencies, except that for good cause the amounts charged may be waived by the director for a one-year period of time with the waiver subject to further annual renewals after proper application has been filed with the director.

**SECTION 35.** A new subsection to section 54-44-11 of the North Dakota Century Code is created and enacted as follows:

The office of management and budget shall establish a facility management operating fund to be used for the salary and operating expenses of the division of facility management. Rental fees collected pursuant to section 54-21-19 must be deposited in the fund. The director of the office of management and budget shall transfer any unobligated balance in the fund to the general fund at the end of each fiscal year.

<sup>21</sup> **SECTION 36. AMENDMENT.** Section 54-52-02.5 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52-02.5. Newly elected and appointed state officials.**

1. After December 31, 1999, but before January 1, 2025~~2024~~, an individual elected or appointed to a state office for the first time must, from and after the date that individual qualifies and takes office, be a participating member of the public employees retirement system unless that person makes an election at

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<sup>21</sup> Section 54-52-02.5 was also amended by section 3 of House Bill No. 1040, chapter 514.

any time during the first six months after the date the person takes office to participate in the defined contribution retirement plan established under chapter 54-52.6.

2. After December 31, ~~2024~~2023, an individual elected or appointed to a state office for the first time, from and after the date that individual qualifies and takes office, must be a participating member of the defined contribution retirement plan established under chapter 54-52.6, unless at the time of election or appointment the individual is a participating or deferred member under this chapter, in which case the official remains a participating member under this chapter.
3. As used in this section, the phrase "for the first time" means an individual appointed, who, after December 31, 1999, does not hold office as an appointed official at the time of that individual's appointment.

<sup>22</sup> **SECTION 37. AMENDMENT.** Section 54-52-02.9 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52-02.9. Participation by temporary employees.**

1. Before January 1, ~~2025~~2024, within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the public employees retirement system under this chapter and receive credit for service after enrollment. Monthly, the temporary employee shall pay to the fund an amount equal to fourteen and twelve hundredths percent times the temporary employee's present monthly salary. The amount required to be paid by a temporary employee increases by one percent times the temporary employee's present monthly salary beginning with the monthly reporting period of January ~~2025~~2024.
2. If the temporary employee first enrolled:
  - a. Before January 1, 2020, in addition the temporary employee shall pay the required monthly contribution to the retiree health benefit fund established under section 54-52.1-03.2. This contribution must be recorded as a member contribution pursuant to section 54-52.1-03.2.
  - b. After December 31, 2019, the temporary employee shall pay to the fund an additional amount equal to one and fourteen hundredths percent times the temporary employee's present monthly salary.
3. A temporary employee who is a participating member under this chapter due to employment before January 1, ~~2025~~2024, who becomes a permanent employee after December 31, ~~2024~~2023, qualifies to participate in the defined benefit retirement plan under this chapter and receive credit for service after enrollment.
4. After December 31, ~~2024~~2023, and within one hundred eighty days of beginning employment, a temporary employee may elect to participate in the defined contribution retirement plan under chapter 54-52.6.

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<sup>22</sup> Section 54-52-02.9 was also amended by section 4 of House Bill No. 1040, chapter 514.

5. An employer may not pay the temporary employee's contributions. A temporary employee may continue to participate as a temporary employee in the public employees retirement system until termination of employment or reclassification of the temporary employee as a permanent employee. A temporary employee may not purchase any additional credit, including additional credit under section 54-52-17.4 or past service under section 54-52-02.6.

<sup>23</sup> **SECTION 38. AMENDMENT.** Section 54-52-02.11 of the North Dakota Century Code, as amended in section 5 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52-02.11. Participation requirements for nonstate elected officials.**

1. Before January 1, ~~2025~~2024, eligible elected officials of participating counties, at their individual option, may enroll in the defined benefit plan within the first six months of their term.
2. After December 31, ~~2024~~2023, eligible elected officials of participating counties, at their individual option, may enroll in the defined contribution retirement plan under chapter 54-52.6 within the first six months of their term.

<sup>24</sup> **SECTION 39. AMENDMENT.** Section 54-52-02.12 of the North Dakota Century Code, as amended in section 6 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52-02.12. Participation requirements for nonstate appointed officials.**

1. Nonstate appointed officials of participating employers appointed on or after August 1, 1999, but before January 1, ~~2025~~2024, who meet the participation requirements of this chapter must be enrolled in the defined benefit plan effective within the first month of taking office.
2. After December 31, ~~2024~~2023, nonstate appointed officials of participating employers who meet the participation requirements must be enrolled in the defined contribution retirement plan under chapter 54-52.6 effective within the first month of taking office.

<sup>25</sup> **SECTION 40. AMENDMENT.** Section 54-52-02.15 of the North Dakota Century Code, as created in section 7 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52-02.15. Public employees retirement system main plan - Closure to new hires - Multiple plan membership.**

1. Under this section "eligible employee" means a permanent employee who:
  - a. Meets all the eligibility requirements set by this chapter;

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<sup>23</sup> Section 54-52-02.11 was also amended by section 5 of House Bill No. 1040, chapter 514.

<sup>24</sup> Section 54-52-02.12 was also amended by section 6 of House Bill No. 1040, chapter 514.

<sup>25</sup> Section 54-52-02.15 was created by section 7 of House Bill No. 1040, chapter 514.

- b. Is at least eighteen years of age;
  - c. Becomes a participating member after December 31, ~~2024~~2023; and
  - d. Is not eligible to participate in the law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
2. Effective January 1, ~~2025~~2024, the public employees retirement system defined benefit main plan maintained for employees is closed to new eligible employees. However, an employee who becomes a participating or deferred member under this chapter before January 1, ~~2025~~2024, remains in the defined benefit retirement plan under this chapter, regardless of being rehired after December 31, ~~2024~~2023.
  3. Except as otherwise provided under this section, effective January 1, ~~2025~~2024, an eligible employee who begins employment with an employer shall participate in the defined contribution retirement plan under chapter 54-52.6 as provided under section 54-52.6-02.1.
  4. This section does not impact an employee to the extent the employee is a participating member in one or more of the following enumerated plans: law enforcement plan, judges' plan, highway patrol plan, teachers' fund for retirement plan, or alternative retirement program established under section 15-10-17 for university system employees.
    - a. A participating or deferred member in the defined contribution retirement plan under chapter 54-52.6 who becomes eligible to participate in a plan enumerated under this subsection is eligible to participate in the retirement plan enumerated under this subsection.
    - b. A participating member of a retirement plan enumerated under this subsection who becomes an eligible employee is not eligible to participate in the defined benefit retirement plan under this chapter but instead participates in the defined contribution retirement plan under chapter 54-52.6. However, this subdivision does not apply to an individual who before January 1, ~~2025~~2024, is a participating or a deferred member under this chapter, as that individual continues to participate in the defined benefit retirement plan under this chapter.
  5. The board shall adopt rules to implement this section.

**SECTION 41. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-03. Governing authority.**

1. A state agency is hereby created to constitute the governing authority of the system to consist of a board of ~~nine~~eleven individuals known as the retirement board. No more than one elected member of the board may be in the employ of a single department, institution, or agency of the state or in the employ of a political subdivision. An employee of the public employees retirement system or the state retirement and investment office may not serve on the board.
4. ~~Two~~

2. ~~Four~~ members of the legislative assembly must be appointed by the chairman of the legislative management to serve on the board.
  - a. ~~If the same political party has the greatest number of members in both the house and senate, one member must be from that majority party and one member from the political party with the next greatest number of members in the house and senate.~~
  - b. ~~If the same political party does not have the greatest number of members in both the house and senate, one member must be from the majority party in the house and one member must be from the majority party in the senate.~~
2. ~~One member~~ The majority leader of the house of representatives shall appoint two members of the house of representatives and the majority leader of the senate shall appoint two members of the senate. The members appointed under this subsection shall serve a term of two years.
3. Four members of the board must be appointed by the governor to serve a term of five years. ~~The~~Each appointee under this subsection must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management ~~retirement and employee benefit plans~~. The governor shall appoint one citizen member ~~isto serve as~~ chairman of the board.
3. One member of the board must be appointed by the attorney general from the attorney general's legal staff and shall serve a term of five years.
4. ~~The state health officer appointed under section 23-01-05 or the state health officer's designee is a member of the board.~~
- ~~5-4.~~ Three board members must be elected by and from among the active participating members, members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under chapter 39-03.1, and members of the job service North Dakota retirement plan. Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.
6. ~~One board member must be elected by and from among those individuals who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the individuals eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.~~
- ~~7-5.~~ The members of the board are entitled to receive one hundred forty-eight dollars per day compensation and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09. This is in addition to any other pay or allowance due the chairman or a member, plus an allowance for expenses they may incur through service on the board.

~~8-6.~~ A board member shall serve a ~~five-year term~~ and until the board member's successor qualifies. Each board member is entitled to one vote, and ~~five~~<sup>six</sup> of the ~~nine~~<sup>eleven</sup> board members constitute a quorum. ~~Five~~<sup>Six</sup> votes are necessary for resolution or action by the board at any meeting.

<sup>26</sup> **SECTION 42. AMENDMENT.** Subsection 2 of section 54-52-06.4 of the North Dakota Century Code, as amended in section 1 of House Bill No. 1309, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The employer of a peace officer employed by the ~~bureau of criminal investigation~~<sup>state</sup> or national guard security officer shall contribute an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17. The employer's contribution must be paid from funds appropriated for salary or from any other funds available for such purposes. If the peace officer's or security officer's assessment is paid by the employer under subsection 3 of section 54-52-05, the employer shall contribute, in addition, an amount equal to the required peace officer's or security officer's assessment.

<sup>27</sup> **SECTION 43. AMENDMENT.** Subsection 4 of section 54-52-17 of the North Dakota Century Code, as amended in section 4 of House Bill No. 1183, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

4. The board shall calculate retirement benefits as follows:
  - a. Normal retirement benefits for all retirees, except supreme and district court judges, peace officers employed by the bureau of criminal investigation, and other peace officers employed by the state, reaching normal retirement date equal an annual amount, payable monthly, comprised of a service benefit and a prior service benefit, as defined in this chapter, which is determined as follows:
    - (1) ~~For members first enrolled:~~
      - (a) ~~Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.~~
      - (b) ~~After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment. The first twenty years of credited service multiplied by three percent of final average salary.~~
    - (2) ~~Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment. For years in excess of twenty years of credited service multiplied by one and seventy-five hundredths percent of final average salary.~~

<sup>26</sup> Section 54-52-06.4 was also amended by section 2 of House Bill No. 1183, chapter 513, and section 1 of House Bill No. 1309, chapter 515.

<sup>27</sup> Section 54-52-17 was also amended by section 3 of House Bill No. 1183, chapter 513, section 4 of House Bill No. 1183, chapter 513, section 2 of House Bill No. 1309, chapter 515, section 3 of House Bill No. 1309, chapter 515, and section 4 of House Bill No. 1309, chapter 515.

- b. Normal retirement benefits for all supreme and district court judges under the public employees retirement system reaching normal retirement date equal an annual amount, payable monthly, comprised of a benefit as defined in this chapter, determined as follows:
  - (1) Benefits must be calculated from the time of appointment or election to the bench and must equal three and one-half percent of final average salary multiplied by the first ten years of judicial service, two and eighty hundredths percent of final average salary multiplied by the second ten years of judicial service, and one and one-fourth percent of final average salary multiplied by the number of years of judicial service exceeding twenty years.
  - (2) Service benefits must include, in addition, an amount equal to the percent specified in subdivision a of final average salary multiplied by the number of years of nonjudicial employee service and employment.
- c. Normal retirement benefits for a peace officer employed by the bureau of criminal investigation reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
  - (1) For members first enrolled:
    - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
    - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
  - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- d. Normal retirement benefits for a peace officer employed by the state, other than by the bureau of criminal investigation, reaching the normal retirement date equals an annual amount, payable monthly, comprised of a service benefit and a prior service benefit determined as follows:
  - (1) For members first enrolled:
    - (a) Before January 1, 2020, service benefit equals two percent of final average salary multiplied by the number of years of service employment.
    - (b) After December 31, 2019, service benefit equals one and seventy-five hundredths percent of final average salary multiplied by the number of years of service employment.
  - (2) Prior service benefit equals two percent of final average salary multiplied by the number of years of prior service employment.
- e. Postponed retirement benefits are calculated as for single life benefits for those members who retired on or after July 1, 1977.

- f. Early retirement benefits are calculated as for single life benefits accrued to the date of termination of employment, but must be actuarially reduced to account for benefit payments beginning before the normal retirement date, as determined under subsection 3. Except for a national guard security officer or firefighter, a firefighter, peace officer, or correctional officer employed by a political subdivision, a peace officer employed by the state, or a supreme court or district court judge, early retirement benefits for members first enrolled after December 31, 2015, are calculated for single life benefits accrued to the date of termination of employment, but must be reduced by fixed rate of eight percent per year to account for benefit payments beginning before the normal retirement date. A retiree, other than a supreme or district court judge, is eligible for early retirement benefits only after having completed three years of eligible employment. A supreme or district court judge retiree is eligible for early retirement benefits only after having completed five years of eligible employment.
- g. Except for supreme and district court judges, disability retirement benefits are twenty-five percent of the member's final average salary. Disability retirement benefits for supreme and district court judges are seventy percent of final average salary reduced by the member's primary social security benefits and by any workforce safety and insurance benefits paid. The minimum monthly disability retirement benefit under this section is one hundred dollars.

**28 SECTION 44. AMENDMENT.** Section 54-52.2-09 of the North Dakota Century Code, as created in section 13 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52.2-09. Employer match for members of defined contribution retirement plan.**

An employee who first participated in the defined contribution retirement plan under chapter 54-52.6 after December 31, ~~2024~~2023, who elects to contribute less than the optional three percent of wages or salary under subdivision b of subsection 1 of section 54-52.6-09, who participates in the deferred compensation program under this chapter, qualifies for employer matching of contributions made under this section. The employee may elect to contribute an amount of wages or salary which does not exceed any remaining balance of the optional three percent contribution and the employer shall match this contribution. This section does not limit the ability of an employee to contribute unmatched wages or salary under this chapter, subject to federal contribution limitations.

**29 SECTION 45. AMENDMENT.** Subsection 3 of section 54-52.6-01 of the North Dakota Century Code, as amended in section 14 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

3. "Eligible employee", for employees who become participating members after December 31, ~~2024~~2023, has the same meaning as provided under section 54-52-02.15. For employees who elected to join the defined contribution retirement plan under this chapter before January 1, ~~2025~~2024, the term includes a permanent state employee, except an employee of the judicial

<sup>28</sup> Section 54-52.2-09 was created by section 13 of House Bill No. 1040, chapter 514.

<sup>29</sup> Section 54-52.6-01 was also amended by section 14 of House Bill No. 1040, chapter 514.

branch or an employee of the board of higher education and state institutions under the jurisdiction of the board of higher education, who is at least eighteen years of age and who is in a position not classified by the North Dakota human resource management services.

<sup>30</sup> **SECTION 46. AMENDMENT.** Section 54-52.6-02 of the North Dakota Century Code, as amended in section 15 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52.6-02. Election through December 31, ~~2024~~2023.**

1. The board shall provide an opportunity for each eligible employee who is a member of the public employees retirement system on September 30, 2001, and who has not made a written election under this section to transfer to the defined contribution retirement plan before October 1, 2001, to elect in writing to terminate membership in the public employees retirement system and elect to become a participating member under this chapter. Except as provided in section 54-52.6-03, an election made by an eligible employee under this section is irrevocable. The board shall accept written elections under this section from eligible employees during the period beginning on July 1, 1999, and ending 12:01 a.m. December 14, 2001. An eligible employee who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. An eligible employee who makes and files a written election under this section ceases to be a member of the public employees retirement system effective twelve midnight December 31, 2001; becomes a participating member in the defined contribution retirement plan under this chapter effective 12:01 a.m. January 1, 2002; and waives all of that person's rights to a pension, annuity, retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective December 31, 2001. This section does not affect an individual's right to health benefits or retiree health benefits under chapter 54-52.1. An eligible employee who is first employed and entered upon the payroll of that person's employer after September 30, 2001, and before January 1, ~~2025~~2024, may make an election to participate in the defined contribution retirement plan established under this chapter at any time during the first six months after the date of employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window.
2. If an individual who is a deferred member of the public employees retirement system on September 30, 2001, is re-employed before January 1, ~~2025~~2024, and by virtue of that employment is again eligible for membership in the public employees retirement system under chapter 54-52, the individual may elect in writing to remain a member of the public employees retirement system or if eligible to participate in the defined contribution retirement plan established under this chapter to terminate membership in the public employees retirement system and become a participating member in the defined contribution retirement plan established under this chapter. An election made by a deferred member under this section is irrevocable. The board shall accept written elections under this section from a deferred member during the

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<sup>30</sup> Section 54-52.6-02 was also amended by section 15 of House Bill No. 1040, chapter 514.

period beginning on the date of the individual's re-employment and ending upon the expiration of six months after the date of that re-employment. If the board, in its sole discretion, determines that the employee was not adequately notified of the employee's option to participate in the defined contribution retirement plan, the board may provide the employee a reasonable time within which to make that election, which may extend beyond the original six-month decision window. A deferred member who makes and files a written election to remain a member of the public employees retirement system retains all rights and is subject to all conditions as a member of that retirement system. A deferred member who does not make a written election or who does not file the election during the period specified in this section continues to be a member of the public employees retirement system. A deferred member who makes and files a written election to terminate membership in the public employees retirement system ceases to be a member of the public employees retirement system effective on the last day of the payroll period that includes the date of the election; becomes a participating member in the defined contribution retirement plan under this chapter effective the first day of the payroll immediately following the date of the election; and waives all of that person's rights to a pension, an annuity, a retirement allowance, insurance benefit, or any other benefit under the public employees retirement system effective the last day of the payroll that includes the date of the election. This section does not affect any right to health benefits or retiree health benefits to which the deferred member may otherwise be entitled.

3. An eligible employee who elects under this section to participate in the retirement plan established under this chapter must remain a participant even if that employee returns to the classified service or becomes employed by a political subdivision that participates in the public employees retirement system. The contribution amount must be as provided in this chapter, regardless of the position in which the employee is employed. Notwithstanding the irrevocability provisions of this chapter, if a member who elects to participate in the retirement plan established under this chapter becomes a supreme or district court judge, becomes a member of the highway patrol, becomes employed in a position subject to teachers' fund for retirement membership, or becomes an employee of the board of higher education or state institution under the jurisdiction of the board of higher education who is eligible to participate in an alternative retirement program established under subsection 6 of section 15-10-17, the member's status as a member of the defined contribution retirement plan is suspended, and the member becomes a new member of the retirement plan for which that member's new position is eligible. The member's account balance remains in the defined contribution retirement plan, but no new contributions may be made to that account. The member's service credit and salary history that were forfeited as a result of the member's transfer to the defined contribution retirement plan remain forfeited, and service credit accumulation in the new retirement plan begins from the first day of employment in the new position. If the member later returns to employment that is eligible for the defined contribution retirement plan, the member's suspension must be terminated, the member again becomes a member of the defined contribution retirement plan, and the member's account resumes accepting contributions. At the member's option, and pursuant to rules adopted by the board, the member may transfer any available balance as determined by the provisions of the alternate retirement plan into the member's account under this chapter.

4. After consultation with its actuary, the board shall determine the method by which a participating member or deferred member may make a written election under this section. If the participating member or deferred member is married at the time of the election, the election is not effective unless the election is signed by the individual's spouse. However, the board may waive this requirement if the spouse's signature cannot be obtained because of extenuating circumstances.
5. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, then the portion that will cause the disqualification does not apply.
6. A participating member under this section who becomes a temporary employee may still participate in the defined contribution retirement plan upon filing an election with the board within one hundred eighty days of transferring to temporary employee status. The participating member may not become a member of the defined benefit plan as a temporary employee.
  - a. The temporary employee electing to participate in the defined contribution retirement plan shall pay into the plan as provided under section 54-52.6-09.6.
  - b. An employer may not pay the temporary employee's contributions.
  - c. A temporary employee may continue to participate as a temporary employee until termination of employment or reclassification of the temporary employee as a permanent employee.
7. A former participating member under this section who has accepted a retirement distribution pursuant to section 54-52.6-13 and who subsequently becomes employed by an entity different from the employer with which the member was employed at the time the member retired but which does participate in any state-sponsored retirement plan may, before re-enrolling in the defined contribution retirement plan, elect to permanently waive future participation in the defined contribution retirement plan, whatever plan in which the new employing entity participates, and the retiree health program and maintain that member's retirement status. Neither the member nor the employer are required to make any future retirement contributions on behalf of that employee.
8. After December 31, ~~2024~~2023, an eligible employee is no longer allowed to elect participation under this section.

<sup>31</sup> **SECTION 47. AMENDMENT.** Subsection 1 of section 54-52.6-02.1 of the North Dakota Century Code, as created by section 16 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

1. Except as otherwise provided under section 54-52-02.5 or 54-52-02.15 or this chapter, effective January 1, ~~2025~~2024, an eligible employee who is first enrolled shall participate in the defined contribution retirement plan under this chapter.

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<sup>31</sup> Section 54-52.6-02.1 was created by section 16 of House Bill No. 1040, chapter 514.

<sup>32</sup> **SECTION 48. AMENDMENT.** Section 54-52.6-02.2 of the North Dakota Century Code, as created by section 17 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52.6-02.2. Election after December 31, 2024~~2023~~ - Additional employer contribution.**

1. As used in this section, "eligible employee" means a permanent state employee who on December 31, 2024~~2023~~, is a participating member of the public employees retirement system main system plan under chapter 54-42, who has been a participating member under chapter 54-52 for no more than five years, and who is at least eighteen years of age.
2. The board shall provide a three-month election period, from January 1, 2025~~2024~~, through March 31, 2025~~2024~~, for an eligible employee to transfer to the defined contribution plan under this chapter pursuant to the rules and policies adopted by the board.
  - a. An election under this section made by a member of the public employees retirement system under chapter 54-52 to transfer to the defined contribution retirement plan under this chapter is irrevocable.
  - b. For an eligible employee who elects to transfer from the public employees retirement system under chapter 54-52 to the defined contribution retirement plan under this chapter, the board shall transfer a lump sum amount from the public employees retirement system fund to the member's account in the defined contribution retirement plan under this chapter. However, if the eligible employee terminates employment before receiving the lump sum transfer under this section, the election made is ineffective and the eligible employee remains a member of the public employees retirement system under chapter 54-52 and retains all the rights and privileges under that chapter.
  - c. The board shall calculate the lump sum amount to be transferred based on the actuarial present value of the eligible employee's accumulated benefit obligation under the public employees retirement system based on the assumption the eligible employee will retire under the earlier applicable normal retirement age, plus interest from January 1, 2025~~2024~~, to the date of transfer, at the rate of one-half of one percent less than the actuarial interest assumption at the time of the election.
  - d. This section does not affect an eligible individual's right to health benefits under chapter 54-52.1.
3. The state employer of an eligible employee who elects under this section to participate in the defined contribution retirement plan under this chapter shall pay an additional annual contribution of three thousand three hundred and thirty-three dollars for up to three years. Under this subsection, the employer shall pay the additional contribution each year the eligible employee continues permanent employment with the state, beginning January 2026~~2025~~, and extending no further than January 2028~~2027~~.

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<sup>32</sup> Section 54-52.6-02.2 was created by section 17 of House Bill No. 1040, chapter 514.

4. If the board receives notification from the internal revenue service that this section or any portion of this section will cause the public employees retirement system or the retirement plan established under this chapter to be disqualified for tax purposes under the Internal Revenue Code, that portion that will cause the disqualification does not apply.

<sup>33</sup> **SECTION 49. AMENDMENT.** Subsection 2 of section 54-52.6-03 of the North Dakota Century Code, as amended by section 18 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

2. The board shall calculate the amount to be transferred for persons employed after September 30, 2001, and before January 1, ~~2025~~2024, using only the formula contained in subdivision b of subsection 1.

<sup>34</sup> **SECTION 50. AMENDMENT.** Section 54-52.6-09 of the North Dakota Century Code, as amended in section 22 of House Bill No. 1040, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**54-52.6-09. Contributions - Penalty.**

1. a. A participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly seven percent of the monthly salary or wage paid to the participant.
  - b. A participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, shall contribute monthly four percent of the monthly salary or wage paid to the participant. In addition, the participating member may elect to contribute monthly up to an additional three percent of the monthly salary or wage paid to the participant.
  - c. This assessment must be deducted from the participant's salary in equal monthly installments commencing with the first month of participation in the defined contribution retirement plan established under this chapter.
2. a. For a participating member who first joined the defined contribution retirement plan before January 1, ~~2025~~2024, and for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to seven and twelve-hundredths percent of the monthly salary or wage of the participating member.
  - b. For a participating member who first joined the defined contribution retirement plan after December 31, ~~2024~~2023, except for an employee who elects to participate in the defined contribution plan under section 54-52.6-02.2, the employer shall contribute an amount equal to four and

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<sup>33</sup> Section 54-52.6-03 was also amended by section 18 of House Bill No. 1040, chapter 514.

<sup>34</sup> Section 54-52.6-09 was also amended by section 22 of House Bill No. 1040, chapter 514.

twelve-hundredths percent of the monthly salary or wage of a participating member, plus up to an additional three percent as an employer matching contribution calculated based on the participating member's election under subdivision b of subsection 1.

- c. For a participating member first enrolled after December 31, 2019, the employer contribution includes an additional increase of one and fourteen-hundredths percent.
  - d. If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. Monthly, the employer shall pay such contribution into the participating member's account from the employer's funds appropriated for payroll and salary or any other funds available for such purposes.
  - e. If the employer fails to pay the contributions monthly, or fails to otherwise comply with the board's established wage reporting or payroll reporting process requirements, the employer is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction of a month after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of the date the contributions became due, penalty and interest to be paid on delinquent contributions may be waived.
3. Each employer, at its option, may pay the employee contributions required by this section for all compensation earned after December 31, 1999. The amount paid must be paid by the employer in lieu of contributions by the employee. If the employer decides not to pay the contributions, the amount that would have been paid will continue to be deducted from the employee's compensation. If contributions are paid by the employer, they must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer may not be included as gross income of the employee in determining tax treatment under this code and the federal Internal Revenue Code until they are distributed or made available. The employer shall pay these employee contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee or by an offset against future salary increases or by a combination of a reduction in gross salary and offset against future salary increases. Employee contributions paid by the employer must be treated for the purposes of this chapter in the same manner and to the same extent as employee contributions made before the date on which employee contributions were assumed by the employer. An employer shall exercise its option under this subsection by reporting its choice to the board in writing.

**SECTION 51. AMENDMENT.** Section 54-63.1-04 of the North Dakota Century Code is amended and reenacted as follows:

**54-63.1-04. Clean sustainable energy authority - Duties - Report.**

1. The authority shall make recommendations to the commission for program guidelines, including eligibility criteria for entities to receive funding under this chapter.
2. The nonvoting technical advisors shall develop a process to review and evaluate projects to determine the technical merits and feasibility of any application, including potential benefits of the development of low-emission technology, the expansion of the development of the state's natural resources or energy production, and the contribution to the economic diversity in the state.
3. The authority may develop a loan program or a loan guarantee program under the clean sustainable energy fund. The Bank of North Dakota shall administer the loan program or loan guarantee program. The interest rate of a loan under this program may not exceed two percent per year. The maximum term of a loan under this section must be approved by the commission based on a recommendation from the authority. The Bank shall review applications for loans or loan guarantees and shall consider the business plan, financial statements, and other information necessary to evaluate the application. To be eligible for a loan or loan guarantee, an entity shall agree to provide the Bank of North Dakota with information as requested. The Bank of North Dakota may develop policies for loan participation with local financial institutions.
4. The authority shall make recommendations to the commission for grant awards, loan approvals, or other financial assistance to provide funding to support research, development, and technological advancements for the large scale development and commercialization of projects, processes, activities, and technologies that reduce environmental impacts and increase sustainability of energy production and delivery in accordance with this chapter. Any projects, processes, activities, and technologies selected by the commission for funding must have been recommended by the authority, must demonstrate feasibility based on a technical review conducted by the nonvoting technical advisors of the authority, must have other sources of financial support, and must achieve the priorities and purposes of the program. At the request of the authority, the Bank of North Dakota shall provide a recommendation regarding the economic feasibility of a project, process, activity, or technology under consideration by the authority. The Bank shall review the business plan, financial statements, and other information necessary to provide a recommendation.
5. The authority shall develop a fertilizer development incentive program, including guidelines to provide loan forgiveness. Funding for the fertilizer development incentive program under this subsection is limited to one hundred twenty-five million dollars.
  - a. To be eligible for the fertilizer development incentive program:
    - (1) The fertilizer production facility must be located within the state;
    - (2) The owner of the fertilizer production facility must be an entity domiciled in the United States or Canada;
    - (3) The owner must borrow money under a program administered by the Bank of North Dakota; and

(4) The fertilizer production facility must use hydrogen produced by the electrolysis of water.

b. Upon completion of the construction of the fertilizer production facility, the authority shall forgive the loan and shall use fertilizer development incentive funding to repay any outstanding amount borrowed, as certified by the Bank. The authority shall request an appropriation from the strategic investment and improvements fund or other funding sources to provide fertilizer development incentive funding to repay any outstanding amount borrowed.

6. The authority may consult with any other state agency necessary to carry out the purposes under this chapter.

~~6-7.~~ Each biennium, the authority shall provide a written report to the legislative management regarding its activities and the program's financial impact on state revenues and the state's economy.

<sup>35</sup> **SECTION 52. AMENDMENT.** The new subsection to section 61-16.1-11 of the North Dakota Century Code, as created by section 1 of Senate Bill No. 2372, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

All districts within the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins shall, by agreement, form and remain a member of a joint water resource board relative to the district's respective drainage basin. All agreements and subsequent amendments must be filed with the department of water resources. Notwithstanding other provisions of law, the board of county commissioners of the member districts in the Red River, James River, Mouse River, Missouri River, and Devils Lake drainage basins ~~shall~~ may approve a levy of tax not to exceed two mills upon the taxable valuation of the real property within each joint board's respective drainage basin.

**SECTION 53. AMENDMENT.** Section 2 of House Bill No. 1438, as approved by the sixty-eighth legislative assembly, is amended and reenacted as follows:

**SECTION 2. RETROACTIVE EFFECTIVE DATE - APPLICATION.**

This Act is retroactively effective and applies for taxable years beginning after December 31, ~~2022~~2021. The limitation on time for filing an abatement claim under section 57-23-04 does not apply to refunds of taxes paid or cancellation of taxes levied for taxable year 2022 on property exempt from taxation under this Act. The board of county commissioners shall direct refund of taxes paid or cancellation of taxes levied on property exempt from taxation under this Act.

**SECTION 54. REPEAL.** Section 5 of Senate Bill No. 2020, as approved by the sixty-eighth legislative assembly, is repealed.

**SECTION 55. BANK OF NORTH DAKOTA LINE OF CREDIT - WATER INFRASTRUCTURE REVOLVING LOAN FUND - TRANSFER.** The Bank of North Dakota shall extend a line of credit not to exceed \$100,000,000 to the department of water resources to be transferred to the water infrastructure revolving loan fund as requested by the director of the department of water resources to provide local

<sup>35</sup> Section 61-16.1-11 was also amended by section 1 of Senate Bill No. 2372, chapter 571.

cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2. The interest rate associated with the line of credit must be the prevailing interest rate charged to North Dakota government entities. The department of water resources shall request a deficiency appropriation from the sixty-ninth legislative assembly to repay the line of credit.

**SECTION 56. PUBLIC EMPLOYEES RETIREMENT SYSTEM - MAIN SYSTEM DEFINED BENEFIT PLAN INVESTMENTS.** During the 2023-25 biennium, the retirement board may not reduce the actuarial rate of return assumption for the public employees retirement system main system defined benefit plan below six and one-half percent.

**SECTION 57. PUBLIC EMPLOYEES RETIREMENT SYSTEM - RETIREMENT PLAN TRANSITION EDUCATION.** During the 2023-25 biennium, the public employees retirement system shall conduct an informational campaign to educate current and prospective state employees of the transition from the defined benefit retirement plan to the defined contribution retirement plan.

**SECTION 58. EXEMPTION - INFRASTRUCTURE REVOLVING LOAN FUND.** Notwithstanding any other provision of law, a park district may apply for a loan from the infrastructure revolving loan fund under section 6-09-49, during the biennium beginning July 1, 2023, and ending June 30, 2025, to refinance an outstanding loan for a project completed after March 31, 2022, and to pay the outstanding balance of any special assessments associated with the project.

**SECTION 59. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE.** Sections 36 through 50 and sections 56 and 57 of this Act are exempt from the requirements of section 54-35-02.4.

**SECTION 60. EXEMPTION - FISCAL MANAGEMENT.** The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2021 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 61. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$500,000 appropriated from the strategic investment and improvements fund in section 1 and identified in section 2 of chapter 40 of the 2019 Session Laws and continued into the 2021-23 biennium pursuant to section 42 of chapter 15 of the 2021 Session Laws for an assessment of state lands and facilities.
2. The sum of \$350,000 appropriated from the capitol building fund in section 1 and identified in section 2 of chapter 15 of the 2021 Session Laws for a facility consolidation study.

**SECTION 62. LEGACY FUND EARNINGS - REPORT TO LEGISLATIVE MANAGEMENT.** Each biennium, the state retirement and investment office shall provide a report including the amount of legacy fund earnings above the percent of market value that would have been transferred to the legacy earnings fund had Senate Bill No. 2330 not been passed by the sixty-eighth legislative assembly to the legislative management.

**SECTION 63. LEGISLATIVE MANAGEMENT STUDY - STATE FIRE AND TORNADO FUND AND STATE BONDING FUND ADMINISTRATION.** During the 2023-24 interim, the legislative management shall consider studying, in collaboration with the insurance commissioner and the director of the office of management and budget, the feasibility and desirability of changing administration of the state fire and tornado fund and state bonding fund from the insurance commissioner to the director of the office of management and budget. The study must include an analysis of the statutory changes necessary to accomplish the change in administration and other statutory changes necessary to facilitate the office of management and budget's administration of these funds. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 64. LEGISLATIVE MANAGEMENT STUDY - MANAGEMENT AND MAINTENANCE OF STATE FACILITIES.**

1. During the 2023-24 interim, the legislative management shall consider studying the policies and procedures of state agencies, excluding institutions under the control of the state board of higher education, for managing, maintaining, and leasing state facilities.
2. The study must include consideration of:
  - a. The most efficient and cost-effective organizational structure for managing, maintaining, and leasing state facilities, including a comparison of allocating funding and full-time equivalent positions to various agencies and centralizing funding and full-time equivalent positions under one agency.
  - b. The costs and benefits of leasing or owning state facilities.
  - c. The appropriate use of contracts for service and full-time equivalent positions for custodial services, mechanical services, snow removal, lawn care, and maintenance.
3. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 65. LEGISLATIVE MANAGEMENT STUDY - GUARDIANSHIP PROGRAMS.** During the 2023-24 interim, the legislative management shall study the state's guardianship programs. The study must include consideration of the existing structure for the programs under the office of management and budget, judicial branch, and department of health and human services; the feasibility of consolidating the programs under one agency; and an appropriate level of funding for the programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 66. CONTINGENT EFFECTIVE DATE.** Sections 36 through 40 and sections 44 through 50 of this Act become effective on January 1, 2024, if before that date the retirement board certifies to the legislative council that the public employees retirement system is prepared to close the main system defined benefit retirement plan on December 31, 2023, and to open the new defined contribution retirement plan on January 1, 2024.

**SECTION 67. EFFECTIVE DATE.** Section 41 of this Act becomes effective on June 1, 2023. Section 27 of this Act becomes effective on July 1, 2024.

**SECTION 68. EMERGENCY.** The following are declared to be an emergency measure:

1. The targeted market equity pool line item in section 1 of this Act and section 20 of this Act;
2. The deferred maintenance funding pool line item in section 1 of this Act and section 15 of this Act;
3. Sections 4, 5, 30, and 41 of this Act;
4. Section 4 of Senate Bill No. 2012, as approved by the sixty-eighth legislative assembly; and
5. Senate Bill No. 2024, as approved by the sixty-eighth legislative assembly.

Approved May 9, 2023

Filed May 10, 2023

NOTE: This bill was voided October 12, 2023, by the North Dakota Supreme Court in *Board of Trustees of The North Dakota Public Employees' Retirement System v. North Dakota Legislative Assembly*.

**CHAPTER 48****SENATE BILL NO. 2016**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide an exemption; to provide a statement of legislative intent; to provide for a legislative management study; to provide for a transfer; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of the office of the adjutant general, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

## Subdivision 1.

## NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,150,489	\$411,321	\$7,561,810
Operating expenses	3,048,313	165,898	3,214,211
Capital assets	224,046	20,300,000	20,524,046
Grants	210,916	259,776	470,692
Civil air patrol	309,125	72,331	381,456
Tuition, recruiting, and retention	3,042,235	320,000	3,362,235
Air guard contract	8,490,161	196,901	8,687,062
Army guard contract	48,203,473	2,143,626	50,347,099
Veterans' cemetery	1,325,998	33,397	1,359,395
Reintegration program	<u>925,524</u>	<u>(45,471)</u>	<u>880,053</u>
Total all funds	\$72,930,280	\$23,857,779	\$96,788,059
Less estimated income	<u>56,326,564</u>	<u>21,842,012</u>	<u>78,168,576</u>
Total general fund	\$16,603,716	\$2,015,767	\$18,619,483

## Subdivision 2.

## DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,232,240	\$620,257	\$12,852,497
Operating expenses	6,502,334	313,233	6,815,567
Capital assets	660,000	150,000	810,000
Grants	14,550,000	13,554,000	28,104,000
Disaster costs	<u>51,485,736</u>	<u>168,633,862</u>	<u>220,119,598</u>
Total all funds	\$85,430,310	\$183,271,352	\$268,701,662

Less estimated income	<u>79,151,794</u>	<u>181,883,703</u>	<u>261,035,497</u>
Total general fund	\$6,278,516	\$1,387,649	\$7,666,165

Subdivision 3.

### SECTION 1 TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$22,882,232	\$3,403,416	\$26,285,648
Grand total special funds	<u>135,478,358</u>	<u>203,725,715</u>	<u>339,204,073</u>
Grand total all funds	\$158,360,590	\$207,129,131	\$365,489,721
Full-time equivalent positions	222.00	11.00	233.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Emergency response equipment and supplies	\$100,000	\$660,000
Dickinson readiness center project	15,500,000	8,900,000
Military museum	10,000,000	0
Fraine Barracks automation system	320,000	0
Fargo readiness center equipment	100,000	0
Bridge training site	6,000,000	0
Camp Grafton expansion	3,500,000	0
Disaster response	887,873	0
Payroll expenses	1,000,000	0
State active-duty software	450,000	0
Camp Grafton housing	2,000,000	0
Deferred maintenance	1,000,000	1,000,000
Retirement payouts	0	275,000
Statewide interoperable radio network equipment	0	2,700,000
Camp Grafton fitness facility	0	9,000,000
Minot airport hangar	0	60,000
State radio consoles	0	150,000
Cybersecurity grant	0	314,000
Safeguarding Tomorrow through Ongoing Risk Mitigation Act	0	1,000,000
Flood mitigation grants	0	225,000
Natural disaster response and recovery grants	0	2,000,000
Disaster grants	<u>0</u>	<u>142,652,500</u>
Total all funds	\$40,857,873	\$168,936,500
Total other funds	<u>38,877,873</u>	<u>167,312,500</u>
Total general fund	\$1,980,000	\$1,624,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The adjutant general shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION.** In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is

appropriated any additional funds that are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. ESTIMATED INCOME - FEDERAL STATE FISCAL RECOVERY FUND - ADJUTANT GENERAL.** The estimated income line item in subdivision 1 of section 1 of this Act includes \$20,600,000 from the federal state fiscal recovery fund, of which up to \$8,900,000 is for the completion of the Dickinson readiness center in accordance with section 5 of this Act, \$2,700,000 is for statewide interoperable radio network equipment, and \$9,000,000 is for the construction of the Camp Grafton fitness facility.

**SECTION 5. CONTINGENT APPROPRIATION - FEDERAL STATE FISCAL RECOVERY FUND - OTHER FEDERAL FUNDS - ADJUTANT GENERAL.**

1. Subject to the provisions of this section, there is appropriated from federal funds derived from the federal state fiscal recovery fund, not otherwise appropriated, the sum of \$5,300,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of constructing Camp Grafton training billets, for the biennium beginning July 1, 2023, and ending June 30, 2025.
2. The funding appropriated under this section is contingent upon the adjutant general certifying to the office of management and budget that at least \$5,300,000 of federal funding sources other than from the federal state fiscal recovery fund is available and will be used for the Dickinson readiness center project. Upon receiving certification, the director of the office of management and budget shall adjust the appropriate amount of federal funding authority for the Dickinson readiness center project from the federal state fiscal recovery fund to the new federal funding source.

**SECTION 6. 2021-23 BIENNIUM APPROPRIATION - TRANSFER - VETERANS' CEMETERY TRUST FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$26,656, which the office of management and budget shall transfer to the veterans' cemetery trust fund for the payment of adjusted compensation to veterans in accordance with provisions of section 12 of chapter 41 of the 2019 Session Laws, during the period beginning with the effective date of this Act, and ending June 30, 2023.

**SECTION 7. ESTIMATED INCOME - STATE DISASTER RELIEF FUND - ADJUTANT GENERAL.** The estimated income line item in subdivision 2 of section 1 of this Act includes \$14,918,245 from the state disaster relief fund, of which \$11,693,245 is for costs related to previous state disasters, \$2,000,000 is for natural disaster response and recovery grants, \$1,000,000 is for the ten percent state match for the federal safeguarding tomorrow through ongoing risk mitigation program, and \$225,000 is for flood mitigation grants.

**SECTION 8. NATURAL DISASTER RESPONSE AND RECOVERY GRANTS.** The disaster costs line item in subdivision 2 of section 1 of this Act includes \$2,000,000 from the state disaster relief fund for preparing for, responding to, and recovering from natural disasters.

**SECTION 9. CYBERSECURITY GRANT PROGRAM.** The adjutant general may spend up to \$314,000 from the general fund in the grants line item in subdivision 2 of

section 1 of this Act providing grants to political subdivisions for all or a portion of the required five percent local match for cybersecurity enforcement.

**SECTION 10. EXEMPTION - MAINTENANCE AND REPAIRS - TRANSFERS.**

Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$500,000 of appropriation authority to the operating expenses and capital assets line items contained in section 1 of this Act, as requested by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2023, and ending June 30, 2025. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 11. EXEMPTION - WATCH CENTER POSITIONS - TRANSFERS.**

Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$409,260 of appropriation authority to the salaries and wages line item from cost-savings in the operating expenses line item contained in section 1 of this Act, as requested by the adjutant general to provide funding for two watch center positions during the biennium beginning July 1, 2023, and ending June 30, 2025. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 12. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. The sum of \$450,000 appropriated from the strategic investment and improvements fund for computer-aided dispatch equipment in section 12 of chapter 16 of the 2021 Session Laws;
2. The sum of \$3,042,235 appropriated from the general fund for tuition assistance, recruiting and retention incentives to eligible current and former members of the North Dakota national guard in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
3. The sum of \$80,000 appropriated from the general fund and \$240,000 of federal funds for the Fraine Barracks automation system in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
4. The sum of \$15,500,000 appropriated from federal funds for the construction of the Dickinson readiness center in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
5. The sum of \$6,000,000 appropriated from federal funds for the line of communication bridge training site in subdivision 1 of section 1 of chapter 16 of the 2021 Session Laws;
6. Any amounts remaining from the national guard training area and facility development trust fund and the strategic investment and improvements fund for the expansion of Camp Grafton in section 3 and section 14 of chapter 16 of the 2021 Session Laws;
7. Any amounts remaining for the purpose of defraying COVID-19 and other expenses in subdivision 7 of section 1 of chapter 27 and subdivision 7 of section 2 of chapter 28 of the 2021 Session Laws;

8. Any amounts remaining from the federal state fiscal recovery fund for replacing the state active duty software and maintenance in subsection 24 of section 1 of chapter 550 of the 2021 Special Session Session Laws; and
9. Any amounts remaining from the federal state fiscal recovery fund for enhancing housing at Camp Grafton in subsection 31 of section 1 of chapter 550 of the 2021 Special Session Session Laws.

**SECTION 13. CAMP GRAFTON - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that:

1. The adjutant general contract for the purchase or long-term lease of land for the Camp Grafton expansion, including the purchase of no more than one thousand six hundred acres and the long-term lease of the remainder, not to exceed six thousand acres in total.
2. The adjutant general not use eminent domain for the expansion of Camp Grafton.

**SECTION 14. GIFTS, DONATIONS, AND BEQUESTS - NORTH DAKOTA MILITARY MUSEUM.** The adjutant general may accept funds, including those from private and federal sources, to match state funds for the construction of a North Dakota military museum during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 15. LEGISLATIVE MANAGEMENT STUDY - COLD WAR TRAIL PROJECT.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of a cold war trail project. The study must consider potential sites to include on the trail and options and costs of:

1. The construction, addition, maintenance, and equipment for new and existing North Dakota cold war historic sites;
2. Providing educational resources regarding North Dakota's role in the cold war; and
3. Promoting tourism for North Dakota cold war historic sites.

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

**SECTION 16. EMERGENCY.** The sum of \$314,000 in the grants line item of subdivision 2 of section 1 of this Act, the sum of \$2,000,000 in the disaster costs line item in subdivision 2 of section 1 of this Act, the sum of \$60,000 in the civil air patrol line item of subdivision 1 of section 1 of this Act, and sections 6, 8, and 9 of this Act are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 49

### SENATE BILL NO. 2017

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; to provide a contingent appropriation; to provide for a transfer; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$33,741,592	\$2,746,155	\$36,487,747
Operating expenses	16,276,782	1,543,716	17,820,498
Capital assets	6,774,770	1,773,891	8,548,661
Grants - game and fish	8,923,343	1,166,633	10,089,976
Land habitat and deer depredation	17,995,597	9,212,172	27,207,769
Noxious weed control	725,000	0	725,000
Missouri River enforcement	296,999	16,342	313,341
Grants, gifts, and donations	670,133	6,853	676,986
Nongame wildlife conservation	100,000	0	100,000
Lonetree reservoir	1,818,409	334,235	2,152,644
Wildlife services	500,000	0	500,000
Shooting sports grant program	250,000	0	250,000
Aquatic nuisance species program	<u>1,509,009</u>	<u>1,229,835</u>	<u>2,738,844</u>
Total special funds	\$89,581,634	\$18,029,832	\$107,611,466
Full-time equivalent positions	164.00	6.00	170.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Additional PLOTS payments	\$1,485,000	\$0
Red River basin wildlife and water quality program	500,000	0
State radio equipment	801,500	0
Aquatic nuisance species laboratory and storage facility	0	850,000
In-car video system and body cameras	0	550,000
Fisheries pond liners	0	1,000,000
Devils Lake bunkhouse improvements	0	350,000
Fisheries dam repairs	0	380,000
Wash stations and other equipment	0	205,000

Uniforms and supplies for new FTE positions	0	89,090
Total special funds	\$2,786,500	\$3,424,090

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The game and fish department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. GRANTS, GIFTS, AND DONATIONS LINE ITEM.** The grants, gifts, and donations line item in section 1 of this Act includes up to \$100,000 received by the game and fish department for surface damage, easements, or reclamation on department-owned or managed properties as a result of mineral exploration and extraction activities.

**SECTION 4. CONTINGENT APPROPRIATION AND FULL-TIME EQUIVALENT POSITIONS - RECOVERING AMERICA'S WILDLIFE ACT.** Subject to the provisions of this section, there is appropriated from federal funds, the sum of \$27,150,000, or so much of the sum as may be necessary, to the game and fish department for the purpose of administering programs approved under the federal Recovering America's Wildlife Act, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department is authorized four full-time equivalent positions for this purpose. The funding and positions authorized in this section are available only upon enactment of the federal Recovering America's Wildlife Act and after corresponding federal funds have been made available to the state. The department shall regularly coordinate with and consider input from the federal environmental law impact review committee in the expenditure of funds for conservation or research under this section.

**SECTION 5. MIDTERM CONSERVATION AGREEMENTS.** The game and fish department may spend up to \$2,777,778 from other funds in the land habitat and deer depredation line item in section 1 of this Act for national fish and wildlife foundation midterm conservation agreements with private landowners. The department shall limit the term of these agreements to a maximum of thirty years. The department shall provide buyback provisions after the fifteenth, twentieth, and twenty-fifth years of the agreement if the property owner desires to withdraw all or a portion of acreage from the lease.

**SECTION 6. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer up to \$2,000,000 of appropriation authority between the operating expenses, capital assets, and grants - game and fish line items in section 1 of this Act as requested by the game and fish department during the biennium beginning July 1, 2023, and ending June 30, 2025. The game and fish department shall notify the legislative council of any transfers made pursuant to this section.

Approved April 27, 2023

Filed April 28, 2023

## CHAPTER 50

### SENATE BILL NO. 2018

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state historical society; to amend and reenact sections 55-03-01 and 55-03-01.1 of the North Dakota Century Code, relating to permit fees; to provide an exemption; to provide a statement of legislative intent; and to provide for a legislative management study.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,791,624	\$722,870	\$16,514,494
Operating expenses	4,473,663	122,168	4,595,831
Capital assets	1,251,015	24,163,413	25,414,428
Grants	600,000	1,203,340	1,803,340
Cultural heritage grants	500,000	0	500,000
America's 250th celebration	0	250,000	250,000
Exhibits	0	<u>300,000</u>	<u>300,000</u>
Total all funds	\$22,616,302	\$26,761,791	\$49,378,093
Less estimated income	<u>3,229,952</u>	<u>24,109,231</u>	<u>27,339,183</u>
Total general fund	\$19,386,350	\$2,652,560	\$22,038,910
Full-time equivalent positions	78.75	4.75	83.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Historical site and extraordinary repairs	\$4,200,000	\$3,250,000
Essential infrastructure at historic sites	950,000	0
State archives digital repository upgrade	25,000	0
Inflationary costs	0	120,795
Digital interactive initiative	0	425,000
Geographic information system remote access and upgrade	0	250,000
Medora site planning	0	150,000
Army corps of engineers grant	0	400,000
Opera house restoration	0	250,000
Whitestone Hill monument	0	250,000

Digital humanities advancement grant	0	30,000
Scanner and microfilm plotter	0	236,044
Exhibit engagement	0	375,000
Paul Bruhn historical revitalization grant	0	750,000
Underrepresented community grant	0	125,000
America's 250th celebration	0	250,000
Military museum	0	20,000,000
Total all funds	\$5,175,000	\$26,861,839
Total special funds	<u>5,150,000</u>	<u>24,955,000</u>
Total general fund	\$25,000	\$1,906,839

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The state historical society shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. REVOLVING FUND - APPROPRIATION.** All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION.** All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. BANK OF NORTH DAKOTA - LINE OF CREDIT - MILITARY MUSEUM - LEGISLATIVE INTENT.** The Bank of North Dakota shall extend a line of credit to the state historical society to provide funding to pay costs associated with the construction of a North Dakota military museum and related expansion projects for the state historical society. The line of credit may not exceed \$20,000,000, and the interest rate associated with the line of credit must be the prevailing rate charged to North Dakota government entities. It is the intent of the sixty-eighth legislative assembly that the state historical society request funding from the sixty-ninth legislative assembly from the legacy earnings fund to repay the line of credit.

**SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE HISTORICAL SOCIETY.** The estimated income line item in section 1 of this Act includes \$3,550,000 from the strategic investment and improvements fund, of which \$3,250,000 is for critical repairs to historic site structures and \$300,000 is for creating new and repairing existing exhibits.

**SECTION 7. ESTIMATED INCOME - DEPARTMENT OF TRANSPORTATION GRANT.** The estimated income line item in section 1 of this Act includes \$100,000 of grant funding from the department of transportation for the purpose of defraying expenses of the Lewis and Clark interpretive center.

**SECTION 8. AMENDMENT.** Section 55-03-01 of the North Dakota Century Code is amended and reenacted as follows:

**55-03-01. Permit required to investigate, evaluate, or mitigate adverse effect on cultural resources, historic buildings, structures, or objects - Application - Fee.**

Any person engaged in identifying, evaluating, or mitigating adverse effects on cultural resources, historic buildings, structures, or objects on any lands in North Dakota, under ~~section 106 of the National Historic Preservation Act of 1966 [Pub. L. 89-665; 80 Stat. 915; 16 U.S.C. 470, as amended by Pub. L. 91-243, Pub. L. 93-54, Pub. L. 94-422, and Pub. L. 94-458], 36 CFR 800; or subdivision u of subsection 1 of section 38-14.1-14~~ any applicable state law, shall obtain an annual permit from the director of the state historical society. The permit application must be in the form prescribed by the director. Each application must be accompanied by a filing fee of ~~one hundred dollars as determined by the director~~. The director may waive the fee requirement if the applicant is an instrumentality of the state. Following issuance of the annual permit, the permittee shall submit to the state historical society payment in the amount of ~~fifty dollars determined by the director~~ with every cultural resources identification, monitoring report, evaluation, and mitigation report submitted to the director in compliance with the federal and state statutory and regulatory requirements identified in this section. A permittee submitting a report on behalf of a nonprofit corporation formed under chapter 10-33 does not have to pay the fee for filing the report.

**SECTION 9. AMENDMENT.** Section 55-03-01.1 of the North Dakota Century Code is amended and reenacted as follows:

**55-03-01.1. Permit required to investigate, excavate, or otherwise record cultural resources on land owned by an instrumentality of the state and to excavate cultural resources on private land.**

Any person engaged in the investigation, excavation, or other recording of cultural resources on land owned by an instrumentality of the state or in the excavation of cultural resources on private land for any purposes other than those identified in section 55-03-01 first shall obtain a permit from the director. A permit may be granted only for the investigation, excavation, or other recording of cultural resources at the locations described in the application for permit. Each application must be accompanied by a fee of ~~one hundred dollars as determined by the director, unless the director waives the fee~~.

**SECTION 10. EXEMPTION - FEDERAL STATE FISCAL RECOVERY FUND.** Section 54-44.1-11 does not apply to the appropriation in section 5 of chapter 18 of the 2021 Session Laws as amended by section 2 of chapter 548 of the 2021 Special Session Laws, and any unexpended funds from this appropriation may be continued and used for the purpose of deferred maintenance and extraordinary repair projects during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 11. LEGISLATIVE MANAGEMENT STUDY - RECORDS RETENTION.** During the 2023-24 interim, the legislative management shall consider studying the records management programs of state agencies and institutions related to records deemed historic in value. The study must include a review of state agencies' and institutions' compliance with the records management programs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

Approved May 5, 2023

Filed May 9, 2023

**CHAPTER 51****SENATE BILL NO. 2019**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to provide for a transfer; and to provide for an exemption.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

## Subdivision 1.

## PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,765,070	\$189,761	\$2,954,831
Park operations and maintenance	21,155,523	90,860,669	112,016,192
Recreation	<u>11,126,162</u>	<u>9,558,081</u>	<u>20,684,243</u>
Total all funds	\$35,046,755	\$100,608,511	\$135,655,266
Less estimated income	<u>22,599,593</u>	<u>99,917,122</u>	<u>122,516,715</u>
Total general fund	\$12,447,162	\$691,389	\$13,138,551
Full-time equivalent positions	57.75	7.25	65.00

## Subdivision 2.

## INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$876,329	\$1,050,000	\$1,926,329
Total all funds	\$876,329	\$1,050,000	\$1,926,329
Less estimated income	0	800,000	800,000
Total general fund	\$876,329	\$250,000	\$1,126,329

## Subdivision 3.

## SECTION 1 TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$13,323,491	\$941,389	\$14,264,880
Grand total special funds	22,599,593	100,717,122	123,316,715
Grand total all funds	\$35,923,084	\$101,658,511	\$137,581,595

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Extraordinary repairs and capital projects	\$7,900,000	\$0
Local park district grants	5,000,000	0
International Peace Garden capital projects	3,000,000	0
Trail lease renewals	200,000	0
Fort Abraham Lincoln viewshed lease	50,000	0
Parks matching grant program	1,632,800	3,000,000
Deferred maintenance and capital projects	10,000,000	10,000,000
Cabin construction	0	2,400,000
Lake Metigoshe reimagined project	0	250,000
City, county, and tribal park system grants	0	6,000,000
Pembina Gorge campground construction	0	6,000,000
International Peace Garden pavilion construction	0	800,000
Theodore Roosevelt presidential library project	<u>0</u>	<u>70,000,000</u>
Total all funds	\$27,782,800	\$98,450,000
Total other funds	<u>27,532,800</u>	<u>98,450,000</u>
Total general fund	\$250,000	\$0

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. LINE OF CREDIT - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY PROJECT.**

1. The Bank of North Dakota shall extend a line of credit not to exceed \$70,000,000 to the parks and recreation department. The interest rate on the line of credit may not exceed the prevailing interest rate charged to North Dakota governmental entities.
2. The parks and recreation department may use the funds borrowed through the line of credit to support activities related to the Theodore Roosevelt presidential library project. The parks and recreation department shall require any entity receiving funds under this section to repay the funds to the department, including accrued interest.
3. The parks and recreation department may accept funds from participating entities and shall use the funds to repay the line of credit. If the amounts available are not anticipated to be sufficient to repay the line of credit by June 30, 2027, the department shall request a deficiency appropriation from the legislative assembly to repay the line of credit.
4. The department shall develop guidelines and rules for the use and repayment of this funding.

**SECTION 4. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE.** The sum of \$122,000, or so much of the sum as may be necessary, included in the park operations and maintenance line item in

subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, which must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 5. ADDITIONAL INCOME - APPROPRIATION - REPORTING.** In addition to the amounts appropriated in section 1 of this Act, any additional federal or other funds that become available are appropriated to the parks and recreation department for the biennium beginning July 1, 2023, and ending June 30, 2025. The department shall report any additional income under this section to the office of management and budget and the legislative council.

**SECTION 6. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - PARKS AND RECREATION.** The estimated income line item in section 1 of this Act includes \$26,950,000 from the strategic investment and improvements fund, of which \$10,000,000 is for deferred maintenance and capital projects, \$6,000,000 is for a Pembina Gorge campground construction project, \$2,400,000 is for cabin construction at a park selected by the director of the parks and recreation department, \$250,000 is for the Lake Metigoshe reimaged project, \$1,500,000 is for state park matching grants, \$800,000 is for the construction of a pavilion at the International Peace Garden, and \$6,000,000 is for city, county, and tribal park system grants.

**SECTION 7. CITY, COUNTY, AND TRIBAL GRANT PROGRAM - MATCHING REQUIREMENTS - GRANT LIMITATION.** With the funding provided for the city, county, and tribal grant program, the parks and recreation department shall make available \$1,000,000 for grant awards to communities with a population of fifteen thousand or less and may not award more than \$150,000 to an entity and \$5,000,000 for grant awards to communities with a population of more than fifteen thousand and may not award more than \$1,000,000 to an entity. Expenditure of these funds is subject to one-to-one matching funds from nonstate sources.

**SECTION 8. INTERNATIONAL PEACE GARDEN PAVILION CONSTRUCTION GRANT - MATCHING REQUIREMENTS.** The International Peace Garden line item in subdivision 2 of section 1 of this Act includes \$800,000 for construction of a pavilion at the International Peace Garden. Expenditure of these funds is subject to one-to-one matching funds from the province of Manitoba or other nonstate sources.

**SECTION 9. EXEMPTION - UNEXPENDED APPROPRIATIONS.** The following appropriations are not subject to the provisions of section 54-44.1-11 and may be continued into the biennium beginning July 1, 2023, and ending June 30, 2025:

1. Any funds remaining in the International Peace Garden line item for repair of the peace tower at the International Peace Garden in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws are available for capital projects and extraordinary repairs and equipment. Funding available for use by the International Peace Garden in this section is subject to the International Peace Garden raising dollar-for-dollar matching funds from nonstate sources;
2. Any funds remaining for trail lease renewals and construction or purchasing trail easements in subdivision 1 of section 1 of chapter 19 of the 2021 Session Laws are available for trail lease renewals and construction and repairs and purchasing trail easements;

3. Any funds remaining for extraordinary repairs in subdivision 1 of section 1 of chapter 44 of the 2019 Session Laws;
4. Any funds remaining for parks capital projects and International Peace Garden capital projects in subdivision 1 of section 1 of chapter 44 of the 2019 Session Laws are available for any capital projects and equipment;
5. Any funds remaining for the Fort Abraham Lincoln viewshed lease in subdivision 1 of section 1 of chapter 19 of the 2021 Session Laws are available for plantings to improve the viewshed;
6. Any funds remaining for extraordinary repairs and capital projects in subdivision 1 of section 1 of chapter 19 of the 2021 Session Laws;
7. Any funds remaining for deferred maintenance and capital projects from the federal state fiscal recovery fund in subsection 9 of section 1 of chapter 550 of the 2021 Special Session Session Laws;
8. Any funds remaining for grants to local park districts to renovate and upgrade existing facilities from the federal state fiscal recovery fund in subsection 5 of section 1 of chapter 550 of the 2021 Special Session Session Laws; and
9. Any funds remaining from the federal state fiscal recovery fund in section 7 of chapter 19 of the 2021 Session Laws as amended by section 4 of chapter 548 of the 2021 Special Session Session Laws for capital projects improvements at state parks, subject to the department obtaining matching funds from nonstate sources for each project on a dollar-for-dollar basis.
10. Any funds remaining from the federal state fiscal recovery fund in section 6 of chapter 19 of the 2021 Session Laws as amended by section 3 of chapter 548 of the 2021 Special Session Session Laws for deferred maintenance and capital projects.

Approved May 4, 2023

Filed May 5, 2023

## CHAPTER 52

### SENATE BILL NO. 2020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of water resources; to provide an appropriation to the parks and recreation department; to amend and reenact section 61-02-79 of the North Dakota Century Code and section 4 of chapter 20 of the 2021 Session Laws, relating to a Bank of North Dakota line of credit and state water commission discretionary funding; to provide for a transfer; to provide for a report; to provide legislative intent; to provide an exemption; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of water resources for the purpose of defraying the expenses of the department of water resources, for the period beginning with the effective date of this Act, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$20,537,867	\$1,656,382	\$22,194,249
Operating expenses	43,366,550	16,112,518	59,479,068
Capital assets	98,467,437	177,316,513	275,783,950
Water supply - grants	125,000,000	191,200,000	316,200,000
Rural water supply - grants	59,600,000	(7,600,000)	52,000,000
Flood control projects	48,000,000	67,700,000	115,700,000
Discretionary funding	0	9,000,000	9,000,000
General water - grants	<u>14,227,275</u>	<u>(2,227,275)</u>	<u>12,000,000</u>
Total special funds	\$409,199,129	\$453,158,138	\$862,357,267
Full-time equivalent positions	90.00	3.00	93.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Line of credit - Bank of North Dakota	\$50,000,000	\$100,000,000
Basinwide plan implementation	1,100,000	0
Discretionary funding	0	9,000,000
Equipment for new employees	0	19,320
Information technology unification	0	1,532,980
Increased motor pool rates	0	118,180
Drilling supplies inflation	0	180,000
Navigability study	0	180,000
Airborne electromagnetic survey data collection	0	750,000
Ground water modeling and hydrologic analysis software	0	72,665
Potential agency relocation	0	200,000

Radar system	0	1,800,000
Drilling rig replacement	0	1,800,000
Northwest area water supply	0	47,847,238
Discretionary water project funding	6,000,000	0
Mouse River flood control project	74,500,000	0
Water infrastructure projects	<u>75,000,000</u>	<u>0</u>
Total special funds	\$206,600,000	\$163,500,383

The 2023-25 one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The department of water resources shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 3. ADDITIONAL 2021-23 BIENNIUM INCOME - APPROPRIATION.**

Any revenue deposited in the resources trust fund during the period beginning with the effective date of this Act, and ending June 30, 2023, in excess of the March 2023 legislative revenue forecast is appropriated to the department of water resources for the purpose of providing water supply grants and rural water supply grants, for the period beginning with the effective date of this Act, and ending June 30, 2025. Any additional amounts must be allocated equally between water supply grants and rural water supply grants.

**SECTION 4. APPROPRIATION - WATER PROJECTS STABILIZATION FUND - LOAN REPAYMENT - ONE-TIME FUNDING ITEM.**

There is appropriated out of any moneys in the water projects stabilization fund in the state treasury, not otherwise appropriated, the sum of \$30,000,000, or so much of the sum as may be necessary, to the department of water resources for the purpose of repayment of loans issued by the Bank of North Dakota to the western area water supply authority for the period beginning with the effective date of this Act, and ending June 30, 2025. This funding is considered a one-time funding item.

**SECTION 5. TRANSFER - BANK OF NORTH DAKOTA PROFITS - WATER INFRASTRUCTURE REVOLVING LOAN FUND.**

The Bank of North Dakota shall transfer \$100,000,000, or so much of the sum as may be necessary, from its current earnings and accumulated profits to the water infrastructure revolving loan fund during the biennium beginning July 1, 2023, and ending June 30, 2025. The moneys must be transferred as requested by the director of the department of water resources, after consultation with the Bank of North Dakota, to provide local cost-share loans for projects approved by the state water commission pursuant to section 6-09-49.2.

**SECTION 6. WATER PROJECTS STABILIZATION FUND - TRANSFERS.**

Notwithstanding subsections 1 and 2 of section 57-51.1-07, any oil extraction tax revenues deposited in the resources trust fund that exceed the amount included in the March 2023 legislative revenue forecast during the period beginning July 1, 2023, and ending June 30, 2025, must be transferred at least quarterly by the office of management and budget from the resources trust fund to the water projects stabilization fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 7. APPROPRIATION - PARKS AND RECREATION DEPARTMENT - SOVEREIGN LANDS RECREATION USE GRANTS - ONE-TIME FUNDING.**

There is appropriated from special funds derived from a grant from the state water commission, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of

providing grants for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2025. An eligible grant recipient must identify \$1 of matching funds for each \$1 awarded pursuant to this section. This funding is considered to be a one-time funding item.

**SECTION 8. SOVEREIGN LANDS RECREATION USE GRANT.** The water supply - grants line item in section 1 of this Act includes \$2,000,000 from the resources trust fund which the state water commission shall provide as a grant to the parks and recreation department for developing recreation opportunities on sovereign lands in the state, for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 9. DEPARTMENT OF WATER RESOURCES DISCRETIONARY FUNDING.** The discretionary funding appropriated to the department of water resources in section 1 of this Act may be used as necessary, except for salaries and wages, for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 10. ESTIMATED INCOME - WATER PROJECTS STABILIZATION FUND.** The total special funds line item in section 1 of this Act includes \$123,380,315 from the water projects stabilization fund for water supply grants for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 11. AMENDMENT.** Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

**61-02-79. Bank of North Dakota - Line of credit.**

The Bank of North Dakota shall extend a line of credit not to exceed forty ~~fiftyone~~ hundred million dollars at a rate of one and one-half percent over the three-month London interbank offered rate, but may not exceed three percent to the state water commission ~~the prevailing interest rate charged to North Dakota government entities.~~ the prevailing interest rate charged to North Dakota government entities. The ~~state water commission~~ department of water resources shall repay the line of credit from funds available in the resources trust fund, ~~water development trust fund,~~ or other funds, as appropriated by the legislative assembly. The ~~state water commission~~ department of water resources may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly ~~up to fifty million dollars~~ up to fifty million dollars for the northwest area water supply project and up to fifty million dollars for the southwest pipeline project during the biennium beginning July 1, 2024 ~~2023~~, and ending June 30, ~~2023~~ 2025.

**SECTION 12. AMENDMENT.** Section 4 of chapter 20 of the 2021 Session Laws is amended and reenacted as follows:

**SECTION 4. APPROPRIATION - RESOURCES TRUST FUND - STATE WATER COMMISSION DISCRETIONARY FUNDING.** There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the ~~state water commission for the purpose of providing discretionary funds for water project grants~~ department of water resources to be used as necessary except for salaries and wages, for the biennium beginning July 1, 2021, and ending June 30, 2023. This funding is considered to be a one-time funding item.

**SECTION 13. STATE WATER COMMISSION - RED RIVER WATER SUPPLY PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for

Red River water supply projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Red River water supply project in excess of a total of \$953,000,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$953,000,000, \$180,000,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 14. STATE WATER COMMISSION - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING - LEGISLATIVE INTENT.** Excluding the funding provided for Mouse River flood control projects prior to the 2023-25 biennium, the state water commission may not approve state funding for the Mouse River flood control project in excess of a total of \$380,500,000 without legislative approval. It is the intent of the sixty-eighth legislative assembly that of the \$380,500,000, \$76,100,000 is provided from the resources trust fund for the period beginning with the effective date of this Act, and ending June 30, 2025.

**SECTION 15. SOUTHWEST PIPELINE PROJECT FUNDING - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that the sixty-ninth legislative assembly appropriate \$40,000,000 from the resources trust fund for the southwest pipeline project water treatment plant for the biennium beginning July 1, 2025, and ending June 30, 2027.

**SECTION 16. LEGISLATIVE INTENT - STATE WATER COMMISSION - CITY OF BISMARCK WATER TREATMENT PLANT.** Excluding the funding provided for the city of Bismarck water treatment plant prior to the 2023-25 biennium, it is the intent of the sixty-eighth legislative assembly that up to \$50,000,000 of funding appropriated in the water supply - grants line item in section 1 of this Act be made available during the 2023-25 biennium for the city of Bismarck water treatment plant.

**SECTION 17. LEGISLATIVE INTENT - CITY OF MEDORA WATER SUPPLY PROJECT.** It is the intent of the sixty-eighth legislative assembly that the city of Medora request funding from the state water commission for water storage, water main replacement, and water supply expansion projects after all agreements for the construction of the Theodore Roosevelt presidential library have been finalized between the library, the library foundation, and the city of Medora.

**SECTION 18. MISSOURI RIVER SYSTEM - LEGISLATIVE INTENT.** It is the intent of the sixty-eighth legislative assembly that the department of water resources support efforts that protect and develop beneficial use of Missouri River system water and other available water supply sources.

**SECTION 19. DEPARTMENT OF WATER RESOURCES - GARRISON DIVERSION CONSERVANCY DISTRICT - LEGISLATIVE INTENT - REPORT.** It is the intent of the sixty-eighth legislative assembly that the department of water resources, in coordination with the Garrison Diversion Conservancy District, research and identify options for the use of the Missouri River intake constructed near Washburn. The department of water resources shall report its findings and recommendations to the legislative management by October 1, 2024.

**SECTION 20. EXEMPTION - LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the office of management and budget shall transfer up to \$9,900,000 between the operating expenses and capital assets line items in section 1 of this Act, during the period beginning with the effective date of this Act, and ending June 30, 2025, as requested by the director of the department of water resources. The director of the department of water resources shall notify the legislative council of any transfers made pursuant to this section.

**SECTION 21. EXEMPTION - GRANTS - APPLICATION - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY.** Section 54-44.1-11 does not apply to \$367,000,000 for grants or water-related projects included in the capital assets, water supply - grants, rural water supply - grants, flood control projects, and general water - grants line items in section 1 of chapter 20 of the 2021 Session Laws, sections 5 and 6 of chapter 20 of the 2021 Session Laws, section 9 of chapter 80 of the 2021 Session Laws, and subdivision 3 of section 1 of chapter 550 of the 2021 Special Session Session Laws. Any unexpended obligated and unobligated funds from these appropriations may be continued into the 2023-25 biennium. Any funds continued may be expended only for the purpose for which it was originally appropriated. The department of water resources may seek emergency commission and budget section approval under section 54-16-04.2 to increase carryover spending authority of funds appropriated in the 2021-23 biennium into the 2023-25 biennium.

**SECTION 22. EMERGENCY.** This Act and Senate Bill No. 2196, as approved by the sixty-eighth legislative assembly, are declared to be an emergency measure.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 53

### SENATE BILL NO. 2021

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance; and to provide an exemption.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Workforce safety and insurance operations	\$62,122,928	\$9,900,794	\$72,023,722
Total special funds	\$62,122,928	\$9,900,794	\$72,023,722
Full-time equivalent positions	260.14	0.00	260.14

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Claims and policy system replacement project	\$7,500,000	\$4,950,000
MyWSI extranet enhancement project	3,050,000	1,830,000
Building upgrades	514,000	0
Total special funds	\$11,064,000	\$6,780,000

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. Workforce safety and insurance shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. EXEMPTION - DEFERRED MAINTENANCE.** The amount of \$291,000 transferred from the office of management and budget to workforce safety and insurance from federal funds derived from the state fiscal recovery fund pursuant to subsection 10 of section 1 of chapter 550 of the 2021 Session Laws is not subject to section 54-44.1-11 and is available for deferred maintenance of the workforce safety and insurance building during the biennium beginning July 1, 2023, and ending June 30, 2025.

Approved April 20, 2023

Filed April 21, 2023

## CHAPTER 54

### SENATE BILL NO. 2022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the retirement and investment office; to create and enact a new subsection to section 54-44.3-20 and a new section to chapter 54-52.5 of the North Dakota Century Code, relating to exemptions from the state employee classification system and an incentive compensation program; to amend and reenact section 54-52.5-03 of the North Dakota Century Code, relating to operating costs of the retirement and investment office; to provide an exemption; to provide a report; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income, to the retirement and investment office for the purpose of defraying the expenses of the retirement and investment office, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,785,839	\$2,124,208	\$8,910,047
Operating expenses	1,323,528	1,546,409	2,869,937
Contingencies	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
Total special funds	\$8,209,367	\$3,770,617	\$11,979,984
Full-time equivalent positions	25.00	9.00	34.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the 2023-25 biennium one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Pension administration software implementation	\$0	\$574,900
Temporary salaries	<u>0</u>	<u>50,000</u>
Total special funds	\$0	\$624,900

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The retirement and investment office shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

<sup>36</sup> **SECTION 3.** A new subsection to section 54-44.3-20 of the North Dakota Century Code is created and enacted as follows:

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<sup>36</sup> Section 54-44.3-20 was also amended by section 21 of Senate Bill No. 2052, chapter 271.

Investment and fiscal operations positions of the state retirement and investment office necessary for the management of the investment of funds under the control of the state investment board.

**SECTION 4. AMENDMENT.** Section 54-52.5-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.5-03. State retirement and investment fund - Cost of operation of agency.**

A special fund known as the "state retirement and investment fund" is established for the purpose of defraying administrative expenses of the state retirement and investment office. The actual amount of administrative expenses incurred by the state retirement and investment office must be paid from the respective funds listed under section 21-10-06 and are hereby appropriated to the state retirement and investment fund in proportion to the services rendered for each fund as estimated by the state investment board. The amount necessary to pay all administrative expenses of the state retirement and investment office must be paid from the state retirement and investment fund in accordance with the agency's appropriation authority and earnings lawfully available for such purposes. Any interest income earned on the state retirement and investment fund must be credited to the fund.

**SECTION 5.** A new section to chapter 54-52.5 of the North Dakota Century Code is created and enacted as follows:

**Incentive compensation program - Report to legislative management.**

The state retirement and investment office may develop an incentive compensation program for full-time equivalent investment and fiscal operations positions necessary for the management of the investment of funds under the control of the state investment board. The program must promote profitability, productivity, and responsible fund management. The provisions of the program must be approved annually by the state investment board. The provisions must ensure that the payouts do not occur unless the risk-based performance of the investments that are internally managed exceed the risk-based performance of policy benchmarks. Any amounts paid under this program must be considered compensation and not personal profit on behalf of the employee. Each interim, the state retirement and investment office shall provide at least one report to the legislative management regarding the status of the program, including the provisions of the program; the total amount of incentives paid out to employees each year; and the minimum, maximum, and average payout per eligible full-time equivalent position.

**SECTION 6. EXEMPTION - PENSION ADMINISTRATION SYSTEM PROJECT.**

The sum of \$9,000,000 appropriated in section 1 of chapter 47 of the 2019 Session Laws and continued into the 2021-23 biennium pursuant to section 3 of chapter 22 of the 2021 Session Laws for the pension administration system is not subject to the provisions of section 54-44.1-11 and any unexpended funds are available for completing the project during the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 7. REPORT TO BUDGET SECTION.** Prior to the implementation of the incentive compensation program under section 5 of this Act and after approval of the program by the state investment board, the state retirement and investment office shall provide a report to the budget section regarding the provisions of the program, during the period beginning with the effective date of this Act and ending June 30, 2025.

**SECTION 8. EMERGENCY.** Section 7 of this Act is declared to be an emergency measure.

Approved April 21, 2023

Filed April 24, 2023

**CHAPTER 55**

**SENATE BILL NO. 2023**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public employees retirement system; and to provide a contingent appropriation.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds from income to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows.

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,209,060	\$529,419	\$7,738,479
Operating expenses	2,396,236	146,476	2,542,712
Contingencies	250,000	0	250,000
Defined benefit plan closure	0	372,027	372,027
Total special funds	\$9,855,296	\$1,047,922	\$10,903,218
Full-time equivalent positions	35.50	5.00	40.50

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-seventh legislative assembly for the 2021-23 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Upgrade benefit enrollment system	\$104,500	\$0
Upgrade PERSLink business system	257,600	125,000
Modify PERSLink business system	0	125,000
Temporary salaries	0	200,000
Staff operating expenses	0	5,000
Total special funds	\$362,100	\$455,000

The 2023-25 biennium one-time funding amounts are not part of the entity's base budget for the 2025-27 biennium. The public employees retirement system shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. DEFINED BENEFIT PLAN CLOSURE LINE ITEM - CONTINGENT FUNDING AND FULL-TIME EQUIVALENT POSITIONS.** The defined benefit plan closure line item in section 1 of this Act includes the sum of \$372,027, of which \$47,027 is for a portion of salaries and wages and related operating expenses for two full-time equivalent positions, \$200,000 is for temporary salaries, and \$125,000 is for modification of the PERSLink business system. The public employees retirement system may spend funding from this line item only if the sixty-eighth legislative

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assembly closes the main system defined benefit retirement plan to new hires. Of the funding in this line item, \$327,000 is identified as a one-time funding item in section 2 of this Act. In addition, the public employees retirement system may request the office of management and budget to transfer up to \$479,660 of additional funding from the new and vacant FTE funding pool to this line item for salaries and wages of the full-time equivalent positions identified in this section.

Approved April 28, 2023

Filed April 29, 2023

**CHAPTER 56**

**SENATE BILL NO. 2024**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the ethics commission; to provide for a legislative management study; and to provide for a legislative management report.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the ethics commission for the purpose of defraying the expenses of the ethics commission, for the biennium beginning July 1, 2023, and ending June 30, 2025, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Ethics commission	\$623,984	\$514,258	\$1,138,242
Total general fund	\$623,984	\$514,258	\$1,138,242
Full-time equivalent positions	1.00	2.00	3.00

**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-NINTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2021-23</u>	<u>2023-25</u>
Attorney fees	\$0	\$72,000
Office relocation	0	25,000
New FTE position one-time costs	0	1,825
Total general fund	\$0	\$98,825

The 2023-25 biennium one-time funding amounts are not a part of the entity's base budget for the 2025-27 biennium. The ethics commission shall report to the appropriations committees of the sixty-ninth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2023, and ending June 30, 2025.

**SECTION 3. LEGISLATIVE MANAGEMENT STUDY - FEE STRUCTURE.** During the 2023-24 interim, the legislative management shall consider studying the feasibility and desirability of establishing a rate structure to offset the operating expenses of the ethics commission. The study must include a comparison of the funding method for ethics commissions used by other states within the region. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

**SECTION 4. REPORT - ETHICS COMMISSION ACTIVITIES.** During the 2023-24 interim, the ethics commission shall provide reports to the legislative management regarding the activities and operations of the commission. The reports must include information regarding the number of complaints received by the commission, education and outreach efforts, and the status of the commission's budget.

Approved April 28, 2023

Filed April 29, 2023

**CHAPTER 57**

**SENATE BILL NO. 2025**

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state departments and institutions of the state of North Dakota for the purpose of defraying their expenses for the period beginning with the effective date of this Act, and ending June 30, 2023, as follows:

Subdivision 1.

OFFICE OF MANAGEMENT AND BUDGET

Judgment expenses	\$277,771
Total general fund	<u>\$277,771</u>

Subdivision 2.

ATTORNEY GENERAL

Prosecution witness fees	\$75,000
Statewide litigation funding pool	<u>1,000,000</u>
Total general fund	<u>\$1,075,000</u>

Subdivision 3.

DAKOTA COLLEGE AT BOTTINEAU

Education program reimbursement	<u>\$99,768</u>
Total general fund	<u>\$99,768</u>

Subdivision 4.

DEPARTMENT OF OF HEALTH AND HUMAN SERVICES

Medicaid expenses	<u>\$310,000,000</u>
Total all funds	\$310,000,000
Less estimated income	<u>285,000,000</u>
Total general fund	<u>\$25,000,000</u>

Subdivision 5.

ADJUTANT GENERAL

Loan repayment - disaster costs	\$4,695,890
Loan interest repayment - law enforcement costs	<u>1,026,833</u>
Total state disaster relief fund	\$5,722,723

Subdivision 6.

#### AGRICULTURE COMMISSIONER

Loan repayment - emergency feed transportation program	<u>\$1,700,000</u>
Total general fund	\$1,700,000

Subdivision 7.

#### TOTAL - SECTION 1

Grand total general fund	\$28,152,539
Grand total special funds	<u>290,722,723</u>
Grand total all funds	\$318,875,262

**SECTION 2. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS.** It is the intent of the sixty-eighth legislative assembly that the attorney general seek reimbursement from the federal government for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-eighth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly which were obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-eighth legislative assembly that the provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

**SECTION 3. EMERGENCY.** This Act is declared to be an emergency measure.

Approved April 12, 2023

Filed April 13, 2023

## CHAPTER 58

### SENATE BILL NO. 2026

(Legislative Management)  
(Acute Psychiatric Treatment Committee)

AN ACT to provide an appropriation to the department of health and human services relating to the demolition of state hospital buildings; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, to the department of health and human services for the purpose of demolishing unused buildings on the state hospital campus, including the administrative building, employee building, associated tunnels, water tower, pig barn, and water treatment plant buildings, for the period beginning with the effective date of this Act, and ending June 30, 2025. Funding provided in this section is considered a one-time funding item.

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

Approved April 24, 2023

Filed April 24, 2023

**CHAPTER 59****SENATE BILL NO. 2032**

(Legislative Management)  
(Higher Education Committee)

AN ACT to provide an appropriation to the department of public instruction for the paraprofessional-to-teacher program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - PARAPROFESSIONAL-TO-TEACHER PROGRAM.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing grants to accredited institutions of higher education to assist paraprofessionals to become qualified teachers, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department of public instruction may award up to \$20,000 to each qualifying institution for program startup and other administrative costs and the remainder of the appropriation may be used only for tuition and scholarships for students enrolled in the program. The department of public instruction may establish policies and procedures to administer this program.

Approved April 13, 2023

Filed April 14, 2023

## CHAPTER 60

### SENATE BILL NO. 2155

(Senators Lee, Hogan, Hogue)  
(Representatives Dobervich, M. Ruby, Strinden)

AN ACT to provide an appropriation to the department of health and human services for federally qualified health center grants; and to provide for a legislative management study on expanding the number of federally qualified health centers.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION - DEPARTMENT OF HEALTH AND HUMAN SERVICES - FEDERALLY QUALIFIED HEALTH CENTER GRANTS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of health and human services for the purpose of providing grants to federally qualified health centers, for the biennium beginning July 1, 2023, and ending June 30, 2025.

1. For purposes of this section, "federally qualified health center" means an entity receiving a grant under United States Code, title 42, section 254b.
2. The department of health and human services shall award grants from the funds appropriated in this section to federally qualified health centers in North Dakota to continue, expand, and improve federally qualified health center services to low-income populations. The grant amount for each center must be proportional to the amount of discounts granted to patients of the center for the most recent calendar year to the total amount of discounts granted by all centers in North Dakota during the most recent calendar year as reported on the federal uniform data system report in conformance with the bureau of primary health care program expectations policy information notice 98-23, except one federally qualified health center may receive no more than 50 percent of the total amount of grants awarded under this subsection.

**SECTION 2. LEGISLATIVE MANAGEMENT STUDY - FEDERALLY QUALIFIED HEALTH CARE CENTER EXPANSION.** During the 2023-24 interim, the legislative management shall consider studying the expansion of federally qualified health care centers. The study must include consideration of increasing the number of federally qualified health care centers in the state and improving federally qualified health care center collaboration with local public health units. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-ninth legislative assembly.

Approved April 12, 2023

Filed April 13, 2023

## CHAPTER 61

### SENATE BILL NO. 2183

(Senators Wanzek, Klein, Weber)  
(Representatives Brandenburg, Kempenich, Mitskog)

AN ACT to provide an appropriation to the adjutant general for snow removal grants; to provide for a report; and to declare an emergency.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

#### SECTION 1. APPROPRIATION - 2021-23 BIENNIUM - ADJUTANT GENERAL - SNOW REMOVAL GRANTS - REPORT TO LEGISLATIVE MANAGEMENT.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing emergency snow removal grants to tribal governments, counties, cities, and townships, for the period beginning with the effective date of this Act and ending June 30, 2023. Of the \$20,000,000, up to \$15,000,000 is available for early season emergency snow removal grants under subsection 2, and any remaining amounts are available for full season emergency snow removal grants under subsection 3.
2. A tribal government, county, city, or township may apply to the department of emergency services for an early season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through December 31, 2022, which exceeded one hundred fifty percent of the average snow removal cost for the three-month period of October through December for the four lowest cost years during the years 2017 through 2021.
3. A tribal government, county, township, or city may apply to the department of emergency services for a full season emergency snow removal grant for reimbursement of up to sixty percent of the snow removal costs incurred by the tribal government, county, city, or township for the period of October 1, 2022, through April 30, 2023, which exceeded one hundred fifty percent of the average snow removal cost for the seven-month period of October to April for the four lowest cost years for those years during the period beginning October 1, 2017, through April 30, 2022.
4. Each tribal government, county, city, or township requesting reimbursement under this section shall submit the request in accordance with guidelines developed by the department of emergency services. An award under subsection 3 must be reduced by any amount awarded under subsection 2. A tribal government, county, city, or township may not be required to return any funds awarded under subsection 2 due to the calculation completed under subsection 3.

5. The department of emergency services shall distribute the grants under this section before June 30, 2023, and shall report to the legislative management regarding the grants awarded.

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

Approved April 4, 2023

Filed April 4, 2023

## CHAPTER 62

### SENATE BILL NO. 2200

(Senators Sorvaag, Luick, Meyer)  
(Representatives Mock, Pyle, Swiontek)

AN ACT to provide an appropriation to the department of public instruction for North Dakota governor's schools.

#### BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

**SECTION 1. APPROPRIATION - DEPARTMENT OF PUBLIC INSTRUCTION - NORTH DAKOTA GOVERNOR'S SCHOOLS.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of providing grants for North Dakota governor's schools at North Dakota state university and university of North Dakota, for the biennium beginning July 1, 2023, and ending June 30, 2025.

1. The department shall conduct North Dakota governor's schools once a summer alternating annually between North Dakota state university and university of North Dakota.
2. The department shall award the grants based on providing an average cost of \$5,000 per student attending the schools each year not to exceed a total of \$250,000 to each university for each year of the biennium.
3. The governor's schools program must provide programs related to science, technology, engineering, mathematics, energy law, mental health, education, and health sciences.
4. The department shall name codirectors at each university to ensure continued collaboration of the schools at both campuses.
5. Funds appropriated in this section may be used only for defraying expenses for students while on campus, including housing, dining, resident assistants, program directors, instructors, and faculty research sponsors.

Approved April 21, 2023

Filed April 24, 2023

**CHAPTER 63****SENATE BILL NO. 2240**

(Senators Burckhard, Hogue, Meyer)  
(Representatives Bellew, Pyle, M. Ruby)

AN ACT to provide an appropriation to the department of commerce for the base retention grant program.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - BASE RETENTION GRANT PROGRAM - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing base retention grant funding to communities with an air force base or air national guard facilities, for the biennium beginning July 1, 2023, and ending June 30, 2025. Of the funding appropriated in this section, \$500,000 is to be distributed to eligible organizations in Minot and \$500,000 is to be distributed equally to eligible organizations in Grand Forks and Fargo. This funding is considered a one-time funding item.

Approved May 8, 2023

Filed May 9, 2023

## CHAPTER 64

### SENATE BILL NO. 2273

(Senators Myrdal, Hogan, Klein, Vedaa)  
(Representatives Hanson, Monson)

AN ACT to provide an appropriation to the department of commerce for a rural grocery store sustainability and food access expansion pilot grant program.

#### **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. APPROPRIATION - DEPARTMENT OF COMMERCE - RURAL GROCERY STORE SUSTAINABILITY AND FOOD ACCESS EXPANSION PILOT GRANTS - ONE-TIME FUNDING.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of establishing a pilot program to provide grants for the preservation of rural grocery stores and increasing the availability of food access in the state, for the biennium beginning July 1, 2023, and ending June 30, 2025. The department of commerce shall establish guidelines to award funding under this section. This funding is considered a one-time funding item.

Approved April 21, 2023

Filed April 24, 2023