

**JOURNAL OF THE HOUSE**

**Sixty-fourth Legislative Assembly**

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**Bismarck, April 24, 2015**

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

The prayer was offered by Rep. Hawken.

The roll was called and all members were present except Representatives Boehning, Frantsvog, and Glassheim.

A quorum was declared by the Speaker.

**COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 23, 2015, I have signed the following: HB 1005, HB 1008, HB 1024, HB 1151, HB 1321, HB 1333, HB 1367, HB 1406, HB 1409, and HB 1443.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. J. NELSON MOVED** that the conference committee report on Reengrossed HB 1015 as printed on HJ pages 1953-1956 be adopted, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide an appropriation to the legislative council; to provide for a legislative management study; and to provide legislative intent.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 4 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Boe; Boschee; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunsakor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemm; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Weisz; Zubke; Speaker Belter

**NAYS:** Becker, Rick C.; Bellew; Brabandt; Koppelman, B.

**ABSENT AND NOT VOTING:** Boehning; Frantsvog; Glassheim

Reengrossed HB 1015 passed.

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**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1476.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1476**

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

Page 1, line 2, after the second comma insert "subsection 3 of section 57-51.1-03,"

Page 1, line 2 after "and" insert "section"

Page 1, line 3, replace "to provide legislative intent; and" with "to provide for an exception; to provide for a legislative management study;"

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

Page 5, line 13, remove "four"

Page 5, line 13, overstrike "and one-half" and insert immediately thereafter "five"

Page 5, line 29, remove the overstrike over "~~However, if the average price of a barrel of crude oil exceeds the trigger price~~" and insert immediately there after "of ninety dollars"

Page 5, line 29, remove the overstrike over "~~for each month in~~"

Page 5, line 30, remove the overstrike over "any consecutive"

Page 5, line 30, after "~~five-month~~" insert "three-month"

Page 5, line 30, remove the overstrike over "~~period, then the rate of tax on oil extracted from all taxable wells is~~"

Page 5, line 31, remove the overstrike over "six"

Page 5, line 31, remove the overstrike over "~~percent of the gross value at the well of the oil extracted until the average price~~"

Page 6, line 1, remove the overstrike over "~~of a barrel of crude oil is less than the trigger price~~" and insert immediately thereafter "of ninety dollars"

Page 6, line 1, remove the overstrike over "~~for each month in any consecutive~~"

Page 6, line 2, after "~~five-month~~" insert "three-month"

Page 6, line 2, remove the overstrike over "~~period, in which case the rate of tax reverts to~~"

Page 6, line 2, after "~~four~~" insert "five"

Page 6, line 2, remove the overstrike over "~~percent of the gross value at the~~"

Page 6, line 3, remove the overstrike over "~~well of the oil extracted~~"

Page 6, line 3, after the period insert "By December thirty-first of each year, the tax commissioner shall determine an indexed trigger price under this section by applying to the current trigger price an adjustment equal to the percentage rate of change of the producer price index for industrial commodities as calculated and published by the United States department of labor, bureau of labor statistics, for the twelve months ending June thirtieth of that year and the indexed trigger price so determined is the trigger price for the following calendar year.

For purposes of this section, "average price" of a barrel of crude oil means the monthly average of the daily closing price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the Wall Street Journal, midwest edition. When computing the monthly average price, the most recent previous daily closing price must be considered the daily closing price for the days on which the market is closed.

**SECTION 4. AMENDMENT.** Subsection 3 of section 57-51.1-03 of the North Dakota Century Code is amended and reenacted as follows:

3. For a well drilled and completed as a vertical well, the initial production of oil from the well is exempt from any taxes imposed under this chapter for a period of fifteen months, ~~except that oil produced from any well drilled-~~

~~and completed as a horizontal well is exempt from any taxes imposed under this chapter for a period of twenty-four months. Oil recovered during testing prior to well completion is exempt from the oil extraction tax. The exemption under this subsection becomes ineffective if the average price of a barrel of crude oil exceeds the trigger price for each month in any consecutive five-month period. However, the exemption is reinstated if, after the trigger provision becomes effective, the average price of a barrel of crude oil is less than the trigger price for each month in any consecutive five-month period.~~The reduced rate of tax under subsection 1 of section 57-51.1-02 does not apply after November 30, 2015, for oil produced from wells drilled and completed after April 27, 1987, commonly referred to as new wells, and not otherwise exempt under this section."

Page 7, line 15, after "dioxide" insert "in a well drilled and completed outside the Bakken and Three Forks formations, and ten miles [16.10 kilometers] or more outside an established field in which the industrial commission has defined the pool to include the Bakken or Three Forks formation"

Page 7, line 17, after "chapter" insert "for a period of five years"

Page 12, line 5, remove "**LEGISLATIVE INTENT** - "

Page 12, line 6, replace "It is the intent of the sixty-fourth legislative assembly that the" with "The"

Page 12, line 7, replace "4" with "5"

Page 12, line 7, remove "upon the effective"

Page 12, line 8, replace "date of this Act" with "January 1, 2016. The remaining term of the horizontal well exemption eliminated in section 4 of this Act expires December 1, 2015"

Page 12, after line 8, insert:

**"SECTION 7. WAIVER OF LEGISLATIVE CONFIRMATION REQUIREMENT FOR CERTAIN STATE-TRIBAL TAX COLLECTION AGREEMENTS.**

The requirement of legislative confirmation of state-tribal tax collection agreements under section 57-51.2-01 do not apply, for adjustment of an existing agreement attributable to the changes in the oil extraction tax under this Act, and for agreements under section 54-40.2-04 do not apply, for adjustment of an existing agreement regarding application of tribal tax authority to bulk delivery of dyed or undyed special fuels within the exterior boundaries of the reservation.

**SECTION 8. LEGISLATIVE MANAGEMENT STUDY - TRIBAL TAX ISSUES.**

During the 2015-16 interim, the legislative management shall consider studying state-tribal tax agreements and allocation of revenues from centrally assessed property and property subject to payments in lieu of property taxes which is located on tribal trust lands. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

Page 12, line 9, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 12, line 9, remove "This Act becomes effective June 1, 2015, if on that date"

Page 12, remove lines 10 and 11

Page 12, line 12, replace "under subsection 3 of section 57-51.1-03 would become effective" with "Sections 1, 2, 3, and 5 of this Act are effective for taxable events occurring after December 31, 2015. Section 4 of this Act is effective for taxable events occurring after November 30, 2015. Section 7 of this Act is effective from July 1, 2015, through December 31, 2016, and is thereafter ineffective"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Wanzek to replace Sen. Erbele on the Conference Committee on SB 2014.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1015.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2006.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1002, HB 1025, HB 1049.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2023, SB 2178.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2206.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: SB 2175.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: HCR 3047.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1046, HB 1176, HB 1217, HB 1359, HB 1377.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2048, SB 2205.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: SB 2017, SB 2120, SB 2304.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2178, as reengrossed:** Your conference committee (Sens. Schaible, Rust, Marcellais and Reps. Zubke, D. Johnson, Kelsh) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1091, adopt amendments as follows, and place SB 2178 on the Seventh order:

That the House recede from its amendments as printed on page 1091 of the Senate Journal and page 1261 of the House Journal and that Reengrossed Senate Bill No. 2178 be amended as follows:

Page 1, line 2, remove the second "the"

Page 1, line 2, remove "district"

Page 1, line 3, replace "fund" with "loans"

Page 1, line 3, after the semicolon insert "to amend and reenact sections 15.1-36-01 and 16.1-01-11 and of the North Dakota Century Code, relating to the approval of school construction projects and to bond elections;"

Page 1, line 4, replace "an appropriation" with "for a transfer"

Page 1, after line 5, insert:

**"SECTION 1. AMENDMENT.** Section 15.1-36-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-01. School construction projects - Approval.**

1. Notwithstanding the powers and duties of school boards provided by law, the superintendent of public instruction shall approve the construction, purchase, repair, improvement, modernization, or renovation of any public school building or facility before commencement of the project if the cost of the project, as estimated by the school board, is in excess of one hundred thousand dollars.
2. The superintendent of public instruction may not approve a project unless the school district proposing the project:
  - a. Demonstrates the need for the project and the educational utility of the project or demonstrates potential utilization of the project by a future reorganized school district;
  - b. ~~In the case of new construction or a renovation affecting more than fifty percent of an existing structure's square footage, demonstrates that circumstances within the district are likely to result in a stable or increasing student population~~
    - (1) Demonstrates that the student population has been stable or has increased during the preceding five school years and is expected to be stable or to increase during the ensuing five school years; or
    - (2) Demonstrates by clear and convincing evidence that, despite a declining student population, there are no feasible alternatives to the proposed project; and
  - c. Demonstrates the capacity to pay for the project under rules adopted by the superintendent of public instruction pursuant to chapter 28-32.
3. a. If the superintendent of public instruction denies the project, the school board may appeal the superintendent's decision to the state board of public school education. In considering the appeal, the state board shall review:
  - (1) The need for the project;
  - (2) The educational utility of the project;
  - (3) The potential use of the project by a future reorganized school district;
  - (4) The capacity of the district to pay for the project; and
  - (5) Any other objective factors relative to the appeal.
- b. The decision of the state board is final.
4. This section is applicable to any construction, purchase, repair, improvement, renovation, or modernization, even if the school board pays for the project in whole or in part with moneys received on account of the leasing of lands acquired by the United States for flood control, navigation, and allied purposes in accordance with 33 U.S.C. 701c-3 or in accordance with moneys received under the American Recovery and Reinvestment Act of 2009.

5. For purposes of this chapter, "facility" includes a public school parking lot, public school athletic complex, or any other improvement to real property owned by the school district."

Page 1, line 11, after "loans" insert ", except that the total of all loans provided under this section during the first year of the 2015-17 biennium may not exceed fifty percent of the total amount authorized under this subsection"

Page 1, after line 16, insert:

- "c. (1) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to a residential parcel of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
- (2) Request from the tax commissioner a statement of the estimated tax increase, in mills and dollars, which would be applicable to an acre of cropland and to an acre of noncropland, of average true and full value within the county in which the school district is headquartered, if a loan under this section and any associated school construction bond issue were to be authorized in accordance with chapter 21-03;
- (3) Publish in the official newspaper of the district the information from the statements required by this subdivision with the notice of the election to authorize the school construction bond issuance in accordance with section 21-03-12; and
- (4) Post on the school district's website the information from the statements preceding the date of the election to authorize the school construction bond issuance in accordance with chapter 21-03;"

Page 1, line 17, replace "c." with "d."

Page 1, line 18, replace "d." with "e."

Page 2, line 10, replace "one" with "two"

Page 2, line 11, after the underscored period insert "Thereafter, the interest rate on the remainder of a loan under this section:

- a. May not exceed the Bank of North Dakota's base rate; or
- b. May be a fixed rate."

Page 2, line 17, replace "thirty" with "twenty"

Page 2, after line 17, insert:

**"SECTION 3. AMENDMENT.** Section 16.1-01-11 of the North Dakota Century Code is amended and reenacted as follows:

**16-01-11. Certain questions not to be voted upon for three months.**

1. Whenever at any election a bond issue or mil levy question has failed to receive the required number of votes for approval by the electors, the matter may not again be submitted to a vote until a period of at least three months has expired, ~~and in no event may more.~~
2. a. More than two elections on the same general matter may not be held within twelve consecutive calendar months.

- b. If the matter to be placed before the electors for a third subsequent time involves authorization for a school construction bond issuance in accordance with chapter 21-03, the board of the school district shall resubmit its school construction proposal to the superintendent of public instruction for the purpose of obtaining the superintendent's approval, in the same manner as required for an initial approval in accordance with section 15.1-36-01."

Page 2, remove lines 30 and 31

Page 3, replace lines 1 through 4 with:

**"SECTION 4. TRANSFER.** There is transferred from the Bank of North Dakota's current earnings and undivided profits the sum of \$7,875,000, or so much of the sum as may be necessary, to the Bank of North Dakota for the purpose of providing interest rate buydowns on construction loans awarded to school districts under section 2 of this Act, for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 3, line 5, replace "2" with "4"

ReNUMBER accordingly

Reengrossed SB 2178 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2023, as engrossed:** Your conference committee (Sens. G. Lee, Holmberg, Robinson and Reps. Skarphol, Schmidt, Glassheim) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1321, adopt amendments as follows, and place SB 2023 on the Seventh order:

That the House recede from its amendments as printed on page 1321 of the Senate Journal and page 1469 of the House Journal and that Engrossed Senate Bill No. 2023 be amended as follows:

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

Page 1, replace line 18 with:

"Business process modeling services	<u>400,000</u> "
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Page 2, replace lines 2 and 3 with:

"2010 and 2011 flood expenditures	<u>\$1,800,579</u>
Total general fund	<u>\$1,800,579</u> "

Page 2, replace lines 10 and 11 with:

"Capital assets	<u>\$3,152,000</u>
Total all funds	<u>\$3,152,000</u>
Total special funds	<u>3,000,000</u>
Total general fund	<u>\$152,000</u> "

Page 2, replace lines 25 through 27 with:

"Grand total general fund	<u>\$5,959,026</u>
Grand total special funds	<u>8,000,000</u>
Grand total all funds	<u>\$14,159,026</u>

**SECTION 2. ADJUTANT GENERAL - VALLEY STATE UNIVERSITY - STATE DISASTER RELIEF FUND.** The operating expenses line item in subdivision 9 of section 1 of this Act includes \$5,000,000 from the state disaster relief fund. The capital assets line item in subdivision 6 of section 1 of this Act includes \$3,000,000 from the state disaster relief fund.

**SECTION 3. EXEMPTION - TRANSFER - EMERGENCY COMMISSION  
CONTINGENCY FUND TO COMMISSION ON LEGAL COUNSEL FOR**

**INDIGENTS.** Notwithstanding the provisions of section 54-16-04 and 54-16-09, which require emergency commission and budget section approval, the office of management and budget shall transfer spending authority of \$200,000 from the state contingencies appropriation in the emergency commission contingency fund line item in section 1 of chapter 15 of the 2013 Session Laws to the commission on legal counsel for indigents for the period beginning with the effective date of this Act and ending June 30, 2015."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Decreases funding from the general fund to Minot State University by \$200,000, from \$2,000,579 to \$1,800,579. The Senate provided \$2,000,579, and the House provided \$1,587,193.
- Decreases funding to Valley City State University by \$300,000, from \$3,452,000 to \$3,152,000. Of the \$3,152,000, \$3 million is from the state disaster relief fund and \$152,000 is from the general fund. The Senate provided \$3,452,000 from the general fund, and the House provided \$152,000 from the general fund.
- Provides \$5 million from the state disaster relief fund to the Adjutant General, which is the same as the Senate version. The House version decreased the funding by \$750,000, from \$5,000,000 to \$4,250,000.
- Adds a new section to clarify that the funding provided to the Adjutant General and Valley City State University is from the state disaster relief fund.
- Adds a new section to provide a transfer of \$200,000 from the Emergency Commission contingency fund line item in the Office of Management and Budget's 2013-15 biennium appropriation to the Commission on Legal Counsel for Indigents.

Engrossed SB 2023 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2006, as engrossed:** Your conference committee (Sens. Wanzek, Krebsbach, Heckaman and Reps. Skarphol, Thoreson, Hogan) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1232-1234, adopt amendments as follows, and place SB 2006 on the Seventh order:

That the House recede from its amendments as printed on pages 1232-1234 of the Senate Journal and pages 1438-1440 of the House Journal and that Engrossed Senate Bill No. 2006 be amended as follows:

Page 1, line 4, remove "and"

Page 1, line 4, after "transfer" insert "; and to provide an exemption"

Page 1, replace lines 14 through 23 with:

"Salaries and wages	\$20,138,488	\$2,849,226	\$22,987,714
Accrued leave payments	624,818	(624,818)	0
Operating expenses	7,721,834	483,370	8,205,204
Capital assets	16,000	8,000	24,000
Homestead tax credit	20,000,000	0	20,000,000
Disabled veterans' credit	<u>7,678,000</u>	<u>0</u>	<u>7,678,000</u>
Total all funds	\$56,179,140	\$2,715,778	\$58,894,918
Less estimated income	<u>125,000</u>	<u>0</u>	<u>125,000</u>
Total general fund	\$56,054,140	\$2,715,778	\$58,769,918
Full-time equivalent positions	134.00	2.00	136.00"



Page 2, line 3, after "biennium" insert "and the 2015-17 one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 5 and 6 with:

"TAP project	\$1,000,000	\$0
Scanners	<u>0</u>	<u>8,000</u>
Total general fund	\$1,000,000	\$8,000

The 2015-17 one-time funding amounts are not a part of the entity's base budget for the 2017-19 biennium. The tax commissioner shall report to the appropriations committees of the sixty-fifth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017."

Page 2, after line 11, insert:

**"SECTION 4. EXEMPTION.** The amount appropriated for the capital assets line item in section 1 of chapter 6 of the 2013 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2015, and ending June 30, 2017."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2006 - State Tax Commissioner - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$20,138,488	\$23,324,177	(\$336,463)	\$22,987,714	\$22,803,518	\$184,196
Operating expenses	7,721,834	8,232,665	(27,461)	8,205,204	8,185,589	19,615
Capital assets	16,000	16,000	8,000	24,000	24,000	
Homestead tax credit	20,000,000	30,000,000	(10,000,000)	20,000,000	20,000,000	
Disabled veterans credit	7,678,000	8,445,000	(767,000)	7,678,000	7,678,000	
Accrued leave payments	<u>624,818</u>					
Total all funds	\$56,179,140	\$70,017,842	(\$11,122,924)	\$58,894,918	\$58,691,107	\$203,811
Less estimated income	<u>125,000</u>	<u>125,000</u>	0	<u>125,000</u>	<u>125,000</u>	0
General fund	\$56,054,140	\$69,892,842	(\$11,122,924)	\$58,769,918	\$58,566,107	\$203,811
FTE	134.00	137.00	(1.00)	136.00	134.00	2.00

**Department No. 127 - State Tax Commissioner - Detail of Conference Committee Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Removes New FTE Positions <sup>2</sup>	Removes Funding for New FTE Operating Expenses <sup>3</sup>	Reduces Funding for Homestead Tax Credit <sup>4</sup>	Reduces Funding for Disabled Veterans' Tax Credit <sup>5</sup>	Adds One-Time Funding for Scanners <sup>6</sup>
Salaries and wages	(\$100,886)	(\$235,577)				
Operating expenses			(27,461)			
Capital assets						8,000
Homestead tax credit				(10,000,000)		
Disabled veterans credit					(767,000)	
Accrued leave payments						
Total all funds	(\$100,886)	(\$235,577)	(\$27,461)	(\$10,000,000)	(\$767,000)	\$8,000
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	(\$100,886)	(\$235,577)	(\$27,461)	(\$10,000,000)	(\$767,000)	\$8,000
FTE	0.00	(1.00)	0.00	0.00	0.00	0.00

Total Conference Committee Changes	
Salaries and wages	(\$336,463)
Operating expenses	(27,461)
Capital assets	8,000
Homestead tax credit	(10,000,000)

Disabled veterans credit	(767,000)
Accrued leave payments	
Total all funds	(\$11,122,924)
Less estimated income	0
General fund	(\$11,122,924)
FTE	(1.00)

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> The following funding and FTE positions are removed:

- \$124,924 from the general fund and 1 compliance officer FTE position;
- \$100,198 from the general fund related to 1 property tax specialist position;
- \$4,631 from the general fund for related salary increases; and
- \$5,824 from the general fund for related health insurance increases.

The conference committee version includes \$184,196 from the general fund and 2 FTE positions. The Senate provided \$419,773 from the general fund and 3 FTE positions. The House removed the positions and the related funding.

<sup>3</sup> Funding is removed for operating expenses related to the new FTE positions. The Senate version provided \$47,076, and the House version removed \$47,076.

<sup>4</sup> Funding is removed to continue the homestead tax credit changes made by the 2013 Legislative Assembly (\$2 million) and to expand the eligibility threshold for homestead tax credit program (\$8 million). Total funding for the homestead tax credit program is \$20 million, which is the same as the base level and House version. The Senate provided funding of \$30 million, an increase of \$10 million over the base level and the House version.

<sup>5</sup> The amendment removes funding to continue the disabled veterans' tax credit changes made by the 2013 Legislative Assembly. Total funding for the disabled veterans' tax credit program is \$7,678,000, which is the same as the base level and the House version. The Senate version provided total funding of \$8,445,000 from the general fund.

<sup>6</sup> One-time funding is added for scanners, which is the same as the House version. The Senate version did not include this funding.

This amendment also adds a new section to provide an exemption for the \$16,000 appropriated in the capital assets line item to the Tax Department in the 2013-15 biennium. As a result, \$40,000 will be available to the department to purchase scanners, of which \$16,000 is from carryover authority, \$16,000 is included in the department's base budget, and \$8,000 of one-time funding from the general fund is added in this amendment. The House version also included the exemption, but the Senate version did not provide an exemption.

Engrossed SB 2006 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2206, as engrossed:** Your conference committee (Sens. Dever, J. Lee, Warner and Reps. Weisz, Hofstad, Muscha) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1504, adopt amendments as follows, and place SB 2206 on the Seventh order:

That the House recede from its amendments as printed on page 1504 of the Senate Journal and pages 1311-1313 and pages 1658 and 1659 of the House Journal and that Engrossed Senate Bill No. 2206 be amended as follows:

- Page 1, line 4, after "50-24.1-14" insert ", subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7"
- Page 1, line 6, after "expense" insert "and reduction of county property tax levy authority for social service board budgets to reflect county savings from programs funded at state expense"
- Page 1, line 9, replace "establish a social services financing commission" with "provide for a legislative management study"
- Page 1, line 9, remove "to provide an"
- Page 1, line 10, remove "expiration date;"
- Page 1, line 22, remove "beginning"
- Page 1, line 23, replace "and continuing for succeeding years must identify" with "may not exceed an amount determined using the departmental budget submitted in 2014 by the county social service board as a starting point, subtracting"
- Page 1, line 24, after "responsibility" insert "for 2014"
- Page 2, line 2, after "services" insert ", and applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year 2015. For purposes of this subdivision, the reduction in the county's social service funding responsibility derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services includes the following"
- Page 2, line 3, replace "incurred" with "that would have been paid"
- Page 2, line 7, replace "incurred" with "which would have been paid by the county"
- Page 2, line 9, replace "incurred" with "which would have been paid by the county"
- Page 2, line 11, replace "incurred" with "which would have been paid by the county"
- Page 2, line 13, replace "incurred" with "which would have been paid by the county"
- Page 2, line 15, replace "incurred" with "which would have been paid by the county"
- Page 2, line 20, after "b." insert "The departmental budget submitted by the county social service board in 2016 for the 2017 budget may not exceed an amount determined using the 2015 departmental budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016."
- c."
- Page 2, line 21, after "paid" insert "by the county"
- Page 2, line 22, after the first "department" insert "of human services"
- Page 2, line 22, after the second "department" insert "of human services"
- Page 2, line 24, remove "The amount reported must equal the"
- Page 2, replace lines 25 through 31 with:
- "The county share of the human service budget must be funded entirely from the county's property tax levy for that purpose and the county may not use funds from any other source to supplement the human services budget, with the exception that the county may make use of the identifiable amount of other sources the county has

used to supplement its human services budget for 2015 and the county may use grant funds that may be available to the county under section 50-06-20.1.

- d. The department of human services shall develop a process to review a request from a county social service board for any proposed increase in staff needed as a result of significantly increased caseloads for state-funded human services programs, if the increase in staff would result in the county exceeding the budget limitation established under this subsection. As part of its review process, the department shall review countywide caseload information and consider the option of multicounty sharing of staff. If the department approves a request for a proposed increase in staff, the county budget limitation established under subdivision b may be increased by the amount determined necessary by the department to fund the approved additional staff."

Page 7, after line 6, insert:

**"SECTION 9. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
- a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
  - d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
    - (1) The base year mill rate of the school district minus sixty mills; or
    - (2) Fifty mills.
  - e. If the base year is a taxable year before 2016, the base year human services county levy in dollars must be reduced to the amount of the county social service board budget levy for the budget year as determined under section 11-23-01.

**SECTION 10. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of mills determined by dividing the county budget limitation in dollars as determined under section 11-23-01 by the taxable valuation of the county."

Page 7, remove lines 9 through 31

Page 8, replace lines 1 through 14 with:

**"SECTION 12. LEGISLATIVE MANAGEMENT STUDY - INTERIM COUNTY SOCIAL SERVICES FINANCE COMMITTEE - WORKING GROUP.**

1. During the 2015-16 interim, the chairman of the legislative management shall appoint the legislative management interim county social services finance committee to develop a transition plan for potentially transferring the costs of operating social services programs from county property tax levies to state general fund appropriations. The membership of the committee must include the chairmen of the house and senate finance and taxation committees and the house and senate human services committees, or their designees. The director of the department of human services shall serve as a nonvoting member of the committee. The chairman of the legislative management may appoint additional members of the legislative assembly to serve on the committee. The chairman of the house human services committee shall serve as the chairman of the committee and the chairman of the senate human services committee shall serve as the vice-chairman.
2. A county social services finance working group is established, with the following voting members:
  - a. The director of the department of human services or designee;
  - b. The chief financial officer of the department of humans services;
  - c. Two members representing elected county officials identified in section 11-10-02 as selected by the North Dakota association of counties;
  - d. The tax commissioner or designee;
  - e. The director of the office of management and budget or designee;
  - f. Two county social services directors selected by the North Dakota county social services directors association; and
  - g. One member representing the North Dakota association of counties.
3. The director of the department of human services shall serve as the chairman of the working group and the four standing committee chairmen who serve on the legislative management interim county social services finance committee shall serve as legislative liaisons to the working group. During the 2015-16 interim, the working group shall make recommendations to and seek direction from the county social services finance committee in assisting the committee with the committee's study charge. At each meeting of the committee, the working group shall report on the progress of the working group's activities and receive direction from the committee on the working group's study charge.
4. Under this section, a proposed transition plan must include a timeline for the major milestones of the transition plan, considerations for the transition, estimated costs, a plan to require a property tax reduction for

the amount of the budgeted savings brought about by the transfer of county social services costs to the state, a plan resulting in the elimination of the county social services levy under section 50-06.2-05, and potential legislation to implement recommended changes.

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

Page 12, line 15, remove "2, 3, 4, 5, 7, 8, and"

Page 12, line 15, after "9" insert ", and 10 of this Act become effective on August 1, 2015. Sections 2, 3, 4, 5, 7, 8, and 11 of this Act"

Page 8, remove lines 17 and 18

Renumber accordingly

Engrossed SB 2206 was placed on the Seventh order of business on the calendar.

#### **ANNOUNCEMENT**

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

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

#### **CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. OWENS MOVED** that the House do concur in the Senate amendments to Engrossed HB 1476 as printed on HJ page 1829, which motion prevailed on a voice vote.

Engrossed HB 1476 as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1476:** A BILL for an Act to amend and reenact subsection 4 of section 38-08-04 and sections 57-51.1-01, and 57-51.1-02, subsection 3 of section 57-51.1-03, and section 57-51.1-03 of the North Dakota Century Code, relating to oil extraction tax rates and exemptions; to provide for an exception; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 66 YEAS, 26 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Hatlestad; Headland; Hofstad; Johnson, D.; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Meier; Monson; Nathe; Nelson, J.; Olson; Owens; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trotter; Vigasaa; Weisz; Zubke; Speaker Belter

**NAYS:** Amerman; Anderson, P.; Boe; Boschee; Delmore; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunsakor; Johnson, M.; Kelsh; Maragos; Martinson; Mitskog; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Schneider; Strinden; Wallman

**ABSENT AND NOT VOTING:** Frantsvog; Glassheim

Reengrossed HB 1476 passed.

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#### **MOTION**

**REP. VIGESAA MOVED** that SB 2226 be moved to the top of the calendar, which motion

prevailed.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEISER MOVED** that the conference committee report on Engrossed SB 2226 as printed on HJ pages 1639-1640 be adopted, which motion prevailed on a voice vote.

**SECOND READING OF SENATE BILL**

**SB 2226:** A BILL for an Act to amend and reenact sections 54-40.2-04, 54-40.2-05, 57-51.2-01, and 57-51.2-02 of the North Dakota Century Code, relating to legislative confirmation of state-tribal tax collection agreements and the authority of the governor to enter agreements relating to taxation and regulation of oil and gas exploration and production within the boundaries of the Fort Berthold Reservation, Standing Rock Sioux Tribe Reservation, or Turtle Mountain Band of Chippewa Indians Reservation and on certain trust properties outside reservation boundaries; and to provide an effective date.

**ROLL CALL**

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

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rich S.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Owens; Paur; Pollert; Porter; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trotter; Vigesaa; Wallman; Weisz; Zubke; Speaker Belter

**NAYS:** Hogan; Oversen

**ABSENT AND NOT VOTING:** Frantsvog; Glassheim; Rohr

Engrossed SB 2226, as amended, passed.

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1476.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2226.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2340.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1004, HB 1015.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: HB 1126.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2010.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1046, HB 1176, HB 1217, HB 1359,

HB 1377.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2010.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2048, SB 2205.

**REPORT OF STANDING COMMITTEE**

**SB 2015, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (17 YEAS, 3 NAYS, 3 ABSENT AND NOT VOTING). Engrossed SB 2015, as amended, was placed on the Sixth order on the calendar.**

Page 1, line 2, after the semicolon insert "to provide an appropriation to the department of transportation; to provide an appropriation to the state auditor; to provide an appropriation to the legislative assembly; to create and enact section 54-52-02.15 of the North Dakota Century Code, relating to participation by certain employees of the office of management and budget in the public employees retirement system; to amend and reenact subdivision c of subsection 1 of section 15-10-17 and section 48-08-04 of the North Dakota Century Code, relating to North Dakota university system personnel and the use of legislative meeting rooms;"

Page 1, line 4, replace "and" with "to provide for a legislative management study;"

Page 1, line 5, after "provide" insert "a statement of"

Page 1, line 5, after "intent" insert "; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 5 with:

"Salaries and wages	\$19,803,315	\$224,939	\$20,028,254
Accrued leave payments	570,412	(570,412)	0
Operating expenses	14,356,788	(150,003)	14,206,785
Emergency commission contingency fund	700,000	0	700,000
Capital assets	2,251,065	1,738,944	3,990,009
Grants	430,000	125,000	555,000
Guardianship grants	828,600	0	828,600
Prairie public broadcasting	1,337,138	362,862	1,700,000
State student internship program	200,000	50,000	250,000
Health insurance pool - temporary employees	0	5,000,000	5,000,000
Total all funds	\$40,477,318	\$6,781,330	\$47,258,648
Less estimated income	<u>8,730,630</u>	<u>2,689,760</u>	<u>11,420,390</u>
Total general fund	\$31,746,688	\$4,091,570	\$35,838,258"

Page 2, replace line 17 with:

"Prairie public broadcasting	600,000	0"
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Page 2, replace line 23 with:

"Facility projects	0	205,000"
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Page 2, replace line 25 with:

"West parking lot repair	0	50,000"
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Page 2, replace lines 27 through 30 with:

"Facility management projects	0	1,825,009
Legislative wing electrical-related repairs	0	310,000
Total all funds	\$334,400,000	\$8,840,009



Less estimated income	5,500,000	4,210,000
Total general fund	\$328,900,000	\$4,630,009"

Page 3, after line 4, insert:

**"SECTION 3. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$208,618, or so much of the sum as may be necessary, to the office of management and budget for the purpose of the addition of two full-time equivalent positions to provide concessions in the state capitol for the period beginning with the effective date of this Act and ending June 30, 2017. The office of management and budget is authorized two full-time equivalent positions for this purpose.

**SECTION 4. APPROPRIATION LINE ITEM TRANSFERS.** Notwithstanding section 54-16-04, the office of management and budget may transfer appropriation authority between line items for the purpose of purchasing service credit as provided in section 20 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2017."

Page 3, after line 10, insert:

**"SECTION 6. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000,000, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2015, and ending June 30, 2017. The office of management and budget shall transfer the funds provided in this section at the request of the director of the department of transportation.

**SECTION 7. APPROPRIATION - HIGHWAY FUND - DEPARTMENT OF TRANSPORTATION.** There is appropriated out of any moneys in the highway fund in the state treasury, not otherwise appropriated, the sum of \$200,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhanced state highway investments, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding provided in this section is considered a one-time funding item.

**SECTION 8. APPROPRIATION - STATE AUDITOR.** There is appropriated out of special funds derived from other income from fees charged to the North Dakota university system, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the state auditor for the purpose of conducting information technology security audits of the eleven institutions in the North Dakota university system, for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 9. APPROPRIATION - LEGISLATIVE ASSEMBLY - MEETING ROOMS - REPORTS TO LEGISLATIVE PROCEDURE AND ARRANGEMENTS COMMITTEE.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000 or so much of the sum as may be necessary, to the legislative assembly for the purpose of purchasing and installing audio and visual equipment, tables, chairs, and other furnishings in legislative meeting rooms within the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly, for the biennium beginning July 1, 2015, and ending June 30, 2017. The funding appropriated in this section is considered a one-time funding item.

The state court administrator shall provide periodic reports to the legislative procedure and arrangements committee during the 2015-16 interim regarding the status of the facility space expansion authorized under House Bill No. 1002, as approved by the sixty-fourth legislative assembly."

Page 3, line 12, replace "\$1,400,000" with "\$1,710,000"

Page 3, line 12, after "fund" insert ", of which \$1,400,000 is"

Page 3, line 13, after "projects" insert "and \$310,000 is for legislative wing electrical and ceiling repairs"

Page 4, remove lines 24 through 29

Page 5, line 9, replace "12" with "17"

Page 5, after line 31, insert:

**"SECTION 18. AMENDMENT.** Subdivision c of subsection 1 of section 15-10-17 of the North Dakota Century Code is amended and reenacted as follows:

- c. Appoint and remove all university system office personnel, fix their salaries within the limits of legislative appropriations, fix their terms of office, and prescribe their duties. The board shall adopt a policy that provides that each vice chancellor in the university system office is considered to have resigned the individual's position as a vice chancellor upon the appointment of a commissioner of higher education.

**SECTION 19. AMENDMENT.** Section 48-08-04 of the North Dakota Century Code is amended and reenacted as follows:

**48-08-04. Use of legislative assembly rooms and halls.**

During the interim between legislative sessions, the committee rooms, halls, passageways, and other space in the capitol used by the legislative assembly, including the pioneer room and three additional meeting rooms comprising approximately four thousand square feet in the judicial wing of the capitol, may not be used without authorization of the legislative council.

**SECTION 20.** Section 54-52-02.15 of the North Dakota Century Code is created and enacted as follows:

**54-52-02.15. Participation by capitol concession employees of the office of management and budget.**

After the effective date of this Act, the office of management and budget shall certify to the staff of the public employees retirement system the employment of individuals who are permanent employees providing a concession service in the state capitol and who are otherwise eligible to participate in the public employees retirement system. Notwithstanding any other provision of law, the office of management and budget may purchase on behalf of these employees additional service credit, including credit for any employee contributions and contributions to the retiree health benefits fund, for all past employment providing a concession service in the state capitol for which the individual was employed an average of twenty hours or more per week and at least twenty weeks each year of employment, as determined by the director of the office of management and budget. If the office of management and budget purchases service credit under this section, the office of management and budget immediately shall transfer to the public employees retirement system the amount of funds necessary to pay the purchase price, which must be determined by the board on an actuarially equivalent basis taking into account the contributions necessary for the retirement program and the retiree health benefits fund."

Page 6, after line 1, insert:

**"SECTION 22. ONE-TIME FUNDING - ASSISTIVE TECHNOLOGY SERVICES.** The funding appropriated to the department of human services in Senate Bill No. 2289 as approved by the sixty-fourth legislative assembly, relating to assistive technology services is considered one-time funding for the biennium beginning July 1, 2015, and ending June 30, 2017.

**SECTION 23. LEGISLATIVE MANAGEMENT STUDY - BUDGET SECTION FUNCTIONS.** During the 2015-16 interim, the legislative management shall study

the functions of the budget section. The study must review the duties and studies assigned to the budget section and the ability of the budget section to authorize financial decisions, including full-time equivalent positions, university system building projects, and project scope changes. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-fifth legislative assembly.

**SECTION 24. LEGISLATIVE INTENT - STATE BOARD OF HIGHER EDUCATION - SEVERANCE PAY.** Notwithstanding any policy adopted by the board, the state board of higher education or an institution under its control may not approve or provide severance pay to any employee whose employment is terminated as a result of the transfer of positions from the state board of higher education to the attorney general as provided in House Bill No. 1003 as approved by the sixty-fourth legislative assembly.

**SECTION 25. EMERGENCY.** Sections 3, 4, 18, and 20 of this Act are declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2015 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Office of Management and Budget				
Total all funds	\$40,477,318	\$68,196,688	(\$20,729,422)	\$47,467,266
Less estimated income	8,730,630	19,625,335	(8,204,945)	11,420,390
General fund	\$31,746,688	\$48,571,353	(\$12,524,477)	\$36,046,876
State Auditor				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Legislative Assembly				
Total all funds	\$0	\$0	\$160,000	\$160,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$160,000	\$160,000
Department of Transportation				
Total all funds	\$0	\$0	\$400,000,000	\$400,000,000
Less estimated income	0	0	200,000,000	200,000,000
General fund	\$0	\$0	\$200,000,000	\$200,000,000
Bill total				
Total all funds	\$40,477,318	\$68,196,688	\$379,630,578	\$447,827,266
Less estimated income	8,730,630	19,625,335	191,995,055	211,620,390
General fund	\$31,746,688	\$48,571,353	\$187,635,523	\$236,206,876

#### Senate Bill No. 2015 - Office of Management and Budget - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$19,803,315	\$20,117,094	(\$88,840)	\$20,028,254
Operating expenses	14,356,788	14,206,785		14,206,785
Capital assets	2,251,065	7,530,009	(3,540,000)	3,990,009
Grants	430,000	555,000		555,000
Emergency commission	700,000	700,000		700,000
contingency fund				
Prairie public broadcasting	1,337,138	3,200,000	(1,500,000)	1,700,000
State student internship program	200,000	250,000		250,000
Guardianship grants	828,600	1,937,800	(1,109,200)	828,600
Accrued leave payments	570,412			
Health insurance pool - temp employees		5,000,000		5,000,000
Energy impact funding pool		14,700,000	(14,700,000)	
Cafeteria operations			208,618	208,618
Total all funds	\$40,477,318	\$68,196,688	(\$20,729,422)	\$47,467,266
Less estimated income	8,730,630	19,625,335	(8,204,945)	11,420,390
General fund	\$31,746,688	\$48,571,353	(\$12,524,477)	\$36,046,876
	130.50	122.50	2.00	124.50

FTE



**Department No. 110 - Office of Management and Budget - Detail of House Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Reduces Funding for Guardianship Grants <sup>2</sup>	Removes One- Time Funding For Projects <sup>3</sup>	Reduces One- Time Funding for Parking Lot Repairs <sup>4</sup>	Removes One- Time Funding for Energy Impact Funding <sup>5</sup>	Adds Funding for Legislative Wing Repairs <sup>6</sup>
Salaries and wages	(\$88,840)					
Operating expenses						
Capital assets			(2,000,000)	(1,250,000)		310,000
Grants						
Emergency commission contingency fund						
Prairie public broadcasting			(1,500,000)			
State student internship program						
Guardianship grants		(1,109,200)				
Accrued leave payments						
Health insurance pool - temp employees						
Energy impact funding pool					(14,700,000)	
Cafeteria operations						
<b>Total all funds</b>	<b>(\$88,840)</b>	<b>(\$1,109,200)</b>	<b>(\$3,500,000)</b>	<b>(\$1,250,000)</b>	<b>(\$14,700,000)</b>	<b>\$310,000</b>
Less estimated income	(14,945)	0	0	0	(8,500,000)	310,000
<b>General fund</b>	<b>(\$73,895)</b>	<b>(\$1,109,200)</b>	<b>(\$3,500,000)</b>	<b>(\$1,250,000)</b>	<b>(\$6,200,000)</b>	<b>\$0</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Facility Management Projects <sup>7</sup>	Adds Funding for FTE Positions <sup>8</sup>	Total House Changes
Salaries and wages			(\$88,840)
Operating expenses			
Capital assets	(600,000)		(3,540,000)
Grants			
Emergency commission contingency fund			
Prairie public broadcasting			(1,500,000)
State student internship program			
Guardianship grants			(1,109,200)
Accrued leave payments			
Health insurance pool - temp employees			
Energy impact funding pool			(14,700,000)
Cafeteria operations		208,618	208,618
<b>Total all funds</b>	<b>(\$600,000)</b>	<b>\$208,618</b>	<b>(\$20,729,422)</b>
Less estimated income	0	0	(8,204,945)
<b>General fund</b>	<b>(\$600,000)</b>	<b>\$208,618</b>	<b>(\$12,524,477)</b>
FTE	0.00	2.00	2.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding is reduced for guardianship grants to provide total funding of \$828,600, which is the same as the base level. The Senate added funding of \$1,109,200 from the general fund.

<sup>3</sup> One-time funding is removed for mechanical upgrades in the Heritage Center (\$600,000), Prairie Public Broadcasting projects (\$1.5 million), and Capitol elevator upgrades (\$1.4 million).

<sup>4</sup> One-time funding is reduced for west parking lot repairs to provide total funding of \$50,000 from the general fund. The Senate version provided \$1.3 million from the general fund.

<sup>5</sup> One-time funding is removed for the energy impact funding pool.

<sup>6</sup> One-time funding is added from the Capitol building fund for legislative wing electrical and ceiling repairs.

<sup>7</sup> This amendment reduces the funding for facility management projects to provide total funding of \$1,825,009 and identifies this funding as one-time funding. The Senate provided \$2,425,009 from the general fund as ongoing funding.

<sup>8</sup> Adds two full-time equivalent positions and related funding from the general fund to assist with cafeteria operations in the Capitol.

This amendment also:

- Adds a section to provide for a Legislative Management study of the functions of the Budget Section.
- Adds a section to identify the funding included in Senate Bill No. 2289 as one-time funding.
- Adds a section of legislative intent to restrict the State Board of Higher Education from providing severance payments to employees who are transferred to the Attorney General's office.
- Adds a section to require the State Board of Higher Education to adopt a policy for the resignation of vice chancellors when a new Commissioner of Higher Education is appointed.
- Adds a section to allow individuals who are permanent employees providing a concession service in the Capitol to be eligible to participate in the Public Employees Retirement System.
- Clarifies the use of legislative meeting rooms during the interim.
- Provides an emergency clause for certain sections of the bill.

#### Senate Bill No. 2015 - State Auditor - House Action

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

#### Department No. 117 - State Auditor - Detail of House Changes

	Adds Funding for University System IT Audits <sup>1</sup>	Total House Changes
Operating expenses	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding from fees charged to the North Dakota University System is added for information technology security audits of the 11 institutions in the University System.

#### Senate Bill No. 2015 - Legislative Assembly - House Action

	Base Budget	Senate Version	House Changes	House Version
Operating expenses			\$160,000	\$160,000
Total all funds	\$0	\$0	\$160,000	\$160,000

Less estimated income	0	0	0	0
General fund	\$0	\$0	\$160,000	\$160,000
FTE	0.00	0.00	0.00	0.00

**Department No. 150 - Legislative Assembly - Detail of House Changes**

	Adds One-Time Funding for Meeting Room Furnishings <sup>1</sup>	Total House Changes
Operating expenses	\$160,000	\$160,000
Total all funds	\$160,000	\$160,000
Less estimated income	0	0
General fund	\$160,000	\$160,000
FTE	0.00	0.00

<sup>1</sup> Adds one-time funding from the general fund for equipment, tables, chairs, and other furnishings for legislative meeting rooms in the judicial wing.

**Senate Bill No. 2015 - Department of Transportation - House Action**

	Base Budget	Senate Version	House Changes	House Version
Capital assets			\$200,000,000	\$200,000,000
Transfers			200,000,000	200,000,000
Total all funds	\$0	\$0	\$400,000,000	\$400,000,000
Less estimated income	0	0	200,000,000	200,000,000
General fund	\$0	\$0	\$200,000,000	\$200,000,000
FTE	0.00	0.00	0.00	0.00

**Department No. 801 - Department of Transportation - Detail of House Changes**

	General Fund Transfer to Highway Fund <sup>1</sup>	Adds Funding for Enhanced State Highway Investments <sup>2</sup>	Total House Changes
Capital assets		\$200,000,000	\$200,000,000
Transfers	200,000,000		200,000,000
Total all funds	\$200,000,000	\$200,000,000	\$400,000,000
Less estimated income	0	200,000,000	200,000,000
General fund	\$200,000,000	\$0	\$200,000,000
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adds a transfer of \$200 million from the general fund to the highway fund.

<sup>2</sup> One-time funding is added from the highway fund for enhanced state highway investments.

**REPORT OF STANDING COMMITTEE**

**SB 2022, as engrossed: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (18 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2022 was placed on the Sixth order on the calendar.**

Page 1, line 2, after "transfers" insert "; to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to uniform group insurance program benefits coverage contract requirements, prescription drug coverage audits, and a report to the legislative audit and fiscal review committee; to amend and reenact subsection 17 of section 54-02-01 and section 54-52-03 of the North Dakota Century Code, relating to the retirement board and section 54-52.1-05 of the North Dakota Century Code, relating to public employee retirement system contracts for health insurance benefits coverage; to provide a statement of legislative intent; to provide for application; to limit the use of health insurance program reserves; and to declare an emergency"

Page 1, replace line 13 with:

"Salaries and wages	\$3,772,504	\$568,047	\$4,340,551"
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Page 1, replace line 17 with:

"Total special funds	\$4,899,369	\$514,056	\$5,413,425"
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Page 1, replace line 23 with:

"Salaries and wages	\$5,016,339	\$972,063	\$5,988,402"
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Page 2, replace line 1 with:

"Operating expenses	2,280,894	377,050	2,657,944"
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Page 2, replace lines 3 and 4 with:

"Total special funds	\$7,650,450	\$1,245,896	\$8,896,346
Full-time equivalent positions	33.00	0.00	33.00"

Page 2, replace lines 9 and 10 with:

"Grand total special funds	\$12,549,819	\$1,759,952	\$14,309,771
Full-time equivalent positions	52.00	0.00	52.00"

Page 2, after line 15, insert:

**SECTION 3. AMENDMENT.** Subsection 17 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

17. "Retirement board" or "board" means the ~~seven persons designated by this chapter as the governing authority for the retirement system created under section 54-52-03.~~

**SECTION 4. AMENDMENT.** Section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:

**54-52-03. Governing authority.**

A state agency is hereby created to constitute the governing authority of the system to consist of a board of ~~seven~~nine persons 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. No employee of the public employees retirement system or the state retirement and investment office may serve on the board.

1. The majority leader of the house of representatives or a designee is a member of the board.
2. The majority leader of the senate or a designee is a member of the board.

- ~~3.~~ Two members of the legislative assembly appointed by the chairman of the legislative management consisting of one member from the majority party and one member from the minority party are members of the board.
- ~~4.4.~~ One member of the board must be appointed by the governor to serve a term of five years. The appointee must be a North Dakota citizen who is not a state or political subdivision employee and who by experience is familiar with money management. The citizen member is chairman of the board.
- ~~2.~~ ~~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.~~
- ~~3.~~ ~~The state health officer appointed under section 23-01-05 is a member of the board.~~
- ~~4.5.~~ 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.
- ~~5.6.~~ One board member must be elected by and from among those persons who are receiving retirement benefits under this chapter. The board shall call the election and must give prior notice of the election to the persons eligible to participate in the election pursuant to this subsection. The board member shall serve a term of five years.
- ~~6.7.~~ 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.
- ~~7.8.~~ 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 ~~four~~five of the ~~seven~~nine board members constitute a quorum. ~~Four~~Five votes are necessary for resolution or action by the board at any meeting.

**SECTION 5.** A new section to chapter 54-52.1 of the North Dakota Century Code is created and enacted as follows:

**Health insurance benefits coverage of prescription drug coverage - Analysis - Report to legislative audit and fiscal review committee.**

1. At least once every two years, the board shall request the state auditor to select a firm to complete a financial and health care analysis of the prescription drug coverage under the health benefits coverage. This may not be construed to require the firm to be a certified public accounting firm. In contracting for the analysis, the state auditor shall consider input from the board regarding the scope of the evaluation and the review of the proposals. The analysis must include a review of the following, without limitation:
  - a. Based on medi-span definitions of "brand drug" and "generic drug", the average annual brand drug costs and the generic drug costs at each of the following pharmacy channels:



- (1) Retail;
- (2) Retail-90; and
- (3) Mail.
- b. The average annual drug-by-drug costs of each drug dispensed from specialty drug pharmacies used by the carrier or the pharmacy benefits manager.
- c. The rebates and other third-party financial benefits passed through to the board, measured in the aggregate and on a per brand drug prescription basis, to verify the carrier satisfied the contract's rebate guarantees.
- d. (1) At a minimum, an evaluation of the effectiveness of the following programs implemented on behalf of the board by the carrier or the pharmacy benefits manager:
  - (a) Quantity limit program;
  - (b) Step therapy program; and
  - (c) Prior authorization program.
- (2) The evaluation of effectiveness under this subdivision must include:
  - (a) The approval and disapproval rates for each first-line-treatment drug in the prior authorization program; and
  - (b) Recommendations to the board addressing how to improve each of the programs.
- e. An evaluation of and recommendations concerning the refill practices of the carrier or the pharmacy benefits manager to determine, without limitation:
  - (1) Whether and to what extent automatic refills are being dispensed; and
  - (2) The point in time refills are being dispensed.
2. Upon the request of the board, the health benefits coverage carrier or pharmacy benefits manager that provides prescription drug coverage under the health benefits coverage shall produce, without limitation:
  - a. The prescription drug coverage contract controlling prescription coverage under this chapter; and
  - b. A list of the prior authorization, step therapy, and quantity limit programs implemented on behalf of the board, identifying, without limitation, each drug in the program and whether the drug is a first- or second-line-of-treatment drug or the relevant quantity limit.
3. The board shall submit and present this report to the legislative audit and fiscal review committee.

**SECTION 6. AMENDMENT.** Section 54-52.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**54-52.1-05. Provisions of contract - Term of contract.**

1. Each uniform group insurance contract entered into by the board must be consistent with the provisions of this chapter, must be signed for the state of North Dakota by the chairman of the board, and must include the following:
  1. a. As many optional coverages as deemed feasible and advantageous by the board.
  2. b. A detailed statement of benefits offered, including maximum limitations and exclusions, and such other provisions as the board may deem necessary or desirable.
2. The term of a uniform group insurance contract for hospital benefits coverage, medical benefits coverage, or prescription drug coverage may not exceed two years. A contract subject to this subsection may not be renewed without solicitation of a bid under section 54-52.1-04.

**SECTION 7.** Section 54-52.1-05.1 of the North Dakota Century Code is created and enacted as follows:

**54-52.1-05.1. Provisions of health insurance benefits coverage.**

1. The board contract for health insurance benefits coverage under this chapter must provide that for the duration of the term of that contract except as necessary for treatment, payment, and operations, the carrier may not disclose identifiable or unidentifiable insured or provider data or information with a related or unrelated health care delivery entity.
2. If the board enters a contract for health insurance benefits coverage under this chapter with a carrier that has common ownership with a health care delivery entity, for purposes of the carrier's negotiated provider discount rates with in-state providers:
  - a. For a provider that is a critical access hospital that does not have common ownership with the carrier, the negotiated provider discount rates may not be less than the negotiated provider discount rates the carrier has with the related health care delivery entity that is a critical access hospital.
  - b. For a provider that is not a critical access hospital and that does not have common ownership with the carrier, the negotiated provider discount rates may not be less than the negotiated provider discount rates the carrier has with the related health care delivery entity that is not a critical access hospital.

**SECTION 8. UNIFORM GROUP INSURANCE PROGRAM HEALTH INSURANCE BENEFITS - LEGISLATIVE INTENT.** During the period beginning with the effective date of this Act through June 30, 2015, if the public employees retirement system board determines it is necessary to rebid the uniform group insurance program health insurance benefits contract, the carrier providing coverage at the time of that determination may continue under the existing contract until a new contract is finalized, but not to exceed nine months beyond the date the board makes that determination.

**SECTION 9. HEALTH INSURANCE RESERVE FUNDS - LIMITATIONS.**

Notwithstanding any other provision of law, for the period beginning with the effective date of this Act and ending June 30, 2017, the public employees retirement system board may not spend any moneys in the fund created under section 54-52.1-06 or any other accumulated reserves under the uniform group insurance program for the purpose of reducing any increase in uniform group insurance premium amounts beyond the rates used by the sixty-fourth legislative assembly for developing 2015-17 state agency budgets.

**SECTION 10. EMERGENCY.** Sections 7, 8, and 9 of this Act are declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2022 - Summary of House Action**

	Base Budget	Senate Version	House Changes	House Version
Retirement and Investment Office				
Total all funds	\$4,899,369	\$5,427,729	(\$14,304)	\$5,413,425
Less estimated income	4,899,369	5,427,729	(14,304)	5,413,425
General fund	\$0	\$0	\$0	\$0
Public Employees Retirement System				
Total all funds	\$7,650,450	\$9,407,473	(\$511,127)	\$8,896,346
Less estimated income	7,650,450	9,407,473	(511,127)	8,896,346
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$12,549,819	\$14,835,202	(\$525,431)	\$14,309,771
Less estimated income	12,549,819	14,835,202	(525,431)	14,309,771
General fund	\$0	\$0	\$0	\$0

**Senate Bill No. 2022 - Retirement and Investment Office - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$3,772,504	\$4,354,855	(\$14,304)	\$4,340,551
Operating expenses	973,324	990,874		990,874
Contingencies	82,000	82,000		82,000
Accrued leave payments	71,541			
Total all funds	\$4,899,369	\$5,427,729	(\$14,304)	\$5,413,425
Less estimated income	4,899,369	5,427,729	(14,304)	5,413,425
General fund	\$0	\$0	\$0	\$0
FTE	19.00	19.00	0.00	19.00

**Department No. 190 - Retirement and Investment Office - Detail of House Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Total House Changes
Salaries and wages	(\$14,304)	(\$14,304)
Operating expenses		
Contingencies		
Accrued leave payments		
Total all funds	(\$14,304)	(\$14,304)
Less estimated income	(14,304)	(14,304)
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

**Senate Bill No. 2022 - Public Employees Retirement System - House Action**

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$5,016,339	\$6,479,410	(\$491,008)	\$5,988,402
Operating expenses	2,280,894	2,678,063	(20,119)	2,657,944
Contingencies	250,000	250,000		250,000
Accrued leave payments	103,217			
Total all funds	\$7,650,450	\$9,407,473	(\$511,127)	\$8,896,346

Less estimated income	7,650,450	9,407,473	(511,127)	8,896,346
General fund	\$0	\$0	\$0	\$0
FTE	33.00	34.50	(1.50)	33.00

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

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Removes Salary Increase Funding for New FTE Removed <sup>2</sup>	Removes Chief Financial Officer FTE Position <sup>3</sup>	Removes Benefits Support Position <sup>4</sup>	Reduces Temporary Salaries <sup>5</sup>	Total House Changes
Salaries and wages	(\$32,450)	(\$11,262)	(\$195,950)	(\$51,346)	(\$200,000)	(\$491,008)
Operating expenses			(20,119)			(20,119)
Contingencies						
Accrued leave payments						
Total all funds	(\$32,450)	(\$11,262)	(\$216,069)	(\$51,346)	(\$200,000)	(\$511,127)
Less estimated income	(32,450)	(11,262)	(216,069)	(51,346)	(200,000)	(511,127)
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	(1.00)	(0.50)	0.00	(1.50)

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month.

<sup>2</sup> Funding for employee performance salary increases is adjusted to reflect the 1.5 FTE positions which are being removed.

<sup>3</sup> Funding is removed for 1 chief financial officer FTE position.

<sup>4</sup> Funding is removed for 1 benefits support FTE position.

<sup>5</sup> Funding is reduced for additional temporary support.

This amendment also:

- Adds sections to amend North Dakota Century Code Sections 54-52-01 and 54-52-03 to increase retirement board membership from 7 members to 9 members; add the Majority Leader of the House of Representatives, the Majority Leader of the Senate, and two members of the Legislative Assembly appointed by the Chairman of the Legislative Management; and remove members appointed by the Attorney General and the State Health Officer.
- Adds a section to create a new section to Chapter 54-52.1, relating to a health insurance prescription drug coverage audit, and reporting to the Legislative Audit and Fiscal Review Committee.
- Adds a section to amend Section 54-52.1-05, relating to provisions of the health insurance benefits coverage to require a contract may not exceed two years.
- Adds a section to amend Section 54-52.1-05.1, related to uniform group insurance program benefits coverage.
- Adds a section limiting the use of health insurance program reserves.
- Adds a section of legislative intent relating to the extension of the existing health insurance benefits contract if the uniform group insurance program contract is rebid.
- Provides amendments related to uniform group insurance program benefits coverage and health insurance program reserve limitations are emergency measures.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1009, as engrossed:** Your conference committee (Sens. Krebsbach, Bowman and Reps. Schmidt, Dosch, Guggisberg) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1574-1575, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on page 1574 and 1575 of the House Journal and pages 1341 and 1342 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide for a legislative management study;"

Page 1, replace line 11 with:

"Capital assets \$0 \$500,000 \$500,000"

Page 1, replace line 13 with:

"Total general fund \$546,000 \$524,000 \$1,070,000"

Page 1, replace lines 20 and 21 with:

"Asphalt overlay project \$0 500,000  
Total general fund \$2,750,000 \$500,000"

Page 2, after line 2, insert:

**"SECTION 3. LEGISLATIVE MANAGEMENT STUDY - MAINTENANCE AND REPAIR OF STATE PROPERTY.** During the 2015-16 interim, the legislative management shall consider studying the maintenance and repair of state property and the source of funds to be used for maintenance and repair costs. The study must review current processes being used by state agencies to identify and address maintenance and repairs of state property and the appropriateness of the source of funds being used for these maintenance and repair projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fifth legislative assembly."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - State Fair Association - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Capital assets		\$250,000	\$250,000	\$500,000	\$1,000,000	(\$500,000)
Premiums	546,000	570,000		570,000	570,000	
Total all funds	\$546,000	\$820,000	\$250,000	\$1,070,000	\$1,570,000	(\$500,000)
Less estimated income	0	0	0	0	0	0
General fund	\$546,000	\$820,000	\$250,000	\$1,070,000	\$1,570,000	(\$500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department No. 665 - State Fair Association - Detail of Conference Committee Changes**

	Adds Funding for Fairgrounds Asphalt Overlay <sup>1</sup>	Total Conference Committee Changes
Capital assets	\$250,000	\$250,000
Premiums		
Total all funds	\$250,000	\$250,000
Less estimated income	0	0
General fund	\$250,000	\$250,000
FTE	0.00	0.00

<sup>1</sup> One-time funding for the asphalt overlay project on the fairgrounds is increased to provide a total of \$500,000, the Senate version included \$1 million.

This amendment also adds sections to:

- Provide for a Legislative Management study related to maintenance and repair of state property.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1021, as engrossed:** Your conference committee (Sens. Wanzek, G. Lee, Robinson and Reps. Skarphol, Streyle, Glassheim) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1529-1531, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1529-1531 of the House Journal and pages 1323 and 1324 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, after the semicolon insert "to provide appropriations to certain agencies for desktop support services; to provide a legislative report;"

Page 1, line 2, remove "and"

Page 1, line 2, after "transfers" insert "; to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact the new section to chapter 54-59 of the North Dakota Century Code as created by section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, relating to the mandatory disclosure of information to the information technology department"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$51,553,251	\$6,559,964	\$58,113,215
Accrued leave payments	2,626,084	(2,626,084)	0
Operating expenses	64,734,643	6,262,534	70,997,177
Capital assets	12,500,600	(3,650,600)	8,850,000
Center for distance education	5,868,391	3,378,214	9,246,605
Statewide longitudinal data system	1,870,754	4,879,907	6,750,661
Educational technology council	1,614,609	1,091,338	2,705,947
EduTech	8,052,094	1,247,897	9,299,991
K-12 wide area network	4,928,177	75,271	5,003,448
Geographic information system	1,245,294	26,044	1,271,338
Health information technology office	4,750,723	1,129,921	5,880,644
Criminal justice information sharing	3,069,361	(3,069,361)	0
Federal stimulus funds	6,800,000	(6,800,000)	0
Total all funds	\$169,613,981	\$8,505,045	\$178,119,026
Less estimated income	<u>149,674,553</u>	<u>2,038,486</u>	<u>151,713,039</u>
Total general fund	\$19,939,428	\$6,466,559	\$26,405,987
Full-time equivalent positions	340.30	10.00	350.30"

Page 2, after line 12, insert:

"Health data study	0	500,000
Statewide longitudinal data system	0	1,250,000"

Page 2, replace lines 14 through 16 with:

"Total all funds	\$1,315,000	\$2,800,000
Less estimated income	0	500,000
Total general fund	\$1,315,000	\$2,300,000"

Page 2, after line 20, insert:

**"SECTION 3. HEALTH DATA STUDY - REPORT TO INFORMATION TECHNOLOGY COMMITTEE.** The health information technology office line item includes the sum of \$500,000, from special funds, federal funds, or other funds, for the purpose of hiring a consultant to provide a health data study, for the biennium beginning July 1, 2015, and ending June 30, 2017. Before July 1, 2016, the information technology department shall report the findings of the consultant to the information technology committee."

Page 3, after line 2, insert:

**"SECTION 6. AMENDMENT.** Section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, is amended and reenacted as follows:

**State agencies - Mandatory provision of information - Confidentiality.**

1. The information technology department may request from any state agency:
  - a. All information required by 20 U.S.C. 9871(e)(2)(D); ~~and~~
  - b. Any other educational information the statewide longitudinal data system committee determines is required for a longitudinal data system to comply with state or federal law; ~~and~~
  - c. Unemployment insurance wage data from job service North Dakota for education and workforce development program evaluations, except that job service North Dakota may not disclose any data identifying an individual.
2. Subject to applicable restrictions on the use and disclosure of confidential information required to comply with federal and state privacy laws, any state agency receiving a request for information under subsection 1 shall provide the information at the time and in the manner required by the information technology department.

**SECTION 7.** A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

**Required use of centralized desktop support services.**

1. The following state agencies shall obtain centralized desktop support services from the information technology department:
  - a. Office of administrative hearings.
  - b. Office of the governor.
  - c. Commission on legal counsel for indigents.
  - d. Public employees retirement system.
  - e. North Dakota university system office.
  - f. Department of career and technical education.
  - g. Department of financial institutions.
  - h. Department of veterans' affairs.

- i. Aeronautics commission.
  - j. Tobacco prevention and control executive committee.
  - k. Council on the arts.
  - l. Agriculture commissioner.
  - m. Department of labor and human rights.
  - n. Indian affairs commission.
  - o. Protection and advocacy project.
  - p. Secretary of state.
  - q. State treasurer.
  - r. State auditor.
  - s. Securities department.
2. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of desktop support services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service. For purposes of this section "desktop support services" means technical assistance and device management relating to the use of personal computers and peripheral devices.

**SECTION 8. APPROPRIATION - DESKTOP SUPPORT.** 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 and other income to the agencies named for the purpose of defraying the expenses of desktop support services provided by the information technology department, for the biennium beginning July 1, 2015, and ending June 30, 2017.

<u>Agency</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Office of administrative hearings	\$0	\$17,600	\$17,600
Office of the governor	97,760	0	97,760
Commission on legal counsel for indigents	214,855	0	214,855
Public employees retirement system	0	152,950	152,950
North Dakota university system office	175,350	0	175,350
Department of career and technical education	210,590	0	210,590
Department of financial institutions	0	66,325	66,325
Department of veterans' affairs	34,635	0	34,635
Aeronautics commission	0	17,090	17,090
Total	\$733,190	\$253,965	\$987,155

**SECTION 9. ONE-TIME FUNDING.** The following amounts reflect the 2015-17 one-time funding items included in the appropriations in section 8 of this Act:

<u>Agency - One-Time Funding Description</u>	<u>General Fund</u>	<u>Other Funds</u>
Office of administrative hearings	\$0	\$14,040
Office of the governor	45,200	0
Commission on legal counsel for indigents	122,275	0
Public employees retirement system	0	77,370
North Dakota university system office	81,750	0
Department of career and technical education	106,750	0
Department of financial institutions	0	66,325
Department of veterans' affairs	26,895	0



Aeronautics commission 0 14,810  
 Total \$382,870 \$172,545"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Summary of Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Governor's Office						
Total all funds	\$0	\$0	\$97,760	\$97,760	\$0	\$97,760
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$97,760	\$97,760	\$0	\$97,760
Information Technology Department						
Total all funds	\$169,613,981	\$172,448,080	\$5,670,946	\$178,119,026	\$177,385,971	\$733,055
Less estimated income	149,674,553	149,163,459	2,549,580	151,713,039	149,979,984	1,733,055
General fund	\$19,939,428	\$23,284,621	\$3,121,366	\$26,405,987	\$27,405,987	(\$1,000,000)
Office of Administrative Hearings						
Total all funds	\$0	\$0	\$17,600	\$17,600	\$0	\$17,600
Less estimated income	0	0	17,600	17,600	0	17,600
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Commission on Legal Counsel for Indigents						
Total all funds	\$0	\$0	\$214,855	\$214,855	\$0	\$214,855
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$214,855	\$214,855	\$0	\$214,855
Public Employees Retirement System						
Total all funds	\$0	\$0	\$152,950	\$152,950	\$0	\$152,950
Less estimated income	0	0	152,950	152,950	0	152,950
General fund	\$0	\$0	\$0	\$0	\$0	\$0
University System Office						
Total all funds	\$0	\$0	\$175,350	\$175,350	\$0	\$175,350
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$175,350	\$175,350	\$0	\$175,350
Dept. of Career and Technical Education						
Total all funds	\$0	\$0	\$210,590	\$210,590	\$0	\$210,590
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$210,590	\$210,590	\$0	\$210,590
Department of Veterans' Affairs						
Total all funds	\$0	\$0	\$34,635	\$34,635	\$0	\$34,635
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$34,635	\$34,635	\$0	\$34,635
Aeronautics Commission						
Total all funds	\$0	\$0	\$17,090	\$17,090	\$0	\$17,090
Less estimated income	0	0	17,090	17,090	0	17,090
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Department of Financial Institutions						
Total all funds	\$0	\$0	\$66,325	\$66,325	\$0	\$66,325
Less estimated income	0	0	66,325	66,325	0	66,325
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$169,613,981	\$172,448,080	\$6,658,101	\$179,106,181	\$177,385,971	\$1,720,210
Less estimated income	149,674,553	149,163,459	2,803,545	151,967,004	149,979,984	1,987,020
General fund	\$19,939,428	\$23,284,621	\$3,854,556	\$27,139,177	\$27,405,987	(\$266,810)

**House Bill No. 1021 - General Fund Summary**

	Base Budget	House Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	Senate Version	Comparison to Senate
Governor's Office			\$97,760	\$97,760		\$97,760
Office of Administrative						

Hearings			
Commission on Legal Counsel for Indigents	214,855	214,855	214,855
Public Employees Retirement System			
University System Office	175,350	175,350	175,350
Dept. of Career and Technical Education	210,590	210,590	210,590
Department of Veterans' Affairs	34,635	34,635	34,635
Aeronautics Commission			
Department of Financial Institutions			
<b>Total general fund</b>	<b>\$733,190</b>	<b>\$733,190</b>	<b>\$733,190</b>

**House Bill No. 1021 - Other Funds Summary**

	Base Budget	House Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	Senate Version	Comparison to Senate
Governor's Office			17,600	17,600		17,600
Office of Administrative Hearings						
Commission on Legal Counsel for Indigents			152,950	152,950		152,950
Public Employees Retirement System						
University System Office						
Dept. of Career and Technical Education						
Department of Veterans' Affairs			17,090	17,090		17,090
Aeronautics Commission			66,325	66,325		66,325
Department of Financial Institutions						
<b>Total other funds</b>			<b>\$253,965</b>	<b>\$253,965</b>		<b>\$253,965</b>

**House Bill No. 1021 - All Funds Summary**

	Base Budget	House Version	Conference Committee Changes <sup>1</sup>	Conference Committee Version	Senate Version	Comparison to Senate
Governor's Office			\$97,760	\$97,760		\$97,760
Office of Administrative Hearings			17,600	17,600		17,600
Commission on Legal Counsel for Indigents			214,855	214,855		214,855
Public Employees Retirement System			152,950	152,950		152,950
University System Office			175,350	175,350		175,350
Dept. of Career and Technical Education			210,590	210,590		210,590
Department of Veterans' Affairs			34,635	34,635		34,635
Aeronautics Commission			17,090	17,090		17,090
Department of Financial Institutions			66,325	66,325		66,325
<b>Total all funds</b>			<b>\$987,155</b>	<b>\$987,155</b>		<b>\$987,155</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding of \$987,155, of which \$733,190 is from the general fund is provided to the listed agencies for defraying the cost of desktop support services provided by the Information Technology Department. The appropriations include the following one-time funding items relating to desktop support:

	General Fund	Other Funds	Total
Governor's office	\$45,200		\$45,200
Office of Administrative Hearings		\$14,040	14,040
Commission on Legal Counsel for Indigents	122,275		122,275
Public Employees Retirement System		77,370	77,370
North Dakota University System Office	81,750		81,750
Department of Career and Technical Education	106,750		106,750
Department of Financial Institutions		66,325	66,325
Department of Veterans' Affairs	26,895		26,895
Aeronautics Commission		14,810	14,810
<b>Total</b>	<b>\$382,870</b>	<b>\$172,545</b>	<b>\$555,415</b>

**House Bill No. 1021 - Information Technology Department - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$51,553,251	\$58,290,270	(\$177,055)	\$58,113,215	\$58,113,215	
Operating expenses	64,734,643	69,738,122	1,259,055	70,997,177	69,764,122	1,233,055
Capital assets	12,500,600	8,850,000		8,850,000	8,850,000	
Center for distance education	5,868,391	6,607,946	2,638,659	9,246,605	8,996,605	250,000
Statewide longitudinal data system	1,870,754	5,505,409	1,245,252	6,750,661	8,000,661	(1,250,000)
Educational technology council	1,614,609	2,707,304	(1,357)	2,705,947	2,705,947	
EduTech	8,052,094	9,087,495	212,496	9,299,991	9,299,991	
K-12 wide area network	4,928,177	5,006,161	(2,713)	5,003,448	5,003,448	
Geographic information system	1,245,294	1,272,016	(678)	1,271,338	1,271,338	
Health information technology office	4,750,723	5,383,357	497,287	5,880,644	5,380,644	500,000
Criminal justice information sharing	3,069,361					
Federal stimulus	6,800,000					
Accrued leave payments	2,626,084					
<b>Total all funds</b>	<b>\$169,613,981</b>	<b>\$172,448,080</b>	<b>\$5,670,946</b>	<b>\$178,119,026</b>	<b>\$177,385,971</b>	<b>\$733,055</b>
Less estimated income	149,674,553	149,163,459	2,549,580	151,713,039	149,979,984	1,733,055
<b>General fund</b>	<b>\$19,939,428</b>	<b>\$23,284,621</b>	<b>\$3,121,366</b>	<b>\$26,405,987</b>	<b>\$27,405,987</b>	<b>(\$1,000,000)</b>
FTE	340.30	345.30	5.00	350.30	350.30	0.00

**Department No. 112 - Information Technology Department - Detail of Conference Committee Changes**

	Adjusts Funding for Health Insurance Premium Increases <sup>1</sup>	Adds Funding for Centers for Distance Education <sup>2</sup>	Adds Funding for K-12 College and Career Readiness <sup>3</sup>	Adds Funding for Security Analyst <sup>4</sup>	Adds Funding for Desktop Support <sup>5</sup>	Adds One-Time Funding for Statewide Longitudinal Data System <sup>6</sup>
Salaries and wages	(\$177,055)					
Operating expenses				26,000	1,233,055	
Capital assets						
Center for distance education	(17,638)	2,406,297	250,000			
Statewide longitudinal data system	(4,748)					1,250,000
Educational technology council	(1,357)					
EduTech	(20,351)			232,847		
K-12 wide area network	(2,713)					
Geographic information system	(678)					
Health information technology office	(2,713)					
Criminal justice information sharing						
Federal stimulus						
Accrued leave payments						
<b>Total all funds</b>	<b>(\$227,253)</b>	<b>\$2,406,297</b>	<b>\$250,000</b>	<b>\$258,847</b>	<b>\$1,233,055</b>	<b>\$1,250,000</b>
Less estimated income	(180,754)	997,279	0	0	1,233,055	0
<b>General fund</b>	<b>(\$46,499)</b>	<b>\$1,409,018</b>	<b>\$250,000</b>	<b>\$258,847</b>	<b>\$0</b>	<b>\$1,250,000</b>
FTE	0.00	4.00	0.00	1.00	0.00	0.00

	Adds One-Time Funding for Health Care Study <sup>7</sup>	Total Conference Committee Changes
Salaries and wages		(\$177,055)
Operating expenses		1,259,055
Capital assets		
Center for distance education		2,638,659
Statewide longitudinal data system		1,245,252
Educational technology council		(1,357)
EduTech		212,496
K-12 wide area network		(2,713)
Geographic information system		(678)
Health information technology office	500,000	497,287
Criminal justice information sharing		

Federal stimulus		
Accrued leave payments		
Total all funds	\$500,000	\$5,670,946
Less estimated income	500,000	2,549,580
General fund	\$0	\$3,121,366
FTE	0.00	5.00

<sup>1</sup> Funding for employee health insurance premiums is adjusted to reflect the revised premium estimate of \$1,130.22 per month. The same as the Senate.

<sup>2</sup> Funding is added for the Centers for Distance Education for K-12 education, including funding for temporary employees, software, contractual services and repairs (\$1,706,578), as well as 4 teacher FTE positions (\$678,791) and related salary increases (\$20,928), the same as the Senate version.

<sup>3</sup> Provides funding to Centers for Distance Education to offer remedial and advanced placement courses. The Senate did not provide the funding.

<sup>4</sup> Funding is added for a security analyst FTE position (\$225,000) and related operating expenses (\$26,000) and salary increase (\$7,847) to provide security at the Fusion Center, the same as the Senate version.

<sup>5</sup> Funding is provided for the Information Technology Department to provide desktop support services to the following agencies:

- Office of Administrative Hearings.
- Office of the Governor.
- Commission on Legal Counsel for Indigents.
- Public Employees Retirement System.
- North Dakota University System Office.
- Career and Technical Education.
- Department of Veterans' Affairs.
- Aeronautics Commission.
- Department of Financial Institutions.

The Senate did not provide funding for the desktop support services.

<sup>6</sup> One-time funding is added for contractor and development expenses to continue the statewide longitudinal data system project. The Senate provided one-time funding of \$2.5 million for the project.

<sup>7</sup> Provides one-time funding from special funds, federal funds, or other funds to hire a consultant to provide a health care study. The Senate did not provide funding for the study.

This amendment also provides:

- A new section which amends Section 8 of House Bill No. 2326 as approved by the 64<sup>th</sup> Legislative Assembly which requires Job Service North Dakota to disclose unemployment insurance wage data for education and workforce development evaluations, unless it is individual data.
- A new section which provides \$500,000 from the health information technology office line item for the purpose of hiring a consultant to conduct a health care study. The funding is considered one-time funding.
- A section requiring certain agencies to obtain desktop support services from the Information Technology Department.

Engrossed HB 1021 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**SB 2340, as engrossed:** Your conference committee (Sens. Laffen, Bekkedahl, Dotzenrod

and Reps. Vigesaa, Toman, Strinden) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1320, adopt amendments as follows, and place SB 2340 on the Seventh order:

That the House recede from its amendments as printed on page 1320 of the Senate Journal and pages 1473 and 1474 of the House Journal and that Engrossed Senate Bill No. 2340 be amended as follows:

Page 1, line 1, remove "create and enact a new subdivision to subsection 3 of section 1 of Senate"

Page 1, remove lines 2 and 3

Page 1, line 4, after "57-38-01.33" insert "and subdivision r of subsection 7 of section 57-38-30.3"

Page 1, line 6, replace "and" with "to provide a statement of legislative intent;"

Page 1, line 6, after "date" insert "; and to provide an expiration date"

Page 1, remove lines 8 through 11

Page 1, line 14, remove the overstrike over "~~(Effective for the first three taxable years beginning after December 31,~~"

Page 1, line 15, after "~~2012~~" insert "2014"

Page 1, line 15, remove the overstrike over the boldfaced ending parentheses

Page 2, line 22, overstrike "The" and insert immediately thereafter "For the 2015 calendar year, the"

Page 2, line 23, overstrike "in any calendar year"

Page 2, line 24, after "purchase" insert "For the 2016 and 2017 calendar years, the aggregate amount of credits allowed each calendar year may not exceed five hundred thousand dollars. However, if the maximum amount of allowed credits are not claimed in any calendar year, any remaining unclaimed credits may be carried forward and made available in the next succeeding calendar year."

Page 2, line 25, replace "two million dollars" with "the amount available"

Page 2, line 26, remove "allowable amount of"

Page 3, after line 24, insert:

**"SECTION 2. AMENDMENT.** Subdivision r of subsection 7 of section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

- r. Automating manufacturing processes tax credit under section 57-38-01.33 (effective for the first ~~three~~five taxable years beginning after December 31, 2012).

**SECTION 3. LEGISLATIVE INTENT REGARDING AUTOMATING MANUFACTURING PROCESSES CREDIT.** It is the intent of the sixty-fourth legislative assembly that the income tax credit for purchases of manufacturing machinery and equipment for automating manufacturing processes be one of the economic development tax incentives selected for analysis during the 2015-16 interim by the legislative management interim committee assigned the study responsibility under subsection 3 of section 1 of Senate Bill No. 2057, as approved by the sixty-fourth legislative assembly."

Page 3, line 25, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 3, line 25, replace "purchases made" with "the first three taxable years"

Page 3, line 26, after "2014" insert ", and is thereafter ineffective"

Renumber accordingly

Engrossed SB 2340 was placed on the Seventh order of business on the calendar.

#### ANNOUNCEMENT

**SPEAKER BELTER ANNOUNCED** that the House stand in recess until 4:30 p.m.

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

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. SCHMIDT MOVED** that the conference committee report on Engrossed HB 1009 as printed on HJ pages 1574-1575 be adopted, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; to provide for a legislative management study; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 76 YEAS, 12 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Devlin; Dockter; Dosch; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, M.; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemin; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Pollert; Porter; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Trottier; Vigasaa; Wallman; Zubke; Speaker Belter

**NAYS:** Becker, Rick C.; Delzer; Fehr; Hogan; Kading; Koppelman, B.; Koppelman, K.; Olson; Paur; Rohr; Ruby; Toman

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Mock; Owens; Weisz

Reengrossed HB 1009 passed and the emergency clause was declared carried.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. SKARPHOL MOVED** that the conference committee report on Engrossed HB 1021 as printed on HJ pages 1529-1531 be adopted, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1021:** A BILL for an Act to provide an appropriation for defraying the expenses of the information technology department; to provide appropriations to certain agencies for desktop support services; to provide a legislative report; to provide a statement of legislative intent; to provide for transfers; to create and enact a new section to chapter 54-59 of the North Dakota Century Code, relating to centralized desktop support services; and to amend and reenact the new section to chapter 54-59 of the North Dakota Century Code as created by section 8 of Senate Bill No. 2326, as approved by the sixty-fourth legislative assembly, relating to the mandatory disclosure of information to the information technology department.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 8 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Pollert; Porter; Ruby; Sanford; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wallman; Zubke; Speaker Belter

**NAYS:** Becker, Rick C.; Bellew; Dosch; Kasper; Koppelman, B.; Paur; Rohr; Schatz

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Mock; Owens; Weisz

Reengrossed HB 1021 passed.

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#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. SKARPHOL MOVED** that the conference committee report on Engrossed SB 2006 as printed on HJ pages 1438-1440 be adopted, which motion prevailed on a voice vote.

#### **SECOND READING OF SENATE BILL**

**SB 2006:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans credit; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide for a transfer; and to provide an exemption.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 1 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wallman; Zubke; Speaker Belter

**NAYS:** Strinden

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Mock; Owens; Weisz

Engrossed SB 2006, as amended, passed.

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#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. SKARPHOL MOVED** that the conference committee report on Engrossed SB 2023 as printed on HJ page 1469 be adopted, which motion prevailed on a voice vote.

#### **SECOND READING OF SENATE BILL**

**SB 2023:** A BILL for an Act to provide an appropriation for defraying the expenses of various state departments and institutions; to provide for a transfer; to provide an exemption; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 1 NAYS, 0 EXCUSED, 7 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Paur; Pollert; Porter; Rohr; Ruby; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Zubke; Speaker Belter

**NAYS:** Strinden

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Mock; Owens; Sanford; Weisz

Engrossed SB 2023, as amended, passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. ZUBKE MOVED** that the conference committee report on Reengrossed SB 2178 as printed on HJ page 1261 be adopted, which motion prevailed on a voice vote.

**SECOND READING OF SENATE BILL**

**SB 2178:** A BILL for an Act to create and enact a new section to chapter 15.1-36 and a new section to chapter 26.1-22 of the North Dakota Century Code, relating to school construction loans and insurance coverage for real property and improvements leased by a school district; to amend and reenact sections 15.1-36-01 and 16.1-01-11 of the North Dakota Century Code, relating to the approval of school construction projects and to bond elections; to provide for a transfer; to provide an expiration date; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 87 YEAS, 0 NAYS, 0 EXCUSED, 7 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemm; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Paur; Pollert; Porter; Rohr; Ruby; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wallman; Zubke; Speaker Belter

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Mock; Owens; Sanford; Weisz

Reengrossed SB 2178, as amended, passed and the emergency clause was declared carried.

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**SIXTH ORDER OF BUSINESS**

**SPEAKER BELTER DEEMED** approval of the amendments to Engrossed SB 2022.



Engrossed SB 2022, as amended, was placed on the Fourteenth order of business on the calendar.

#### SIXTH ORDER OF BUSINESS

**SB 2015, as engrossed: REP. THORESON (Appropriations Committee) MOVED** that the amendments on HJ pages 1976-1982 be adopted and then be placed on the Fourteenth order with **DO PASS**.

#### REQUEST

**REP. DOSCH REQUESTED** that the House divide the amendments to Engrossed SB 2015, as amended, which request was granted.

**DIVISION A:** Sections 3,4, and 20

**DIVISION B:** The remainder of the amendment

The question being the adoption of Division A of the proposed amendments to Engrossed SB 2015, as amended, the motion failed on a verification vote.

Division A of the proposed amendments to Engrossed SB 2015, as amended, failed on a verification vote.

The question being the adoption of Division B of the proposed amendments to Engrossed SB 2015, as amended, the motion passed on a voice vote.

Division B of the proposed amendments to Engrossed SB 2015, as amended, was adopted on a voice vote.

Therefore, the question being on the motion to adopt the amendments to Engrossed SB 2015, which consists of Division B only, the proposed amendments were adopted on a voice vote.

#### SECOND READING OF SENATE BILL

**SB 2015:** A BILL for 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 department of transportation; to provide an appropriation to the state auditor; to provide an appropriation to the legislative assembly; to amend and reenact subdivision c of subsection 1 of section 15-10-17 and section 48-08-04 of the North Dakota Century Code, relating to North Dakota university system personnel and the use of legislative meeting rooms; to repeal section 54-44-06 of the North Dakota Century Code, relating to duties of the office of management and budget as to school fund; to provide an exemption; to provide for various transfers; to provide for a legislative management study; to provide a statement of legislative intent; and to declare an emergency.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 54 YEAS, 32 NAYS, 0 EXCUSED, 8 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Dockter; Dosch; Fehr; Froseth; Hatlestad; Headland; Hofstad; Johnson, D.; Johnson, M.; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, K.; Kreidt; Kretschmar; Laning; Lefor; Looyen; Louser; Martinson; Meier; Monson; Nathe; Paur; Pollert; Porter; Rohr; Schmidt; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Trottier; Vigasaa; Zubke; Speaker Belter

**NAYS:** Amerman; Anderson, P.; Beadle; Becker, Rick C.; Bellew; Boschee; Guggisberg; Haak; Hanson; Hawken; Hogan; Holman; Hunskor; Kading; Kelsh; Koppelman, B.; Maragos; Mitskog; Mooney; Muscha; Nelson, J.; Nelson, M.; Olson; Onstad; Oversen; Ruby; Schatz; Schneider; Schreiber Beck; Strinden; Toman; Wallman

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsvog; Glassheim; Larson; Mock; Owens; Sanford; Weisz

Engrossed SB 2015, as amended, passed but the emergency clause failed.

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### SECOND READING OF SENATE BILL

**SB 2022:** A BILL for an Act to provide an appropriation for defraying the expenses of various state retirement and investment agencies; to provide various transfers; to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to uniform group insurance program benefits coverage contract requirements, prescription drug coverage audits, and a report to the legislative audit and fiscal review committee; to amend and reenact subsection 17 of section 54-02-01 and section 54-52-03 of the North Dakota Century Code, relating to the retirement board and section 54-52.1-05 of the North Dakota Century Code, relating to public employee retirement system contracts for health insurance benefits coverage; to provide a statement of legislative intent; to provide for application; to limit the use of health insurance program reserves; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 82 YEAS, 6 NAYS, 0 EXCUSED, 6 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson, B.; Anderson, D.; Becker, Rick C.; Bellew; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Devlin; Docket; Dosch; Fehr; Froseth; Guggisberg; Haak; Hatlestad; Hawken; Headland; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, M.; Kading; Karls; Kasper; Keiser; Kelsh; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Laning; Larson; Lefor; Looyesen; Louser; Maragos; Martinson; Meier; Mitskog; Monson; Muscha; Nathe; Nelson, J.; Olson; Onstad; Oversen; Paur; Pollert; Porter; Rohr; Ruby; Sanford; Schatz; Schmidt; Schneider; Schreiber Beck; Seibel; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trotter; Vigasaa; Wallman; Zubke; Speaker Belter

**NAYS:** Anderson, P.; Beadle; Hanson; Hogan; Mooney; Nelson, M.

**ABSENT AND NOT VOTING:** Becker, Rich S.; Frantsovog; Glassheim; Mock; Owens; Weisz

Engrossed SB 2022, as amended, passed and the emergency clause was declared carried.

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

**MR. PRESIDENT:** The House accedes to the Senate request for the return of: SB 2206.

#### MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)

**MR. SPEAKER:** The Senate respectfully requests the return of: SB 2206.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2022.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause failed: SB 2015.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1021.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2006.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1009.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2023, SB 2178.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2012.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1025, HB 1049, HB 1399.

**MESSAGE TO THE HOUSE FROM THE SENATE (JANE SCHAIBLE, SECRETARY)**

**MR. SPEAKER:** The President has signed: HB 1002, HB 1025, HB 1049, HB 1399.

**MOTION**

**REP. VIGESAA MOVED** that the absent members be excused, which motion prevailed.

**MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Seventh, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Monday, April 27, 2015, which motion prevailed.

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

**Buell J. Reich, Chief Clerk**

