

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 6, 2017

The Senate convened at 1:00 p.m., with President Sanford presiding.

The prayer was offered by Pastor John R. Caranicas, Good Shepherd Lutheran Church, Bismarck.

The roll was called and all members were present except Senators Davison and Laffen.

A quorum was declared by the President.

CORRECTION AND REVISION OF THE JOURNAL

MR. PRESIDENT: Your **Committee on Correction and Revision of the Journal (Sen. Davison, Chairman)** has carefully examined the Journal of the Fifty-ninth and Sixty-second Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1057, line 13, remove "new"

Page 1224, line 3, remove ", SB 2188"

Page 1224, line 12, remove ", SB 2188"

Page 1224, line 15, remove ", SB 2188"

Page 1224, line 24, remove ", SB 2188"

SEN. DAVISON MOVED that the report be adopted, which motion prevailed.

MOTION

SEN. KLEIN MOVED that Sen. Campbell replace Sen. Laffen on the Conference Committee on SB 2247, which motion prevailed on a voice vote.

CONSIDERATION OF AMENDMENTS

HB 1040, as reengrossed and amended: SEN. KILZER (Human Services Committee) MOVED that the amendments on SJ pages 1175-1176 be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1040: A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to an evidence-based alcohol and drug education program; to amend and reenact subsection 3 of section 5-01-08 of the North Dakota Century Code, relating to a penalty for individuals under twenty-one years of age using alcoholic beverages or entering licensed premises; and to provide an appropriation to the department of human services.

MOTION

SEN. HECKAMAN MOVED that Reengrossed HB 1040, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on pages 1175-1176 of the Senate Journal, Reengrossed House Bill No. 1040 is amended as follows:

Page 1, line 5, remove "to provide for a report;"

Page 1, remove lines 20 through 24

Page 2, replace lines 1 through 6 with:

"SECTION 3. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - PEER-TO-PEER SUPPORT SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to a statewide peer-to-peer support organization, for the biennium beginning July 1, 2017, and ending June 30, 2019. Funds awarded must be used for providing recovery and peer support services to individuals with emotional, behavioral, or mental health needs.

SECTION 4. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - FAMILY-TO-FAMILY SUPPORT SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to a statewide family-to-family support organization, for the biennium beginning July 1, 2017, and ending June 30, 2019. Funds awarded must be used for providing recovery and peer support services to individuals with emotional, behavioral, or mental health needs.

SECTION 5. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - TARGETED CASE MANAGEMENT SERVICES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$7,037,998, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$7,037,998, or so much of the sum as may be necessary, to the department of human services for the purpose of expanding targeted case management services beginning October 1, 2017, to allow designated behavioral health providers to provide targeted case management services for individuals with severe mental illness and individuals with severe emotional disturbance, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

This amendment adds:

- A general fund appropriation of \$200,000 to the Department of Human Services for providing a grant to a statewide peer-to-peer support organization.
- A general fund appropriation of \$200,000 to the Department of Human Services for providing a grant to a statewide family-to-family support organization.
- An appropriation of \$14,075,996, of which \$7,037,998 is from the general fund, to the Department of Human Services for expanding targeted case management services beginning October 1, 2017.

REQUEST

SEN. KILZER REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Reengrossed HB 1040, as amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed amendments to Reengrossed HB 1040, as amended, the roll was called and there were 14 YEAS, 31 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Clemens; Dotzenrod; Grabinger; Heckaman; Larson, D.; Lee, J.; Marcellais; Mathern; Nelson; Oban; Osland; Piepkorn; Robinson

NAYS: Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Cook; Dever; Erbele; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Lee, G.; Luick; Meyer; Myrdal; Oehlke; Poolman; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

ABSENT AND NOT VOTING: Davison; Laffen

The proposed amendments to Reengrossed HB 1040, as amended, failed on a recorded roll call vote.

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 42 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Nelson; Oban; Oehlke; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Kannianen; Myrdal; Osland

ABSENT AND NOT VOTING: Davison; Laffen

Reengrossed HB 1040, as amended, passed.

REPORT OF STANDING COMMITTEE

HB 1003, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1003 was placed on the Sixth order on the calendar.

Page 1, line 1, after "general" insert "; to provide a contingent appropriation"

Page 1, line 2, remove the first "and"

Page 1, line 3, after "council" insert "; to authorize transfers; to authorize fees; to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a penalty; to provide legislative intent; to provide a contingent effective date; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

"Salaries and wages	\$40,503,865	\$740,901	\$41,244,766
Operating expenses	24,672,585	(8,115,027)	16,557,558"

Page 1, replace line 17 with:

"Intellectual property attorney	418,323	8,601	426,924"
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Page 1, replace line 20 with:

"North Dakota lottery	5,282,778	54,019	5,336,797"
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Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Criminal justice information sharing	4,151,701	(765,056)	3,386,645
Law enforcement	3,455,725	(554,117)	2,901,608
SAVIN cost share program	0	315,000	315,000
Total all funds	\$83,714,313	(\$7,535,153)	\$76,179,160
Less estimated income	<u>35,247,452</u>	<u>(4,456,132)</u>	<u>30,791,320</u>
Total general fund	\$48,466,861	(\$3,079,021)	\$45,387,840
Full-time equivalent positions	250.00	(13.00)	237.00"

Page 2, line 6, replace "\$695,462" with "\$645,074"

Page 2, line 6, replace "\$637,105" with "\$590,945"

Page 2, line 7, replace "\$1,249" with "\$1,241"

Page 2, line 8, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 2, line 9, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 16 through 19 with:

"Targeted equity - gaming	270,000	0
SAVIN cost share program	0	315,000
Uniform crime reporting rewrite	0	280,000
DOS based deposit system rewrite	0	100,000
Total all funds	\$3,936,157	\$695,000
Total special funds	653,333	315,000
Total general fund	\$3,282,824	\$380,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The attorney general shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 4. LINE ITEM TRANSFER AUTHORIZATION. The attorney general may transfer appropriation authority between line items in section 1 of this Act for the biennium beginning July 1, 2017, and ending June 30, 2019. The attorney general shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section."

Page 2, after line 24, insert:

"SECTION 6. INDUSTRIAL COMMISSION LITIGATION FUNDS - GRANT TO ATTORNEY GENERAL. As requested by the attorney general, the industrial commission shall provide a grant from funds appropriated to the industrial commission for litigation expenses to the attorney general for litigation-related expenses incurred by the attorney general as a result of the protests and related activities associated with the Dakota access pipeline project for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, after line 31, insert:

"SECTION 8. CONTINGENT APPROPRIATION - FUNDING FOR STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS. Of the funds appropriated in section 1 of this Act for rent expense, the attorney general shall use up to \$500,000 made available from rent savings as a result of the attorney general relocating a portion of its operations to the job service North Dakota central office building, for the purpose of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the biennium beginning July 1, 2017, and ending June 30, 2019. If the attorney general does not relocate a portion of its operations to the job service North Dakota central office building and does not realize rent savings, there is appropriated out of any moneys in the oil and gas impact grant fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, to the attorney general for the purpose of defraying the expenses of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 9. STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM ENHANCEMENTS - COST-SHARING PROGRAM -

ESTIMATED INCOME. The attorney general, in consultation with the North Dakota association of counties and the North Dakota league of cities, shall establish a cost-sharing program to defray the expenses related to the enhancement of the statewide automated victim information and notification program, in addition to the amounts appropriated in section 8 of this Act. The cost-sharing program must apportion the sum of \$315,000 among the political subdivisions of the state for each political subdivision's share of the cost of the statewide automated victim information and notification program and the political subdivision shall contribute funds to the attorney general as set forth in the cost-sharing program. The estimated income line item in section 1 of this Act includes \$315,000 of funding received as payments from political subdivisions for the cost-sharing program for the purpose of enhancing the statewide automated victim information and notification program, as defined in section 12.1-34-01, to provide the notifications necessary to comply with section 25 of article I of the Constitution of North Dakota, for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 10. LEGISLATIVE INTENT - COST-SHARING PROGRAM. It is the intent of the sixty-fifth legislative assembly that the funding for the political subdivisions cost sharing program identified in section 9 of this Act, be provided from any additional income collected from the victim witness fee as required in section 11 of this Act, or a proportionate contribution from the counties and cities that utilize the odyssey system, or a combination of both.

SECTION 11. AMENDMENT. Section 27-01-10 of the North Dakota Century Code is amended and reenacted as follows:

27-01-10. Fee assessments for funding crime victim and witness programs.

1. The governing body of a county ~~may~~must, by resolution, authorize the district judges serving that county to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of a criminal offense or of violating a municipal ordinance for which the maximum penalty that may be imposed by law for the offense or violation includes imprisonment.
2. The governing body of a city ~~may~~must, by ordinance, authorize a municipal judge to assess a fee under subsection 3 of not more than twenty-five dollars as part of a sentence imposed on a defendant who pleads guilty to or is convicted of violating a municipal ordinance for which the maximum penalty that may be imposed under the ordinance for the violation includes imprisonment.
3. The governing body of the county or city ~~may~~must determine the amount of the fee to be assessed in all cases or it may authorize the district or municipal judge to determine the amount of the fee to be assessed in each case. The fee assessed under this section is in addition to any fine, penalty, costs, or administrative fee prescribed by law. The district or municipal judge ~~may~~must assess the fee when sentence is imposed or when sentence is suspended or imposition of sentence is deferred, unless the defendant is indigent and unable to pay the fee. All fees paid to a district or municipal court under this section must be deposited monthly in the county or city treasury for allocation by the governing body of the county or city to one or more of the following programs as determined by the governing body or by agreement of the attorney general, the North Dakota league of cities, and the North Dakota association of counties:
 - a. A private, nonprofit domestic violence or sexual assault program.
 - b. A victim and witness advocacy program of which the primary function is to provide direct services to victims of and witnesses to crime.
 - c. The statewide automated victim information and notification system, as provided for under chapter 12.1-34.

SECTION 12. Chapter 54-12.1 of the North Dakota Century Code is created and enacted as follows:

54-12.1-01. Definitions.

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

1. "Abuse" means conduct by a provider, or other person involving disregard of and an unreasonable failure to conform with the laws and rules governing the Medicaid program if the disregard or failure results or may result in payment by a Medicaid agency of medical assistance payments or benefits to which the person knows the person is not entitled.
2. "Benefit" means the provision of anything of pecuniary value to or on behalf of a recipient under the Medicaid program.
3. a. "Claim" means a request or demand, whether under a contract or otherwise, for money or property under the Medicaid program and regardless of whether the state has title to the money or property:
 - (1) Presented to an officer, employee, or agent of the state; or
 - (2) Made to a contractor, grantee, or other recipient, if the money or property is to be spent or used on the state's behalf or to advance a state program or interest, and if the state:
 - (a) Provides or has provided any portion of the money or property requested or demanded; or
 - (b) Will reimburse the contractor, grantee, or other recipient for any portion of the money or property requested or demanded.
- b. The term does not include requests or demands for money or property the state has paid to an individual as compensation for state employment or as an income subsidy with no restrictions on that individual's use of the money or property.
4. "Department" means the department of human services.
5. "Document" means an application, claim, form, report, record, writing, or correspondence, whether in written, electronic, magnetic, or other form.
6. "Fraud" means conduct or activity prohibited by law or rule involving knowing conduct or omission to perform a duty that may result or has resulted in Medicaid payments or benefits to which the recipient is not entitled.
7. "Knowingly" or "knowing" requires no proof of specific intent to defraud and means a person has actual knowledge of the information and acts in deliberate ignorance of the truth or falsity of the information or acts in reckless disregard of the truth or falsity of the information.
8. "Material" means having a natural tendency to influence or be capable of influencing the payment or receipt of money or property.
9. "Medicaid agency" means an agency or entity of state, county, or local government which administers any part of the Medicaid program, whether under direct statutory authority or under contract with an authorized agency of the state or federal government.
10. "Misappropriation of patient property" means exploitation, deliberate misplacement, or wrongful use or taking of a patient's property, whether temporary or permanent, without authorization by the patient or the

patient's designated representative. The term includes conduct with respect to a patient's property which would constitute a criminal offense under chapter 12.1-23.

11. "Obligation" means an established duty arising from an express or implied contractual, grantor-grantee, or licensor-licensee relationship, from a fee-based or similar relationship, from statute or regulation, or from the retention of any overpayment.
12. "Original source" means an individual who either prior to a public disclosure has voluntarily disclosed to the state the information on which allegations or transactions in a claim are based or who has knowledge independent of and which materially adds to the publicly disclosed allegations or transactions, and who has voluntarily provided the information to the state before filing an action under this chapter.
13. "Patient abuse" means the willful infliction of physical or mental injury of a patient or unreasonable confinement, intimidation, or punishment that results in pain, physical or mental harm, or mental anguish of a patient. The term includes conduct with respect to a patient which would constitute a criminal offense under chapter 12.1-16, 12.1-17, 12.1-18, 12.1-20, or 12.1-22.
14. "Patient neglect" means the failure, through inattentiveness, carelessness, or other omission, to provide to a patient goods or services necessary to avoid physical harm, mental anguish, or mental illness if the omission is not caused by factors beyond the person's control or by good-faith errors in judgment. The term includes conduct with respect to a patient which would constitute a criminal offense under section 12.1-17-03.
15. "Proceeds" means civil penalties and damages and excludes attorney's fees and costs.
16. "Provider" means a person that furnishes items or services for which payment is claimed under Medicaid.
17. "Record" means medical, professional, business, or financial information and documents, whether in written, electronic, magnetic, microfilm, or other form:
 - a. Pertaining to the provision of treatment, care, services, or items to a recipient;
 - b. Pertaining to the income and expenses of the provider; or
 - c. Otherwise relating to or pertaining to a determination of entitlement to payment or reimbursement under the Medicaid program.

54-12.1-02. Liability for certain acts - Civil penalty.

1. Except as provided in subsection 2, a person is liable to the state for a civil penalty of no less than five thousand five hundred dollars and no more than eleven thousand dollars for each act specified in this section, three times the amount of damages the state sustains because of the person's act, and expenses, costs, and attorney's fees, if the person:
 - a. Knowingly presents or causes to be presented a false or fraudulent medical assistance claim for payment or approval;
 - b. Knowingly makes, uses, or causes to be made or used a false record or statement material to a false or fraudulent medical assistance claim;
 - c. Conspires to commit a violation of this subsection;

- d. Has possession, custody, or control of public property or money used or to be used by the state to provide medical assistance and knowingly delivers or causes to be delivered less than all of that money or property;
 - e. Is authorized to make or deliver a document certifying receipt of property used or to be used by the state and, with the intent to defraud the state, makes or delivers a receipt without completely knowing the information on the receipt is true; or
 - f. Knowingly makes, uses, or causes to be made or used a false record or statement material to an obligation to pay or transmit money or property to the state or knowingly conceals or knowingly and improperly avoids or decreases an obligation to pay or transmit money or property to the state.
2. If a person commits an act under subsection 1 and a court finds the factors in subdivisions a through c, the court may assess no less than twice the amount of damages that the state sustains because of the act of the person.
 - a. The person committing the act furnished the attorney general with all information known to that person about the act within thirty days after the date on which the person first obtained the information;
 - b. The person fully cooperated with the investigation of the act by the attorney general; and
 - c. At the time the person furnished the attorney general with information about the act, a criminal prosecution, civil action, or administrative action had not been commenced with respect to the act and the person did not have actual knowledge of the existence of an investigation into the act.
 3. A person that violates this section also is liable to the state for the expenses, costs, and attorney's fees of the civil action brought to recover the penalty or damages.
 4. Liability under this section is joint and several for any act committed by two or more persons.

54-12.1-03. Filing prohibited.

The court shall dismiss an action or claim brought under this chapter, unless opposed by the state, if substantially the same allegations or transactions as alleged in the action or claim were publicly disclosed in a criminal, civil, or administrative hearing in which the state or its agent is a party; in a legislative, state auditor, or other state report, hearing, audit, or investigation; or from the news media.

54-12.1-04. Limitation of actions.

1. Unless otherwise specified, a civil action filed under this chapter must be brought by the later of:
 - a. Six years after the date on which the violation was committed; or
 - b. Three years after the date facts material to the right of action are known or reasonably should have been known by the official of the state charged with responsibility to act in the circumstances.
2. An action may not be brought under subdivision b of subsection 1 more than ten years after the date on which the violation was committed.

54-12.1-05. Investigation and action by attorney general.

The attorney general shall investigate an alleged violation of this chapter and may file a civil action, a criminal action, or both against a person that violated or is violating this chapter.

54-12.1-06. Complaint by person - Civil action.

1. A person may bring a civil action for a violation of this chapter on behalf of the person and the state. The action must be brought in the name of the state. If the court and the attorney general give written consent to the dismissal and provide the reasons for consenting to the dismissal, the action may be dismissed.
2. A copy of the complaint and written disclosure of substantially all material evidence and information the person possesses must be served on the attorney general pursuant to rule 5 of the North Dakota Rules of Civil Procedure. The complaint must be filed under seal and must remain under seal for at least sixty days. The complaint may not be served upon the defendant until the court orders the complaint be served.
3. Within sixty days after receiving the complaint and the material evidence and information, the attorney general may elect to intervene and proceed with the action or to notify the court the attorney general declines to take over the action. If the attorney general declines to intervene or take over the action, the person bringing the action may conduct the action. For good cause shown, the attorney general may move the court for extensions of the time during which the complaint remains under seal.
4. The defendant may not be required to respond to a complaint until twenty days after the complaint is unsealed and served upon the defendant pursuant to rule 5 of the North Dakota Rules of Civil Procedure.
5. If the attorney general proceeds with the action, the attorney general has the primary responsibility for prosecuting the action and is not bound by any act of the person bringing the action. The person bringing the action may continue as a party to the action subject to the limitations set forth in this chapter.
6. If the attorney general elects not to proceed with the action and the person that initiated the action conducts the action:
 - a. Upon the attorney general's request, the person that initiated the action shall serve the attorney general with copies of all pleadings filed in the action and shall supply the attorney general with copies of all deposition transcripts at the attorney general's expense; or
 - b. The court, without limiting the status and rights of the person initiating the action, may permit the attorney general to intervene at a later date upon a showing of good cause.
7. If a person files a civil action under this section, a person other than the attorney general may not intervene or bring a related action based on the facts underlying the pending action.
8. Upon a showing by the attorney general unrestricted participation during the course of the litigation by the person initiating the action would interfere with or unduly delay the attorney general's prosecution of the case or would be repetitious, irrelevant, or for purposes of harassment, the court may impose limitations on the person's participation, including:
 - a. Limiting the number of witnesses the person may call;
 - b. Limiting the length of testimony of witnesses called by the person;

- c. Limiting the person's cross-examination of witnesses; and
 - d. Otherwise limiting the participation of the person in the litigation.
9. Whether the attorney general proceeds with the action, upon an in-camera showing by the attorney general that actions of discovery by the person initiating the action would interfere with the attorney general's investigation or prosecution of a criminal or civil matter arising out of the same facts, the court may stay the discovery for not more than sixty days. The court may extend the sixty-day period upon a further in-camera showing that the attorney general has pursued the criminal or civil investigation with reasonable diligence and any discovery in the civil action will interfere with the ongoing investigation or proceedings.
10. The attorney general may elect to pursue the claim through any alternate remedy available including administrative proceedings to determine a civil penalty. If an alternate remedy is pursued, the person initiating the action has the same rights in the proceeding as the person would in proceeding under this section. A finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under this section. A finding or conclusion is final if the finding or conclusion has been determined on appeal to the appropriate court, if time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.
11. If the attorney general elects to intervene and proceed with an action, the attorney general may file a complaint or amend the complaint of any person that brought an action to clarify or add detail to the claim in which the attorney general is intervening or to add additional claims. For statute of limitations purposes, any such pleading relates back to the filing date of the complaint of the person that originally brought the action to the extent the attorney general's claim arises out of the conduct, transactions, or occurrences set forth or attempted to be set forth in the prior complaint of that person.

54-12.1-07. Dismissal of civil action.

On motion of the attorney general, the court may dismiss a civil action notwithstanding the objection of the person that initiated the action if the attorney general notified the person of the filing of the motion to dismiss and the court has given the person an opportunity to oppose the motion and present evidence at a hearing.

54-12.1-08. Burden of proof.

The standard of proof in a civil action brought under this chapter is the preponderance of the evidence.

54-12.1-09. Distribution of damages and civil penalty.

- 1. Except as provided in subsection 2, if the attorney general proceeds with an action brought by a person under section 54-12.1-06, the person is entitled to receive at least fifteen percent, but not more than twenty-five percent, of the proceeds recovered and collected in the action or in settlement of the claim, depending on the extent to which the person substantially contributed to the prosecution of the action.
- 2. The court may award an amount the court considers appropriate, but in no case more than ten percent of the proceeds in an action the court finds to be based primarily on disclosures of specific information, other than information provided by the person bringing the action, relating to allegations or transactions disclosed through a criminal, civil, or administrative hearing; a legislative, administrative, or auditor report, hearing, audit, or investigation; or the news media. In determining the award, the court shall take into account the significance of the

information and the role of the person bringing the action in advancing the case to litigation.

3. A payment to a person bringing an action under this section may be made only from the proceeds recovered and collected in the action or in settlement of the claim. In addition, the person is entitled to receive an amount for reasonable expenses the court finds to have been necessarily incurred and reasonable attorney's fees and costs. The expenses, fees, and costs must be awarded against the defendant.
4. If the attorney general does not proceed with an action under section 54-12.1-06, the person bringing the action or settling the claim is entitled to receive an amount the court decides is reasonable for collecting the civil penalty and damages on behalf of the attorney general. The amount may not be less than twenty-five percent nor more than thirty percent of the proceeds recovered and collected in the action or settlement of the claim and must be paid out of the proceeds. In addition, the person is entitled to receive an amount for reasonable expenses the court finds were necessarily incurred, plus reasonable attorney's fees and costs. All expenses, fees, and costs must be awarded against the defendant.
5. Whether the attorney general proceeds with the action, if the court finds the action was brought by a person that planned or initiated the violation of this chapter, the court may reduce or eliminate the share of the proceeds the person would otherwise receive under subsections 1, 2, 3, and 4, taking into account the role of the person in advancing the case to litigation and any relevant circumstances pertaining to the violation. If the person bringing the action is convicted of criminal conduct arising from the person's role in the violation of this section, the person must be dismissed from the civil action and may not receive any share of the proceeds of the action. The dismissal does not prejudice the right of the attorney general to continue the action.
6. The attorney general is entitled to any damages and civil penalties not awarded to the person bringing the action, and the damages and civil penalties must be deposited in the state general fund.
7. Unless otherwise provided, the remedies or penalties provided by this chapter are cumulative to each other and to the remedies or penalties available under all other laws of the state.

54-12.1-10. Effect of criminal conviction.

A defendant convicted in any criminal proceeding under this chapter is precluded from subsequently denying the essential allegations of the criminal offense of which the defendant was convicted in any civil proceeding. For purposes of this section, a conviction may result from a verdict or plea.

54-12.1-11. Costs and attorney's fees.

When the state favorably settles or prevails in a civil action in which the attorney general has intervened or filed, the state is entitled to be awarded reasonable expenses, consultant and expert witness fees, costs, and attorney's fees. In an action in which outside counsel is engaged by the attorney general, the costs and attorney's fees awarded to that counsel must equal the outside counsel's charges reasonably incurred for costs and attorney's fees in prosecuting the action. A plaintiff is entitled to an amount for reasonable expenses the court finds to have been necessarily incurred, plus reasonable costs and attorney's fees, if the action is settled favorably for the state or the state prevails in the action. The expenses, fees, and costs must be awarded against the defendant. A defendant in a civil action brought under this chapter which prevails in an action that is not settled and which the court finds was clearly frivolous or brought solely for harassment purposes is entitled to reasonable costs and attorney's fees, which must be equitably apportioned against the person that brought the action and the state if a person and the state were plaintiffs.

54-12.1-12. Relief from retaliatory actions.

1. An employee, contractor, or agent is entitled to all relief necessary to make that employee, contractor, or agent whole, if that employee, contractor, or agent is discharged, demoted, suspended, threatened, harassed, or in any other manner discriminated against in the terms and conditions of employment because of lawful acts done by the employee, contractor, agent, or associated others in furtherance of an action under this chapter or other efforts to stop one or more violations of this chapter.
2. Relief under subsection 1 includes reinstatement with the same seniority status the employee, contractor, or agent would have had but for the discrimination, twice the amount of backpay, interest on the backpay, and compensation for any special damages sustained as a result of the discrimination, including litigation costs and reasonable attorney's fees. An action under this section may be brought in the appropriate district court for the relief provided in this subsection.
3. A civil action under this section may not be brought more than three years after the date when the retaliation occurred.

54-12.1-13. Settlement by attorney general.

The attorney general may settle the case with a defendant notwithstanding the objections of any person that initiated the action if the court determines, after a hearing, the settlement is fair, adequate, and reasonable under the circumstances. Upon a showing of good cause, the hearing may be held in camera. A hearing is not otherwise required for the court to approve a settlement.

54-12.1-14. Medicaid fraud control unit.

The Medicaid fraud control unit is established as a division of the attorney general's office. The Medicaid fraud control unit, which is under the supervision and control of the attorney general, consists of the agents and employees the attorney general considers necessary and appropriate, including individuals qualified by education, training, experience, and high-professional competence in criminal and civil investigative procedures and high-professional competence to prosecute crimes. The Medicaid fraud control unit is a criminal justice agency within the meaning of section 12-60-16.1. Agents designated by the attorney general have peace officer status and authority, including the authority of search, seizure, and arrest. All recovered money must be forwarded to the designated state Medicaid agency for remittance to the general fund. The portion of state match appropriations for the Medicaid fraud control unit must be appropriated from the state general fund.

54-12.1-15. Powers and duties of Medicaid fraud control unit.

1. The Medicaid fraud control unit shall:
 - a. Investigate and prosecute under applicable criminal or civil laws fraud and abuse by providers or any other person, including cases referred by the department;
 - b. Review a complaint of patient abuse, patient neglect, and misappropriation of patient property and, if appropriate, investigate and initiate criminal or civil proceedings or refer the complaint to another federal, state, or local agency for action;
 - c. Refer to the department for collection and, if appropriate, consideration and imposition of appropriate provider sanctions cases involving provider overpayments, fraud, abuse, inappropriate use of services, or other improper activities discovered by the unit in carrying out the unit's activities;
 - d. Communicate and cooperate with and, subject to applicable confidentiality laws, provide information to other federal, state, and

local agencies involved in the investigation and prosecution of health care fraud, abuse, and other improper activities related to the Medicaid program;

- e. Transmit to other state and federal agencies, in accordance with law, reports of convictions, copies of judgments and sentences imposed, and other information and documents for purposes of program exclusions or other sanctions or penalties under Medicaid, Medicare, or other state or federal benefit or assistance programs; and
 - f. Recommend to state agencies appropriate or necessary adoption or revision of laws, rules, policies, and procedures to prevent fraud, abuse, and other improper activities under the Medicaid program and to aid in the investigation and prosecution of fraud, abuse, and other improper activities under the Medicaid program.
2. The Medicaid fraud control unit may:
- a. Initiate criminal prosecutions and civil actions pursuant to subsection 1 in any court of competent jurisdiction in the state;
 - b. Upon request, obtain information and records from applicants, recipients, and providers;
 - c. Subject to applicable federal confidentiality laws and rules and for purposes related to any investigation or prosecution under subsection 1, obtain from the department, local offices of public assistance, and other local, county, or state government departments or agencies records and other information, including applicant and recipient applications, provider enrollment forms, claims and reports, individual or entity tax returns, or other information provided to or in the possession of the tax commissioner or the state auditor;
 - d. Refer appropriate cases to other federal, state, or local agencies for investigation, prosecution, or imposition of penalties, restrictions, or sanctions; and
 - e. Enter agreements with the department and other federal, state, and local agencies in furtherance of the unit's mission.

54-12.1-16. Investigative demand procedure.

1. When there is reason to believe a person may be in possession, custody, or control of documentary material or information relevant to a potential medical assistance investigation, the attorney general may, before commencing a proceeding under this chapter, issue in writing and cause to be served upon the person, on forms the attorney general prescribes, an investigative demand requiring the person to:
 - a. Produce the documentary material for inspection and copying;
 - b. Answer in writing written interrogatories with respect to the documentary material or information;
 - c. Be examined under oath concerning the documentary material or information; and
 - d. Furnish any combination of the material, answers, or testimony.
2. Each investigative demand must state the nature of the conduct constituting the alleged violation of law under investigation and the applicable provision of law alleged to be violated.

3. An investigative demand may be served by an agent or as otherwise provided by the North Dakota Rules of Civil Procedure. A verified return by the individual serving an investigative demand setting forth the manner of the service is proof of service. In the case of service by registered or certified mail, the return must be accompanied by the return post office receipt of delivery of the demand.
4. If the demand is for the production of documentary material, the demand must:
 - a. Describe each class of documentary material to be produced with such definiteness and certainty as to permit the material to be fairly identified; and
 - b. Prescribe a return date for each such class which provides a reasonable period of time within which the material demanded may be assembled and made available for inspection and copying.
5. The production of documentary material in response to an investigative demand served under this section must be made under a sworn certificate stating all of the documentary material required by the demand and in the possession, custody, or control of the person to which the demand is directed has been produced and made available to the agent identified in the demand, by:
 - a. In the case of an individual, the individual to whom the demand is directed; or
 - b. In the case of a person other than an individual, a person having knowledge of the facts and circumstances relating to the production and authorized to act on behalf of that person.
6. A person upon which any investigative demand for the production of documentary material has been served under this section shall make the material available for inspection and copying to the agent identified in the demand at the principal place of business of that person, or at such other place as the agent and the person agree and prescribe in writing. The material must be made available on the return date specified in the demand, or on a later date prescribed in writing by the agent. The person may, upon written agreement between the person and the agent, substitute copies for originals of all or any part of the material.
7. If the demand is for answers to written interrogatories, the demand shall:
 - a. Set forth with specificity the written interrogatories to be answered; and
 - b. Prescribe dates at which time answers to written interrogatories must be submitted.
8. Each interrogatory in an investigative demand served under this section must be answered separately and fully in writing under oath and must be submitted under a sworn certificate, in the form designated by the demand by:
 - a. In the case of an individual, the individual to whom the demand is directed; or
 - b. In the case of a person other than an individual, the person responsible for answering each interrogatory.
9. If any interrogatory is objected to, the reasons for the objection must be stated in the certificate instead of an answer. The certificate must state that all information required by the demand and in the possession, custody, control, or knowledge of the person to which the demand is

directed has been submitted. To the extent any information is not furnished, the information must be identified and reasons set forth with particularity explaining why the information was not furnished.

10. a. If the demand is for the giving of oral testimony, the demand must:
 - (1) Prescribe a date, time, and place at which oral testimony must be commenced;
 - (2) Specify that attendance and testimony are necessary to the conduct of the investigation;
 - (3) Notify the individual receiving the demand of the right to be accompanied by an attorney; and
 - (4) Describe the general purpose for which the demand is being issued and the general nature of the testimony, including the primary areas of inquiry, which will be taken pursuant to the demand.
- b. The examination of an individual pursuant to an investigative demand for oral testimony served under this section must be taken under oath or affirmation of this state or of the place where the examination is held. The oath may be in writing and the agent shall record the testimony of the witness.
11. An investigative demand issued under this chapter may not require the production of a documentary material, the submission of answers to written interrogatories, or the giving of oral testimony if the material, answers, or testimony would be protected from disclosure under any applicable law or court order.
12. If a person fails or refuses to file any statement or report, appear or cooperate with an examination under oath or obey any subpoena issued by the attorney general, the attorney general may, after notice, petition a district court and, after hearing, request an order requiring compliance. If the attorney general prevails in a proceeding under this section, the court may assess the nonprevailing person for all hearing costs, including reasonable attorney's fees.

54-12.1-17. Medicaid fraud - Criminal penalty.

1. A person commits a criminal offense under this section if the person knowingly:
 - a. Presents for allowance, for payment, or for the purpose of concealing, avoiding, or decreasing an obligation to pay a false or fraudulent medical assistance claim, bill, account, voucher, or writing to a public agency, public servant, or contractor authorized to allow or pay medical assistance claims presented to a public agency;
 - b. Solicits, accepts, offers, or provides any remuneration, including a kickback, bribe, or rebate, other than an amount legally payable under the medical assistance program, for furnishing services or items for which payment may be made under the Medicaid program or in return for purchasing, leasing, ordering, arranging for, or recommending the purchasing, leasing, or ordering of any services or items from a provider for which payment may be made under the Medicaid program;
 - c. Makes, offers, or accepts any remuneration, rebate of a fee, or charge for referring a recipient to another provider for the furnishing of services or items for which payment may be made under the Medicaid program; or

54-12.1-18. Cooperation of governmental agencies with Medicaid fraud control unit.

All local, county, and state departments and agencies shall cooperate with the Medicaid fraud control unit and the unit's agents and employees to effectuate the purposes of the unit.

SECTION 13. APPROPRIATION - MEDICAID FRAUD CONTROL UNIT.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$156,160, or so much of the sum as may be necessary, and \$1,405,444 from special funds derived from federal funds, to the attorney general for the purpose of establishing a Medicaid fraud control unit, for the biennium beginning with the effective date of this Act and ending June 30, 2019. For the Medicaid fraud control unit, the attorney general is authorized two full-time equivalent assistant attorney general positions, two full-time equivalent investigator positions, one full-time equivalent auditor position, and one full-time equivalent administrative assistant position. The attorney general may not spend any funds designated for these positions for purposes other than the salaries and wages and operating expenses of the Medicaid fraud control unit.

SECTION 14. CRIMINAL HISTORY RECORD CHECKS - FEES. Any person or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-fifth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 12, insert:

"SECTION 17. EXEMPTION - ADDITIONAL FUNDING FOR LITIGATION FEES. Of the funding appropriated to the attorney general in section 6 of chapter 3 of the 2015 Session Laws, up to \$100,000 is not subject to the provisions of section 54-44.1-11 and may be continued for defraying the cost of litigation fees for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 18. CONTINGENT EFFECTIVE DATE. Sections 12 and 13 of this Act become effective on the date the executive director of the department of human services certifies to the legislative council and to the director of the office of management and budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the sixty-sixth legislative assembly as a direct result of the state not being granted a waiver relating to a Medicaid fraud control unit.

SECTION 19. EMERGENCY. Sections 8 and 9 of this Act are declared to be an emergency measure."

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1003 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$40,503,865	\$40,267,284	\$977,482	\$41,244,766
Operating expenses	24,672,585	16,145,004	412,554	16,557,558
Capital assets	2,339,187	2,742,372		2,742,372
Grants	1,762,659	2,440,000		2,440,000
Litigation fees	50,000	150,000		150,000
Intellectual property attorney	418,323	427,131	(207)	426,924
Abortion litigation fees	400,000			
Medical examinations	660,000	660,000		660,000
North Dakota lottery	5,282,778	5,338,767	(1,970)	5,336,797
Arrest and return of fugitives	10,000	10,000		10,000
Gaming commission	7,490	7,490		7,490
Criminal justice information sharing	4,151,701	3,387,682	(1,037)	3,386,645
Law enforcement	3,455,725	2,904,818	(3,210)	2,901,608
Additional income appropriation		250,000		250,000

SAVIN cost share program			315,000	315,000
Contingent funding for the SAVIN program			500,000	500,000
Contingent Medicaid Fraud Control Unit			1,561,604	1,561,604
Total all funds	\$83,714,313	\$74,730,548	\$3,760,216	\$78,490,764
Less estimated income	35,247,452	30,730,548	2,216,216	32,946,764
General fund	\$48,466,861	\$44,000,000	\$1,544,000	\$45,544,000
FTE	250.00	231.00	12.00	243.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores 5 FTE Positions ²	Adds 1 FTE Identification Technician Position ³	Adds One-Time Funding for Uniform Crime Reporting Rewrite ⁴	Adds One-Time Funding for Deposit System Rewrite ⁵	Adds One-Time Funding for the SAVIN Cost Share Program ⁶
Salaries and wages	(\$43,964)	\$890,000	\$131,446			
Operating expenses			32,554	280,000	100,000	
Capital assets						
Grants						
Litigation fees						
Intellectual property attorney	(207)					
Abortion litigation fees						
Medical examinations						
North Dakota lottery	(1,970)					
Arrest and return of fugitives						
Gaming commission						
Criminal justice information sharing	(1,037)					
Law enforcement	(3,210)					
Additional income appropriation						
SAVIN cost share program						315,000
Contingent funding for the SAVIN program						
Contingent Medicaid Fraud Control Unit						
Total all funds	(\$50,388)	\$890,000	\$164,000	\$280,000	\$100,000	\$315,000
Less estimated income	(4,228)	0	0	0	0	315,000
General fund	(\$46,160)	\$890,000	\$164,000	\$280,000	\$100,000	\$0
FTE	0.00	5.00	1.00	0.00	0.00	0.00

	Adds Contingent Funding for the SAVIN Cost Share Program ⁷	Contingent Medicaid Fraud Control Unit ⁸	Total Senate Changes
Salaries and wages			\$977,482
Operating expenses			412,554
Capital assets			
Grants			
Litigation fees			
Intellectual property attorney			(207)
Abortion litigation fees			
Medical examinations			
North Dakota lottery			(1,970)
Arrest and return of fugitives			
Gaming commission			
Criminal justice information sharing			(1,037)
Law enforcement			(3,210)
Additional income appropriation			
SAVIN cost share program			315,000
Contingent funding for the SAVIN program	500,000		500,000
Contingent Medicaid Fraud Control Unit		1,561,604	1,561,604
Total all funds	\$500,000	\$1,561,604	\$3,760,216
Less estimated income	500,000	1,405,444	2,216,216
General fund	\$0	\$156,160	\$1,544,000
FTE	0.00	6.00	12.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Restores the following 5 FTE positions and related funding from the general fund--4 FTE criminal investigator positions (\$720,000), 1 FTE forensic scientist position (\$170,000). The House removed 19 FTE positions with related funding and changed the funding source from the general fund to other funds for 8 FTE positions.

³ Adds 1 FTE identification technician position (\$131,446) and related operating expenses (\$32,554).

⁴ One-time funding of \$280,000 is added from the general fund for the rewrite of the uniform crime reporting system.

⁵ One-time funding of \$100,000 from the general fund is added for a DOS based deposit system rewrite.

⁶ One-time funding of \$315,000 is added from other funds for the statewide automated victim information and notification (SAVIN) program enhancement project. The other funds are from revenues generated through payments from political subdivisions share of the cost for the SAVIN program enhancement project. The enhancements will upgrade the SAVIN program so that it is able to provide the notifications necessary to comply with Section 25 of Article I of the Constitution of North Dakota also known as Marsy's Law.

⁷ Contingent funding of \$500,000 from the oil and gas impact grant fund is added. The Attorney General plans to relocate employees into space available in the Job Service North Dakota central office building resulting in anticipated rent savings of \$500,000 that would be used for the costs of statewide automated victim information and notification program enhancements. If the move does not occur and the Attorney General does not recognize rent savings, \$500,000 from the oil and gas impact grant fund is appropriated to the Attorney General for the state's share of the SAVIN program enhancements.

⁸ Contingent funding of \$1,561,604 is added from the general fund (\$156,160) and federal funds (\$1,405,444) and authorizes 6 FTE positions (2 FTE assistant attorneys general positions, 2 FTE investigators positions, 1 FTE administrative assistant position, and 1 FTE auditor position) for the creation of a Medicaid Fraud Control Unit. The creation of the unit is contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.

This amendment also:

- Adds a section authorizing the Attorney General to transfer appropriation authority between line items during the 2017-19 biennium.
- Adds a section directing the Industrial Commission to provide litigation funding to the Attorney General for litigation costs related to the Dakota Access Pipeline protest and other related activities for the 2017-19 biennium.
- Adds a section authorizing the Attorney General to use up to \$500,000 of rent savings as the result of an expected move of employees into space available in the Job Service North Dakota central office building for the SAVIN program enhancements. The section also provides a contingent appropriation of \$500,000 from the oil and gas impact grant fund if the move does not occur.
- Adds a section directing the Attorney General to consult with the North Dakota Association of Counties and the North Dakota League of Cities to establish a cost sharing program providing that political subdivisions share in the cost of the SAVIN program enhancement project. As a result of the completion of the SAVIN program enhancement project, the political subdivision's costs to comply with Marsy's Law are expected to be significantly reduced. The section authorizes the Attorney General to allocate \$315,000 of the cost among the political subdivisions of the

state.

- Adds a section amending North Dakota Century Code Section 27-01-10 related to fee assessments for funding crime victim and witness programs and changes the assessment of a fee from optional to mandatory.
- Adds a section requiring any person or entity requesting a criminal history record check from the Bureau of Criminal Investigation, as a result of legislation enacted by the 65th Legislative Assembly, to pay a reasonable fee as set by the Attorney General for the 2017-19 biennium. The fee is to be deposited in general fund and is anticipated to generate an estimated \$164,000 of general fund revenue for the 2017-19 biennium.
- Adds a section exempting \$100,000 of funding appropriated to the Attorney General during the 2015 Legislative Assembly for contracted higher education legal fees and authorizes that funding to be used during the 2017-19 biennium in the Attorney General's litigation fees line.
- Adds three sections relating to the contingent creation of a Medicaid Fraud Control Unit. The sections provide for the creation of Chapter 54-12.1 and appropriates \$1,561,604 from the general fund (\$156,160) and federal funds (\$1,405,444), along with the authorization of 6 FTE positions, contingent upon the Department of Human Services certifying to the Legislative Council and the Office of Management and Budget that federal medical assistance funding available to the state will be reduced on a date certain prior to the convening of the 66th Legislative Assembly as a direct result of the state not having a Medicaid Fraud Control Unit.
- Adds an emergency clause regarding the SAVIN program enhancements.

CONSIDERATION OF AMENDMENTS

HB 1003, as engrossed: SEN. SORVAAG (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1003: A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to provide a contingent appropriation; to provide exemptions; to provide a report to the office of management and budget and the legislative council; to authorize transfers; to authorize fees; to create and enact chapter 54-12.1 of the North Dakota Century Code, relating to the creation of a Medicaid fraud control unit; to amend and reenact section 27-01-10 of the North Dakota Century Code, relating to fee assessments for funding crime victim and witness programs; to provide a penalty; to provide legislative intent; to provide a contingent effective date; 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 41 YEAS, 4 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Casper; Clemens; Cook; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Veda; Wanzek; Wardner

NAYS: Campbell; Hogue; Kannianen; Larsen, O.

ABSENT AND NOT VOTING: Davison; Laffen

Engrossed HB 1003, as amended, passed and the emergency clause was declared carried.

CONSIDERATION OF MESSAGES FROM THE HOUSE

SEN. KLEIN MOVED that the Senate do not concur in the House amendments to Engrossed SB 2001, in the House amendments to Engrossed SB 2009, in the House amendments to Engrossed SB 2010, in the House amendments to Engrossed SB 2011, in

the House amendments to Engrossed SB 2012, in the House amendments to Engrossed SB 2014, in the House amendments to Engrossed SB 2015, and in the House amendments to SB 2144 and that a conference committee be appointed to meet with a like committee from the House on each of these measures, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEES

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed SB 2001: Sens. Holmberg, Wanzek, Robinson.

Engrossed SB 2009: Sens. Krebsbach, Wanzek, Grabinger.

Engrossed SB 2010: Sens. Krebsbach, Erbele, Mathern.

Engrossed SB 2011: Sens. Krebsbach, Wanzek, Grabinger.

Engrossed SB 2012: Sens. G. Lee, Oehlke, Grabinger.

Engrossed SB 2014: Sens. Sorvaag, Hogue, Mathern.

Engrossed SB 2015: Sens. Wanzek, Hogue, Mathern.

SB 2144: Sens. Casper, Burckhard, Marcellais.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1025, Reengrossed HB 1041, Engrossed HB 1235, and Engrossed HB 1269, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1025: Sens. Roers, Schaible, Oban

Reengrossed HB 1041: Sens. Armstrong, D. Larson, Nelson

Engrossed HB 1235: Sens. D. Larson, Luick, Osland

Engrossed HB 1269: Sens. Armstrong, D. Larson, Nelson

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

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1040.

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

MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1003.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2016, SB 2017, SB 2019, SB 2022, SB 2023.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2016

Page 1, line 2, after "Dakota" insert "; to amend and reenact section 52-08-10 of the North Dakota Century Code, relating to the preparation of a business plan for workforce training; to repeal chapter 52-02.1 of the North Dakota Century Code, relating to new jobs training; to provide a statement of legislative intent; to provide for a legislative management study; and to provide for application"

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$39,604,238	(\$12,448,672)	\$27,155,566
Operating expenses	13,479,157	(1,977,902)	11,501,255
Capital assets	20,000	100,000	120,000
Grants	5,404,326	54,245	5,458,571
Workforce 20/20	1,441,225	(1,441,225)	0
Reed Act - unemployment insurance computer modernization	<u>12,407,000</u>	<u>(1,197,443)</u>	<u>11,209,557</u>
Total all funds	\$72,355,946	(\$16,910,997)	\$55,444,949
Less estimated income	<u>70,467,866</u>	<u>(15,568,710)</u>	<u>54,899,156</u>
Total general fund	\$1,888,080	(\$1,342,287)	\$545,793"

Page 1, after line 22, insert:

"SECTION 2. HEALTH INSURANCE INCREASES. The salaries and wages line item in section 1 of this Act includes the sum of \$421,951, of which \$2,827 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

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

Page 1, line 24, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 2, replace lines 2 through 6 with:

"Oil and gas employment study	\$80,000	\$0
Virtual OneStop application	9,500	0
Renovation of Bismarck regional office	<u>0</u>	<u>100,000</u>
Total all funds	\$89,500	\$100,000
Total special funds	<u>0</u>	<u>0</u>
Total general fund	\$89,500	\$100,000

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 2, line 9, replace "\$11,210,286" with "\$11,209,557"

Page 2, after line 16, insert:

"SECTION 6. AMENDMENT. Section 52-08-10 of the North Dakota Century Code is amended and reenacted as follows:

52-08-10. Preparation of business plan - Revolving loans.

Subject to state board of higher education policies, the president of an institution of higher education that is assigned primary responsibility for workforce training shall prepare an annual business plan that must include provisions for use of the training capacity of the tribal colleges within the designated region, in consultation with the workforce training board. ~~The business plan may include participation as a community under the new jobs training program under chapter 52-02.1.~~ The workforce training board shall approve the business plan and make recommendations for funding of the business plan to the state board of higher education. Any state funds received under this program by the institutions of higher education assigned primary responsibility for workforce training must be used for business and customized training activities. The state board of higher education may establish for each institution of higher education assigned primary responsibility for workforce training a revolving loan fund for workforce training program startups using the borrowing authority provided in section 15-10-16.1.

SECTION 7. REPEAL. Chapter 52-02.1 of the North Dakota Century Code is repealed.

SECTION 8. APPLICATION. Job service North Dakota shall honor contractual obligations under the new jobs training program in chapter 52-02.1 which were in effect before the effective date of this Act, until the terms of the contracts have been fulfilled.

SECTION 9. ESTIMATED INCOME - RENT REVENUE. The estimated income line item in section 1 of this Act includes \$750,000 of estimated rent revenue as a result of job service North Dakota leasing the Minot regional office and a portion of the Bismarck central office to other state agencies. Any revenue collected must be deposited in the job service North Dakota operating fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. ONE-TIME FUNDING - BISMARCK REGIONAL OFFICE RENOVATION - RELOCATION COSTS. Section 1 of this Act includes \$100,000 of

one-time funding from the general fund, for defraying the expenses of job service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for costs associated with renovations of the Bismarck regional office necessary for normal business operations for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGISLATIVE INTENT - JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that, as a result of the study provided for in section 12 of this Act, job service North Dakota enter a long-term lease or sell the property determined most valuable and continue to occupy the property with the lowest cost for office space.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - JOB SERVICE NORTH DAKOTA PROPERTIES. During the 2017-18 interim, the legislative management shall consider studying office space cost and value of properties owned by job service North Dakota in Fargo, Rolla, Minot, and Bismarck with input from the office of management and budget. If job service North Dakota sells or leases any property identified in this section before July 1, 2017, the property may not be included in the study. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2016 - Job Service North Dakota - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$39,604,238	\$27,187,623	(\$32,057)	\$27,155,566
Operating expenses	13,479,157	10,751,255	750,000	11,501,255
Capital assets	20,000	20,000	100,000	120,000
Grants	5,404,326	5,458,571		5,458,571
Workforce 20/20	1,441,225	502,407	(502,407)	
Reed Act - Computer modernization	12,407,000	11,210,286	(729)	11,209,557
Total all funds	\$72,355,946	\$55,130,142	\$314,807	\$55,444,949
Less estimated income	70,467,866	54,181,895	717,261	54,899,156
General fund	\$1,888,080	\$948,247	(\$402,454)	\$545,793
FTE	237.76	181.61	0.00	181.61

Department No. 380 - Job Service North Dakota - Detail of House Changes

	Adjusts Funding for Health Insurance ¹	Eliminates Funding Workforce 20/20 Program ²	Adds Funding for Estimated Rent Revenue ³	Adds One-Time Funding for Relocating and Office Renovations ⁴	Total House Changes
Salaries and wages	(\$32,057)				(\$32,057)
Operating expenses			750,000		750,000
Capital assets				100,000	100,000
Grants					
Workforce 20/20	(174)	(502,233)			(502,407)
Reed Act - Computer modernization	(729)				(729)
Total all funds	(\$32,960)	(\$502,233)	\$750,000	\$100,000	\$314,807
Less estimated income	(32,739)	0	750,000	0	717,261
General fund	(\$221)	(\$502,233)	\$0	\$100,000	(\$402,454)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding is eliminated for the Workforce 20/20 program. The Senate provided \$502,407

from the general fund for the program.

³ Funding for operating expenses is increased by \$750,000 of revenue to be collected as a result of Job Service North Dakota leasing the Minot regional office and Bismarck central office to other state agencies. Revenue collected will be deposited in the Job Service North Dakota operating fund.

⁴ One-time funding is added from the general fund for costs associated with Job Service North Dakota relocating from the Bismarck central office to the Bismarck regional office and for any related renovations of the Bismarck regional office necessary for normal business operations.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Adjusts the amount of funding for Reed Act funds in Section 4 of the bill.
- Repeals North Dakota Century Code Chapter 52-02.1 related to the new jobs training program and amends Section 52-08-10 to eliminate reference to Chapter 52-02.1.
- Adds a section providing an application clause related to the new jobs training program, allowing Job Service North Dakota to honor current contractual obligations under the program.
- Adds a section to identify an increase in special fund spending authority of \$750,000 due to estimated rent revenue to be collected as a result of leasing the Job Service North Dakota Minot regional office and Bismarck central office.
- Adds a section to identify \$100,000 of one-time funding from the general fund for costs associated with Job Service North Dakota relocating to the Bismarck regional office and for related renovation costs of the property.
- Adds a section providing legislative intent regarding the study of Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.
- Adds a section providing for a legislative management study, in conjunction with the office of management and budget, related to Job Service North Dakota properties in Fargo, Rolla, Minot, and Bismarck.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2017

Page 1, replace lines 10 through 13 with:

"Salaries and wages	\$1,195,284	(\$3,434)	\$1,191,850
Operating expenses	<u>1,756,327</u>	<u>(29,543)</u>	<u>1,726,784</u>
Total special funds	\$2,951,611	(\$32,977)	\$2,918,634
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$13,273 from special funds for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2017 - Office of Administrative Hearings - House Action

Base Budget	Senate Version	House Changes	House Version
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Salaries and wages	\$1,195,284	\$1,163,344	\$28,506	\$1,191,850
Operating expenses	<u>1,756,327</u>	<u>1,756,327</u>	(29,543)	<u>1,726,784</u>
Total all funds	\$2,951,611	\$2,919,671	(\$1,037)	\$2,918,634
Less estimated income	<u>2,951,611</u>	<u>2,919,671</u>	(1,037)	<u>2,918,634</u>
General fund	\$0	\$0	\$0	\$0
FTE	5.00	5.00	0.00	5.00

Department No. 140 - Office of Administrative Hearings - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Funding Between Line Items ²	Total House Changes
Salaries and wages	(\$1,037)	\$29,543	\$28,506
Operating expenses		(29,543)	(29,543)
Total all funds	(\$1,037)	\$0	(\$1,037)
Less estimated income	<u>(1,037)</u>	<u>0</u>	<u>(1,037)</u>
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding of \$29,543 is removed from the operating expenses line item, rather than the salaries and wages line item.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2019

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$4,763,504	(\$63,529)	\$4,699,975
Operating expenses	1,267,340	(26,751)	1,240,589
Grants	31,240,290	1,593,066	32,833,356
Grants - postsecondary	661,113	(364,906)	296,207
Adult farm management	660,438	(80,616)	579,822
Workforce training	<u>2,803,500</u>	<u>(1,203,500)</u>	<u>1,600,000</u>
Total all funds	\$41,396,185	(\$146,236)	\$41,249,949
Less estimated income	<u>9,697,887</u>	<u>2,395,779</u>	<u>12,093,666</u>
Total general fund	\$31,698,298	(\$2,542,015)	\$29,156,283
Full-time equivalent positions	26.50	(2.00)	24.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$61,059 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 2, replace lines 4 and 5 with:

"School district and area center grants	\$0	\$2,427,000
Marketplace for kids	<u>0</u>	<u>300,000</u>
Total all funds	\$0	\$2,727,000
Less estimated income	<u>0</u>	<u>2,477,000</u>
Total general fund	\$0	\$250,000"

Page 2, line 12, after the period insert "Of this amount, \$50,000 is for the marketplace for kids program."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2019 - Dept. of Career and Technical Education - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$4,763,504	\$4,864,807	(\$164,832)	\$4,699,975
Operating expenses	1,267,340	1,240,589		1,240,589
Grants	31,240,290	32,542,856	290,500	32,833,356
Grants - Postsecondary	661,113	586,707	(290,500)	296,207
Adult farm management	660,438	579,822		579,822
Workforce training	2,803,500	2,600,000	(1,000,000)	1,600,000
Total all funds	\$41,396,185	\$42,414,781	(\$1,164,832)	\$41,249,949
Less estimated income	9,697,887	12,093,666	0	12,093,666
General fund	\$31,698,298	\$30,321,115	(\$1,164,832)	\$29,156,283
FTE	26.50	25.50	(1.00)	24.50

Department No. 270 - Dept. of Career and Technical Education - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes 1 FTE Position ²	Adjusts Funding for STEM Grants ³	Adjusts Funding for Workforce Training ⁴	Adjusts Funding for Marketplace for Kids ⁵	Total House Changes
Salaries and wages	(\$7,632)	(\$157,200)				(\$164,832)
Operating expenses						
Grants			290,500			290,500
Grants - Postsecondary			(290,500)			(290,500)
Adult farm management						
Workforce training				(1,000,000)		(1,000,000)
Total all funds	(\$7,632)	(\$157,200)	\$0	(\$1,000,000)	\$0	(\$1,164,832)
Less estimated income	0	0	0	0	0	0
General fund	(\$7,632)	(\$157,200)	\$0	(\$1,000,000)	\$0	(\$1,164,832)
FTE	0.00	(1.00)	0.00	0.00	0.00	(1.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is removed for 1 FTE assistant program supervisor position.

³ Funding of \$290,500 for science, technology, engineering, and math (STEM) grants is transferred from the grants - postsecondary line item to the grants line item to provide a total of \$296,207 in the grants - postsecondary line item and \$32,833,356 in the grants line item.

⁴ Funding is reduced for workforce training grants by \$1 million from the general fund to provide a total appropriation of \$1.6 million.

⁵ Ongoing funding for the Marketplace for Kids program is reduced by \$250,000 and replaced with \$250,000 of one-time funding. An amount of \$50,000 from the foundation aid stabilization fund is also identified in section 4 of the bill to provide a total one-time appropriation of \$300,000 for the program.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2022

Page 1, replace lines 12 through 16 with:

"Commission on legal counsel for indigents	<u>\$18,889,823</u>	<u>\$1,013,800</u>	<u>\$19,903,623</u>
Total all funds	\$18,889,823	\$1,013,800	\$19,903,623

Less estimated income 1,906,914 12,833 1,919,747
 Total general fund \$16,982,909 \$1,000,967 \$17,983,876"

Page 1, after line 17, insert:

"SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$114,999, of which \$112,215 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2022 - Commission on Legal Counsel for Indigents - House Action

	Base Budget	Senate Version	House Changes	House Version
Comm. on Legal Counsel for Indigents	\$18,889,823	\$19,912,606	(\$8,983)	\$19,903,623
Total all funds	\$18,889,823	\$19,912,606	(\$8,983)	\$19,903,623
Less estimated income	<u>1,906,914</u>	<u>1,919,965</u>	<u>(218)</u>	<u>1,919,747</u>
General fund	\$16,982,909	\$17,992,641	(\$8,765)	\$17,983,876
FTE	40.00	40.00	0.00	40.00

Department No. 188 - Commission on Legal Counsel for Indigents - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Total House Changes
Comm. on Legal Counsel for Indigents	(\$8,983)	(\$8,983)
Total all funds	(\$8,983)	(\$8,983)
Less estimated income	<u>(218)</u>	<u>(218)</u>
General fund	(\$8,765)	(\$8,765)
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2023

Page 1, replace lines 12 and 13 with:

"Racing commission \$546,551 (\$4,373) \$542,178
 Total all funds \$546,551 (\$4,373) \$542,178"

Page 1, replace line 15 with:

"Total general fund \$387,821 (\$8,200) \$379,621"

Page 1, after line 16, insert:

"SECTION 2. HEALTH INSURANCE INCREASE. The racing commission line item in section 1 of this Act includes the sum of \$5,309 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2023 - Racing Commission - House Action

	Base Budget	Senate Version	House Changes	House Version
Racing Commission	\$546,551	\$542,593	(\$415)	\$542,178
Total all funds	\$546,551	\$542,593	(\$415)	\$542,178
Less estimated income	158,730	162,557	0	162,557
General fund	\$387,821	\$380,036	(\$415)	\$379,621
FTE	2.00	2.00	0.00	2.00

Department No. 670 - Racing Commission - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Total House Changes
Racing Commission	(\$415)	(\$415)
Total all funds	(\$415)	(\$415)
Less estimated income	0	0
General fund	(\$415)	(\$415)
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

A section is added identifying the cost of the health insurance premium increase.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2020.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2020

Page 1, line 3, remove "to amend"

Page 1, remove line 4

Page 1, line 5, replace "research center experiment station and extension service position adjustments" with "to provide for a legislative management study; to provide for a budget section report"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 3 with:

"Extension service	\$52,517,908	(\$1,493,531)	\$51,024,377
Soil conservation committee	<u>1,133,362</u>	<u>(41,842)</u>	<u>1,091,520</u>
Total all funds	\$53,651,270	(\$1,535,373)	\$52,115,897
Less estimated income	<u>25,826,708</u>	<u>819,981</u>	<u>26,646,689</u>
Total general fund	\$27,824,562	(\$2,355,354)	\$25,469,208
Full-time equivalent positions	263.91	(11.93)	251.98"

Page 2, replace lines 8 through 11 with:

"Northern crops institute	<u>\$3,712,202</u>	<u>(\$69,481)</u>	<u>\$3,642,721</u>
Total all funds	\$3,712,202	(\$69,481)	\$3,642,721
Less estimated income	<u>1,747,735</u>	<u>8,095</u>	<u>1,755,830</u>
Total general fund	\$1,964,467	(\$77,576)	\$1,886,891"

Page 2, replace lines 17 through 21 with:

"Upper great plains transportation institute	<u>\$22,076,448</u>	<u>\$283,794</u>	<u>\$22,360,242</u>
Total all funds	\$22,076,448	\$283,794	\$22,360,242
Less estimated income	<u>18,175,657</u>	<u>641,411</u>	<u>18,817,068</u>
Total general fund	\$3,900,791	(\$357,617)	\$3,543,174"

Page 2, replace lines 27 through 30 with:

"Main research center	<u>\$110,529,780</u>	<u>(\$1,887,537)</u>	<u>\$108,642,243</u>
Total all funds	\$110,529,780	(\$1,887,537)	\$108,642,243
Less estimated income	<u>56,948,525</u>	<u>2,136,303</u>	<u>59,084,828</u>
Total general fund	\$53,581,255	(\$4,023,840)	\$49,557,415"

Page 3, replace lines 5 through 15 with:

"Dickinson research extension center	\$6,996,678	(\$171,127)	\$6,825,551
Central grasslands research extension center	3,531,779	(108,155)	3,423,624
Hettinger research extension center	5,086,767	(111,634)	4,975,133
Langdon research extension center	3,045,836	(81,229)	2,964,607
North central research extension center	5,044,213	(90,561)	4,953,652
Williston research extension center	5,267,400	1,351,490	6,618,890
Carrington research extension center	<u>9,328,093</u>	<u>(152,602)</u>	<u>9,175,491</u>
Total all funds	\$38,300,766	\$636,182	\$38,936,948
Less estimated income	<u>19,817,130</u>	<u>1,964,561</u>	<u>21,781,691</u>
Total general fund	\$18,483,636	(\$1,328,379)	\$17,155,257"

Page 3, replace lines 21 and 22 with:

"Agronomy seed farm	<u>\$1,521,007</u>	<u>\$15,122</u>	<u>\$1,536,129</u>
Total special funds	\$1,521,007	\$15,122	\$1,536,129"

Page 3, replace lines 28 through 30 with:

"Grand total general fund	\$105,754,711	(\$8,142,766)	\$97,611,945
Grand total other funds	<u>124,036,762</u>	<u>5,585,473</u>	<u>129,622,235</u>
Grand total all funds	\$229,791,473	(\$2,557,293)	\$227,234,180

SECTION 2. HEALTH INSURANCE INCREASE. The appropriation in section 1 of this Act includes the sum of \$2,141,727, of which \$1,268,815 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 4, line 1, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 4, line 2, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 4, replace line 6 with:

"Seed cleaning plants	4,408,224	1,500,000"
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Page 4, replace line 8 with:

"Junior master gardener program	12,500	37,500"
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Page 4, replace lines 12 through 15 with:

"Flooded lands study	67,952	0
Road and bridge asset management system	<u>0</u>	<u>300,000</u>
Total all funds	\$23,858,751	\$1,837,500
Total other funds	<u>21,325,000</u>	<u>1,700,000</u>
Total general fund	\$2,533,751	\$137,500

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The upper great plains transportation institute, main and branch research centers, and North Dakota state university extension service shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 4, remove lines 24 through 31

Page 5, remove lines 1 through 31

Page 6, remove lines 1 through 17

Page 6, line 24, after "the" insert "appropriations committees of the"

Page 7, after line 18, insert:

"SECTION 11. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - ROAD AND BRIDGE ASSET MANAGEMENT SYSTEM MATCHING FUNDS.

Subdivision 3 of section 1 of this Act includes \$100,000 from the general fund for a road and bridge asset management system, which may be spent only to the extent the upper great plains transportation institute provides two dollars of matching funds from nonstate sources for each one dollar provided from the general fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. LEGISLATIVE MANAGEMENT STUDY - STATE SOIL CONSERVATION COMMITTEE.

During the 2017-18 interim, the legislative management shall study the state soil conservation committee. The study must include a review of the duties, responsibilities, and related costs and efficiencies of the committee and related North Dakota state university extension service staff, the needs of the soil conservation districts, and the necessity to continue the state soil conservation committee. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 13. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE STUDY - BUDGET SECTION REPORT.

During the 2017-18 interim, the state board of agricultural research and education, in consultation with the office of the governor, shall study the duties and responsibilities of the North Dakota state university extension service. The study must include a review of the mission, existing programs, the efficiency and effectiveness of the delivery methods for existing programs, and potential program changes. The state board of agricultural research and education shall report its findings and recommendations to increase the efficiency and effectiveness of the North Dakota state university extension service to the budget section of the legislative management by March 31, 2018."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2020 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
Transportation Institute				
Total all funds	\$22,076,448	\$22,068,744	\$291,498	\$22,360,242
Less estimated income	<u>18,175,657</u>	<u>18,623,430</u>	<u>193,638</u>	<u>18,817,068</u>
General fund	\$3,900,791	\$3,445,314	\$97,860	\$3,543,174
Branch Research Centers				
Total all funds	\$38,300,766	\$37,461,209	\$1,475,739	\$38,936,948
Less estimated income	<u>19,817,130</u>	<u>20,288,238</u>	<u>1,493,453</u>	<u>21,781,691</u>

General fund	\$18,483,636	\$17,172,971	(\$17,714)	\$17,155,257
NDSU Extension Service				
Total all funds	\$53,651,270	\$52,648,270	(\$532,373)	\$52,115,897
Less estimated income	25,826,708	26,674,384	(27,695)	26,646,689
General fund	\$27,824,562	\$25,973,886	(\$504,678)	\$25,469,208
Northern Crops Institute				
Total all funds	\$3,712,202	\$3,645,209	(\$2,488)	\$3,642,721
Less estimated income	1,747,735	1,756,215	(385)	1,755,830
General fund	\$1,964,467	\$1,888,994	(\$2,103)	\$1,886,891
Main Research Center				
Total all funds	\$110,529,780	\$108,717,192	(\$74,949)	\$108,642,243
Less estimated income	56,948,525	59,111,402	(26,574)	59,084,828
General fund	\$53,581,255	\$49,605,790	(\$48,375)	\$49,557,415
Agronomy Seed Farm				
Total all funds	\$1,521,007	\$1,536,751	(\$622)	\$1,536,129
Less estimated income	1,521,007	1,536,751	(622)	1,536,129
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$229,791,473	\$226,077,375	\$1,156,805	\$227,234,180
Less estimated income	124,036,762	127,990,420	1,631,815	129,622,235
General fund	\$105,754,711	\$98,086,955	(\$475,010)	\$97,611,945

Senate Bill No. 2020 - Transportation Institute - House Action

	Base Budget	Senate Version	House Changes	House Version
Upper Great Plains Trans. Institute	\$22,076,448	\$22,068,744	\$291,498	\$22,360,242
Total all funds	\$22,076,448	\$22,068,744	\$291,498	\$22,360,242
Less estimated income	18,175,657	18,623,430	193,638	18,817,068
General fund	\$3,900,791	\$3,445,314	\$97,860	\$3,543,174
FTE	54.98	43.88	0.00	43.88

Department No. 627 - Transportation Institute - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Adds One-Time Funding for a Road and Bridge Asset Management System ²	Total House Changes
Upper Great Plains Trans. Institute	(\$8,502)	\$300,000	\$291,498
Total all funds	(\$8,502)	\$300,000	\$291,498
Less estimated income	(6,362)	200,000	193,638
General fund	(\$2,140)	\$100,000	\$97,860
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² One-time funding of \$300,000, of which \$100,000 is from the general fund and \$200,000 is from county matching funds is added for a road and bridge asset management system.

This amendment also adds sections to:

- Identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Provide matching fund requirements relating to the road and bridge asset management system.

Senate Bill No. 2020 - Branch Research Centers - House Action

	Base Budget	Senate Version	House Changes	House Version
Dickinson Research Center	\$6,996,678	\$6,828,817	(\$3,266)	\$6,825,551
Central Grasslands Research Center	3,531,779	3,426,112	(2,488)	3,423,624
Hettinger Research Center	5,086,767	4,978,244	(3,111)	4,975,133
Langdon Research Center	3,045,836	2,966,473	(1,866)	2,964,607
North Central Research Center	5,044,213	4,956,762	(3,110)	4,953,652
Williston Research Center	5,267,400	5,122,363	1,496,527	6,618,890
Carrington Research Center	9,328,093	9,182,438	(6,947)	9,175,491
Total all funds	\$38,300,766	\$37,461,209	\$1,475,739	\$38,936,948
Less estimated income	19,817,130	20,288,238	1,493,453	21,781,691
General fund	\$18,483,636	\$17,172,971	(\$17,714)	\$17,155,257
FTE	113.94	110.29	0.00	110.29

Department No. 628 - Branch Research Centers - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Adds One-Time Funding for a Seed Cleaning Plant ²	Total House Changes
Dickinson Research Center	(\$3,266)		(\$3,266)
Central Grasslands Research Center	(2,488)		(2,488)
Hettinger Research Center	(3,111)		(3,111)
Langdon Research Center	(1,866)		(1,866)
North Central Research Center	(3,110)		(3,110)
Williston Research Center	(3,473)	1,500,000	1,496,527
Carrington Research Center	(6,947)		(6,947)
Total all funds	(\$24,261)	\$1,500,000	\$1,475,739
Less estimated income	(6,547)	1,500,000	1,493,453
General fund	(\$17,714)	\$0	(\$17,714)
FTE	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² One-time funding of \$1.5 million from special funds, including donated funds and other funds, is appropriated for a seed cleaning plant at the Williston Research Extension Center.

This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Removes a section added by the Senate to amend North Dakota Century Code Section 4-05.1-05 to provide that 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14.

Senate Bill No. 2020 - NDSU Extension Service - House Action

	Base Budget	Senate Version	House Changes	House Version
Extension Service	\$52,517,908	\$51,556,750	(\$532,373)	\$51,024,377
Soil Conservation Committee	1,133,362	1,091,520		1,091,520
Total all funds	\$53,651,270	\$52,648,270	(\$532,373)	\$52,115,897
Less estimated income	25,826,708	26,674,384	(27,695)	26,646,689
General fund	\$27,824,562	\$25,973,886	(\$504,678)	\$25,469,208
FTE	263.91	252.98	(1.00)	251.98

Department No. 630 - NDSU Extension Service - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Reduces Funding for State Soil Conservation Committee ²	Reduces Funding from the General Fund ³	Adds One-Time Funding for the Burleigh County Junior Master Gardener Program ⁴	Total House Changes
Extension Service Soil Conservation Committee	(\$56,473)	(\$213,400)	(\$300,000)	\$37,500	(\$532,373)
Total all funds	(\$56,473)	(\$213,400)	(\$300,000)	\$37,500	(\$532,373)
Less estimated income	(27,695)	0	0	0	(27,695)
General fund	(\$28,778)	(\$213,400)	(\$300,000)	\$37,500	(\$504,678)
FTE	0.00	(1.00)	0.00	0.00	(1.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding of \$213,400 from the general fund and 1 FTE position relating to the state soil conservation committee are removed. After this reduction, \$25,000 remains for paying per diem and other expenses reimbursable to the state soil conservation committee members.

³ Funding of \$300,000 from the general fund is removed.

⁴ One-time funding of \$37,500 from the general fund is added for the Burleigh County junior master gardener program.

This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Removes a section added by the Senate to amend North Dakota Century Code Section 4-08-10 to provide that 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14.
- Adds a new section to direct the State Board of Agricultural Research and Education, in consultation with the Governor's office, to study the duties and responsibilities of the North Dakota State University Extension Service.
- Adds a new section to provide for a Legislative Management study of the state soil conservation committee.

Senate Bill No. 2020 - Northern Crops Institute - House Action

	Base Budget	Senate Version	House Changes	House Version
Northern Crops Institute	\$3,712,202	\$3,645,209	(\$2,488)	\$3,642,721
Total all funds	\$3,712,202	\$3,645,209	(\$2,488)	\$3,642,721
Less estimated income	1,747,735	1,756,215	(385)	1,755,830
General fund	\$1,964,467	\$1,888,994	(\$2,103)	\$1,886,891
FTE	12.00	11.80	0.00	11.80

Department No. 638 - Northern Crops Institute - Detail of House Changes

Adjusts Funding for Health Insurance Increases ¹	Total House Changes

Northern Crops Institute	(\$2,488)	(\$2,488)
Total all funds	(\$2,488)	(\$2,488)
Less estimated income	(385)	(385)
General fund	(\$2,103)	(\$2,103)
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.

Senate Bill No. 2020 - Main Research Center - House Action

	Base Budget	Senate Version	House Changes	House Version
Main Research Center	\$110,529,780	\$108,717,192	(\$74,949)	\$108,642,243
Total all funds	\$110,529,780	\$108,717,192	(\$74,949)	\$108,642,243
Less estimated income	56,948,525	59,111,402	(26,574)	59,084,828
General fund	\$53,581,255	\$49,605,790	(\$48,375)	\$49,557,415
FTE	353.85	336.12	0.00	336.12

Department No. 640 - Main Research Center - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Total House Changes
Main Research Center	(\$74,949)	(\$74,949)
Total all funds	(\$74,949)	(\$74,949)
Less estimated income	(26,574)	(26,574)
General fund	(\$48,375)	(\$48,375)
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Removes a section added by the Senate to amend North Dakota Century Code Section 4-05.1-05 to provide that 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14.

Senate Bill No. 2020 - Agronomy Seed Farm - House Action

	Base Budget	Senate Version	House Changes	House Version
Agronomy Seed Farm	\$1,521,007	\$1,536,751	(\$622)	\$1,536,129
Total all funds	\$1,521,007	\$1,536,751	(\$622)	\$1,536,129

Less estimated income	1,521,007	1,536,751	(622)	1,536,129
General fund	\$0	\$0	\$0	\$0
FTE	3.00	3.00	0.00	3.00

Department No. 649 - Agronomy Seed Farm - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Total House Changes
Agronomy Seed Farm	(\$622)	(\$622)
Total all funds	(\$622)	(\$622)
Less estimated income	(622)	(622)
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.

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 2018, SB 2119.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

Page 1, line 2, after the third semicolon insert " to provide for a report;"

Page 1, replace lines 12 through 22 with:

"Salaries and wages	\$13,015,999	(\$20,211)	\$12,995,788
Operating expenses	16,384,623	(1,107,001)	15,277,622
Grants	48,134,795	4,175,621	52,310,416
Discretionary funds	784,152	715,848	1,500,000
Flood impact grants/loans	0	5,201,752	5,201,752
Agricultural products utilization commission	3,118,611	34,304	3,152,915
North Dakota trade office	2,556,694	(775,196)	1,781,498
Partner programs	2,173,829	(233,984)	1,939,845
Entrepreneurship grants and vouchers	<u>1,500,000</u>	<u>(750,000)</u>	<u>750,000</u>
Total all funds	\$87,668,703	\$7,241,133	\$94,909,836
Less estimated income	<u>53,809,604</u>	<u>11,176,054</u>	<u>64,985,658</u>
Total general fund	\$33,859,099	(\$3,934,921)	\$29,924,178"

Page 1, after line 23, insert:

"SECTION 2. HEALTH INSURANCE INCREASE. The salaries line item in section 1 of this Act includes the sum of \$172,554, of which \$135,102 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 2, replace line 6 with:

"Flood impact grants/loans	12,859,869	5,201,752"
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Page 2, replace line 9 with:

"Base retention grants 1,500,000 200,000"

Page 2, replace line 11 with:

"Enhanced use lease grant 7,500,000 2,000,000"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$40,023,129	\$9,401,752
Less estimated income	21,359,869	9,401,752
Total general fund	\$18,663,260	\$0"

Page 3, remove lines 9 through 12

Page 3, line 14, replace "\$1,275,000" with "\$750,000"

Page 3, line 19, replace "\$1,000,000" with "\$200,000"

Page 3, line 22, after the period insert "The department may award grants to each community with an air force base or air national guard facilities."

Page 3, line 30, replace "\$3,000,000" with "\$2,000,000"

Page 3, line 31, remove "for the operations of the"

Page 4, line 1, remove "unmanned aircraft systems test site"

Page 4, line 10, replace "\$2,281,498" with "\$1,781,498"

Page 4, line 11, replace "seventy" with "fifty"

Page 4, line 19, replace "\$1,500,000" with "\$750,000"

Page 4, line 19, replace "\$1,350,000" with "\$600,000"

Page 4, after line 28, insert:

"SECTION 13. NORTH DAKOTA TOURISM PROGRAM - RESEARCH NORTH DAKOTA FUND. Notwithstanding section 54-65-08, the estimated income line item in section 1 of this Act includes \$500,000 from the research North Dakota fund for the North Dakota tourism program.

SECTION 14. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE GENERAL FUND. Notwithstanding section 54-65-08, the office of management and budget shall transfer \$4,000,000 from the research North Dakota fund to the general fund, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 4, line 29, replace "\$1,275,000" with "\$750,000"

Page 4, line 30, replace "section" with "sections"

Re-number accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

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

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$13,015,999	\$13,008,851	(\$13,063)	\$12,995,788
Operating expenses	16,384,623	14,987,622	290,000	15,277,622
Grants	48,134,795	60,427,212	(8,116,796)	52,310,416
Discretionary funds	784,152	814,840	685,160	1,500,000
Ag. Products Utilization Commission	3,118,611	3,153,330	(415)	3,152,915
North Dakota Trade Office	2,556,694	2,281,498	(500,000)	1,781,498
Entrepreneurship grants and	1,500,000	1,500,000	(750,000)	750,000

vouchers				
Partner programs	2,173,829	1,939,845		1,939,845
Flood impact grants/loans			5,201,752	5,201,752
Total all funds	\$87,668,703	\$98,113,198	(\$3,203,362)	\$94,909,836
Less estimated income	53,809,604	66,288,583	(1,302,925)	64,985,658
General fund	\$33,859,099	\$31,824,615	(\$1,900,437)	\$29,924,178
FTE	69.40	66.40	0.00	66.40

Department No. 601 - Department of Commerce - Detail of House Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Funding for Grants ²	Adds Funding for North Dakota Tourism ³	Reduces Funding for Operation Intern ⁴	Reduces Funding for Prekindergarten Community Grants ⁵	Reduces Funding for the North Dakota Trade Office ⁶
Salaries and wages	(\$13,063)					
Operating expenses			815,000	(525,000)		
Grants		(929,970)			(185,074)	
Discretionary funds		685,160				
Ag. Products Utilization Commission	(415)					
North Dakota Trade Office Entrepreneurship grants and vouchers						(500,000)
Partner programs Flood impact grants/loans						
Total all funds	(\$13,478)	(\$244,810)	\$815,000	(\$525,000)	(\$185,074)	(\$500,000)
Less estimated income	(2,925)	0	500,000	0	0	0
General fund	(\$10,553)	(\$244,810)	\$315,000	(\$525,000)	(\$185,074)	(\$500,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Entrepreneurship Grants ⁷	Transfers One- Time Funding for Flood Impact Grants ⁸	Reduces One- Time Funding for Base Retention Grants ⁹	Reduces One- Time Funding for Enhanced Use Lease Grants ¹⁰	Total House Changes
Salaries and wages					(\$13,063)
Operating expenses					290,000
Grants		(5,201,752)	(800,000)	(1,000,000)	(8,116,796)
Discretionary funds					685,160
Ag. Products Utilization Commission					(415)
North Dakota Trade Office Entrepreneurship grants and vouchers	(750,000)				(500,000)
Partner programs Flood impact grants/loans		5,201,752			(750,000)
Total all funds	(\$750,000)	\$0	(\$800,000)	(\$1,000,000)	(\$3,203,362)
Less estimated income	0	0	(800,000)	(1,000,000)	(1,302,925)
General fund	(\$750,000)	\$0	\$0	\$0	(\$1,900,437)
FTE	0.00	0.00	0.00	0.00	0.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month.

² Funding of \$929,970 from the general fund is removed for the grant programs listed below and \$685,160 from the general fund is added to the discretionary funds line item.

- Area health education centers grants - (\$200,000)
- Continuum of care grants - (\$75,301)
- Emergency solutions grants - (\$244,669)
- Homeless shelter grants - (\$300,000)
- Self sufficiency grants - (\$110,000)

³ Funding of \$815,000 is added for North Dakota tourism, of which \$315,000 is from the general fund and \$500,000 is from the Research North Dakota fund.

⁴ Funding is reduced for the Operation Intern program by \$525,000 to provide a total appropriation of \$750,000. The Senate approved an appropriation of \$1,275,000. Sections 7 and 16 of the bill are also adjusted to reflect the revised appropriation.

⁵ Funding is reduced for prekindergarten community grants by \$185,074 to provide \$1,500,000 from the general fund. The Senate approved an appropriation of \$1,685,074.

⁶ Funding for the North Dakota Trade Office is reduced by an additional \$500,000 from the general fund. The Senate reduced funding for the Trade Office by \$275,196 from the general fund. The total reduction for the North Dakota Trade Office is \$775,196 from the general fund compared to the base budget. The House also reduced the amount of funding that can be spent without requiring a match from 70 to 50 percent, which is reflected in Section 11 of the bill.

⁷ Funding is reduced for entrepreneurship grants and vouchers, also known as Innovate North Dakota, by \$750,000 to provide a total appropriation of \$750,000, \$600,000 of which is from the general fund. The Senate approved an appropriation of \$1,500,000. Section 12 of the bill is also adjusted to reflect the revised appropriation.

⁸ Federal funds of \$5,201,752 is transferred from the grants line item to a flood impact grants/loans line item. This funding is considered one-time funding.

⁹ One-time funding from the strategic investment and improvements fund for base retention grants is reduced from \$1,000,000 to \$200,000. Section 8 of the bill is also adjusted to reflect the revised appropriation.

¹⁰ Funding is reduced for enhanced use lease grants by \$1 million to provide a total of \$2 million from the strategic investment and improvements fund. The Senate approved an appropriation of \$3 million from the strategic investment and improvements fund. Section 10 of the bill is also adjusted to reflect the revised appropriation.

This amendment also:

- Adds a section to identify the amount of funding included in the bill for the increase in employee health insurance premiums.
- Removes a section allowing the Department of Commerce to continue unexpended 2015-17 funding for prekindergarten community grants into the 2017-19 biennium. This change will result in an estimated \$315,000 of general fund appropriation authority being canceled at the end of the 2015-17 biennium.
- Adds a section identifying a sum of \$500,000 included in Section 1 of the bill from the Research North Dakota fund for the North Dakota tourism program.
- Adds a section directing a transfer of \$4 million from the Research North Dakota fund to the general fund.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2119

Page 1, line 2, after "sell" insert "or lease"

Page 1, line 2, after the semicolon insert "to provide for a study; to provide a statement of legislative intent; to provide reports to the budget section;"

Page 1, after line 3, insert:

"SECTION 1. STUDY OF PROPERTIES BY JOB SERVICE NORTH DAKOTA - BUDGET SECTION REPORT. During the 2017-18 interim, job service North Dakota shall study the feasibility and desirability of selling its properties in Rolla and Minot and the main office in Bismarck. The study must identify historical data and documentation regarding the purchase price and funding source of each property and provide for an appraisal of each property in accordance with section 54-01-05.2. The study must include a determination of the allowable sales price for each property in accordance with state and federal law. Job service North Dakota

shall collaborate with the office of management and budget to develop a proposal for the attorney general's office and highway patrol to lease portions of the Minot property from job service North Dakota, while allowing job service North Dakota to continue occupying a portion of the property necessary for normal business operations. Job service North Dakota shall report its findings and recommendations to the budget section before July 1, 2018.

SECTION 2. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - ROLLA PROPERTY. Beginning July 1, 2017, job service North Dakota shall lease to Rolette County, Parcel#29 0001 29089 000 00006700 2904000000; city of Rolla OTS Lot 17 Block 7 and Parcel#29 0001 29090 000 00006701 2904000000; city of Rolla OTS Lot 18 Block 7 in the city of Rolla, Rolette County, North Dakota. Job service North Dakota shall lease the property to Rolette County for a sum of one dollar until the property is sold."

Page 1, line 4, after "**DAKOTA**" insert " - **ROLLA PROPERTY - BUDGET SECTION APPROVAL**"

Page 1, line 4, replace "The" with "If a sale of the property is determined feasible based on the study required in section 1 of this Act and subject to budget section approval, the"

Page 1, line 10, after the period insert "Job service North Dakota shall grant Rolette County a right of first refusal for the purchase of this property for the sum of one dollar within one year of the date of budget section approval. If the study in section 1 of this Act determines the one dollar purchase price to be inadequate based on state or federal law, job service North Dakota shall sell and convey the property to Rolette County at ninety percent of current fair market value within one year of the date of budget section approval. If Rolette County does not exercise its right to purchase the property at ninety percent of current fair market value, job service North Dakota may sell and convey the property to another purchaser for the current fair market value."

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 11 with:

"SECTION 4. LEASE OF PROPERTY BY JOB SERVICE NORTH DAKOTA - BISMARCK PROPERTY - JOB SERVICE NORTH DAKOTA RELOCATION - BUDGET SECTION REPORT. Beginning May 1, 2017, the office of management and budget shall determine the most efficient use of job service North Dakota property Parcel# 0485-010-045; Lot# N.50' of L 3, ALL L 4-6, ALL L 17-19; Block# 10; Addition - TIBESAR'S first in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall develop a plan for the most efficient use of the property which may require job service North Dakota to lease all or a portion of the property described in this section to certain state agencies, including the attorney general's office. Based on the plan developed by the office of management and budget, and upon the lease of all or a portion of the property described in this section, job service North Dakota may relocate all or a portion of its central office operations to Parcel# 0729-001-001; Lot# 1; Block# 1; Addition - Wisdom Office Park in the city of Bismarck, Burleigh County, North Dakota. The office of management and budget shall report to the budget section regarding its plan before the leasing of the job service North Dakota central office and subsequent relocation of job service North Dakota to the Bismarck regional office.

SECTION 5. LEGISLATIVE INTENT - MINOT AND BISMARCK JOB SERVICE NORTH DAKOTA PROPERTIES. It is the intent of the sixty-fifth legislative assembly that if, as a result of the study provided for in section 1 of this Act, the sale of job service North Dakota property in Minot and its main office in Bismarck is determined feasible, the office of management and budget request authorization and any necessary funding from the sixty-sixth legislative assembly for the conveyance of the property for use by other state agencies."

Renumber accordingly

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 2134.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2134

In lieu of the amendments adopted by the House as printed on page 1108-1112 of the House Journal, Engrossed Senate Bill No. 2134 is amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact chapter 61-33.1 of the North Dakota Century Code, relating to the ownership of mineral rights of land inundated by Pick-Sloan Missouri basin project dams; to provide appropriations; to provide a contingent line of credit; to provide for retroactive application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Chapter 61-33.1 of the North Dakota Century Code is created and enacted as follows:

61-33.1-01. Definitions.

For purposes of this chapter, unless the context otherwise requires:

1. "Corps survey" means the last known survey conducted by the army corps of engineers in connection with the corps' determination of the amount of land acquired by the corps for the impoundment of Lake Sakakawea and Lake Oahe, as supplemented by the supplemental plats created by the branch of cadastral survey of the United States bureau of land management.
2. "Historical Missouri riverbed channel" means the Missouri riverbed channel as it existed upon the closure of the Pick-Sloan Missouri basin project dams, and extends from the Garrison Dam to the southern border of sections thirty-three and thirty-four, township one hundred fifty-three north, range one hundred two west, which is the approximate location of river mile marker one thousand five hundred sixty-five, and from the South Dakota border to river mile marker one thousand three hundred three.
3. "Segment" means the individual segment maps contained within the corps survey final project maps for the Pick-Sloan project dams.
4. "State phase two survey" means the "Ordinary High Water Mark Survey Task Order #2 Final Technical Report" commissioned by the board of university and school lands.

61-33.1-02. Mineral ownership of land inundated by Pick-Sloan Missouri basin project dams.

The state sovereign land mineral ownership of the riverbed segments inundated by Pick-Sloan Missouri basin project dams extends only to the historical Missouri riverbed channel up to the ordinary high-water mark. The state holds no claim or title to any minerals above the ordinary high-water mark of the historical Missouri riverbed channel inundated by Pick-Sloan Missouri basin project dams, except for original grant lands acquired by the state under federal law and any minerals acquired by the state through purchase, foreclosure, or other written conveyance. Mineral ownership of the riverbed segments inundated by Pick-Sloan Missouri basin project dams which are located within the exterior boundaries of the Fort Berthold reservation and Standing Rock Indian reservation is controlled by other law and is excepted from this section.

61-33.1-03. Determination of the ordinary high-water mark of the historical Missouri riverbed channel.

1. The corps survey must be considered the presumptive determination of the ordinary high-water mark of the historical Missouri riverbed channel, subject only to the review process under this section and judicial review as provided in this chapter.
2. Upon the effective date of this Act, the department of mineral resources shall commence procurement to select a qualified engineering and surveying firm to conduct a review of the corps survey under this section. The review must be limited to the corps survey segments from the northern boundary of the Fort Berthold Indian reservation to the southern border of sections thirty-three and thirty-four, township one hundred fifty-three north, range one hundred two west. Within ninety days of the first date of publication of the invitation, the department shall select and approve a firm for the review. The department may not select or approve a firm that has a conflict of interest in the outcome of the review, including any firm that has participated in a survey of the Missouri riverbed for the state or a state agency, or participated as a party or expert witness in any litigation regarding an assertion by the state of mineral ownership of the Missouri riverbed.
3. The selected and approved firm shall review the delineation of the ordinary high-water mark of the corps survey segments. The review must determine whether clear and convincing evidence establishes that a portion of the corps survey does not reasonably reflect the ordinary high-water mark of the historical Missouri riverbed channel under state law. The following parameters, historical data, materials, and applicable state laws must be considered in the review:
 - a. Aerial photography of the historical Missouri riverbed channel existing before the closure date of the Pick-Sloan project dams;
 - b. The historical records of the army corps of engineers pertaining to the corps survey;
 - c. Army corps of engineers and United States geological survey elevation and Missouri River flow data;
 - d. State case law regarding the identification of the point at which the presence of action of the water is so continuous as to destroy the value of the land for agricultural purposes, including hay lands. Land where the high and continuous presence of water has destroyed its value for agricultural purposes, including hay land, generally must be considered within the ordinary high-water mark. The value for agricultural purposes is destroyed at the level where significant, major, and substantial terrestrial vegetation ends or ceases to grow. Lands having agricultural value capable of growing crops or hay, but not merely intermittent grazing or location of cattle, generally must be considered above the ordinary high-water mark; and
 - e. Subsection 3 of section 61-33-01 and section 47-06-05, which provide all accretions are presumed to be above the ordinary high-water mark and are not sovereign lands. Accreted lands may be determined to be within the ordinary high-water mark of the historical Missouri riverbed channel based on clear and convincing evidence. Areas of low-lying and flat lands where the ordinary high-water mark may be impracticable to determine due to inconclusive aerial photography or inconclusive vegetation analysis must be presumed to be above the ordinary high-water mark and owned by the riparian landowner.
4. The firm shall complete the review within six months of entering a contract with the department of mineral resources. The department may

- extend the time required to complete the review if the department deems an extension necessary.
5. Upon completion of the review, the firm shall provide its findings to the department. The findings must address each segment of the corps survey the firm reviewed and must include a recommendation to either maintain or adjust, modify, or correct the corps survey as the delineation of the ordinary high-water mark for each segment. The firm may recommend an adjustment, modification, or correction to a segment of the corps survey only if clear and convincing evidence establishes the corps survey for that segment does not reasonably reflect the ordinary high-water mark of the historical Missouri riverbed channel under state law.
 6. The department shall publish notice of the review findings and a public hearing to be held on the findings. The public must have sixty days after publication of the notice to submit comments to the department. At the end of the sixty days, the department shall hold the public hearing on the review.
 7. After the public hearing, the department, in consultation with the firm, shall consider all public comments, develop a final recommendation on each of the review findings, and deliver the final recommendations to the industrial commission, which may adopt or modify the recommendations. The industrial commission may modify a recommendation from the department only if it finds clear and convincing evidence from the resources in subsection 3 that the recommendation is substantially inaccurate. The industrial commission's action on each finding will determine the delineation of the ordinary high-water mark for the segment of the river addressed by the finding.

61-33.1-04. Implementation.

1. Within six months after the adoption of the final review findings by the industrial commission:
 - a. Any royalty proceeds held by operators attributable to oil and gas mineral tracts lying entirely above the ordinary high-water mark of the historical Missouri riverbed channel on both the corps survey and the state phase two survey must be released to the owners of the tracts, absent a showing of other defects affecting mineral title; and
 - b. Any royalty proceeds held by the board of university and school lands attributable to oil and gas mineral tracts lying entirely above the ordinary high-water mark of the historical Missouri riverbed channel on both the corps survey and the state phase two survey must be released to the relevant operators to distribute to the owners of the tracts, absent a showing of other defects affecting mineral title.
2. Upon adoption of the final review findings by the industrial commission:
 - a. The board of university and school lands shall begin to implement any acreage adjustments, lease bonus and royalty refunds, and payment demands as may be necessary relating to state-issued oil and gas leases. The board shall complete the adjustments, refunds, and payment demands within two years after the date of adoption of the final review findings.
 - b. Operators of oil and gas wells affected by the final review findings immediately shall begin to implement any acreage and revenue adjustments relating to state-owned and privately owned oil and gas interests. The operators shall complete the adjustments within two years after the date of adoption of the review findings. Any applicable penalties, liability, or interest for late payment of royalties or revenues from an affected oil or gas well may not begin to accrue

until the end of the two-year deadline. The filing of an action under section 61-33.1-05 tolls the deadline for any oil and gas well directly affected by the action challenging the review finding.

61-33.1-05. Actions challenging review findings.

An interested party seeking to bring an action challenging the review findings or recommendations or the industrial commission actions under this chapter shall commence an action in district court within two years of the date of adoption of the final review findings by the industrial commission. The plaintiff bringing an action under this section may challenge only the final review finding for the section or sections of land in which the plaintiff asserts an interest. The state and all owners of record of fee or leasehold estates or interests affected by the finding, recommendation, or industrial commission action challenged in the action under this section must be joined as parties to the action. A plaintiff or defendant claiming a boundary of the ordinary high-water mark of the historical Missouri riverbed channel which varies from the boundary determined under this chapter bears the burden of establishing the variance by clear and convincing evidence based on evidence of the type required to be considered by the engineering and surveying firm under subsection 3 of section 61-33.1-03. Notwithstanding any other provision of law, an action brought in district court under this section is the sole remedy for challenging the final review, recommendations, and determination of the ordinary high-water mark under this chapter, and preempts any right to rehearing, reconsideration, administrative appeal, or other form of civil action provided under law.

61-33.1-06. Public domain lands.

Notwithstanding any provision of this chapter to the contrary, the ordinary high-water mark of the historical Missouri riverbed channel abutting nonpatented public domain lands owned by the United States must be determined by the branch of cadastral study of the United States bureau of land management in accordance with federal law.

61-33.1-07. State engineer regulatory jurisdiction.

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

SECTION 2. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$800,000, or so much of the sum as may be necessary, to the department of mineral resources for the purpose of contracting with a qualified engineering and surveying firm to conduct a limited review of the corps survey under this Act, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 3. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - CONTINGENT LINE OF CREDIT - MINERAL REVENUE REPAYMENTS.

1. There is appropriated out of any moneys held in reserve in the strategic investment and improvements fund for mineral title disputes, not otherwise appropriated, the sum of \$100,000,000, or so much of the sum as may be necessary, to the commissioner of university and school lands for the purpose of mineral revenue repayments, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.
2. The funding provided in this section is available for the following:

- a. Repayment of any bonus, lease, and rent collections that are attributable to oil and gas mineral tracts lying entirely above the ordinary high-water mark of the historical Missouri riverbed channel on both the corps survey and the state phase two survey.
 - b. Repayment of any royalties collected before July 1, 2017, which are attributable to oil and gas mineral tracts lying entirely above the ordinary high-water mark of the historical Missouri riverbed channel on both the corps survey and the state phase two survey.
 - c. Repayment of any royalties collected after June 30, 2017, which are attributable to oil and gas mineral tracts lying entirely above the ordinary high-water mark of the historical Missouri riverbed channel on both the corps survey and the state phase two survey.
 - d. Repayment of any bonus, lease, and rent collections that are attributable to the remaining oil and gas mineral tracts requiring repayments.
 - e. Other mineral revenue repayments or other reimbursements that are attributable to oil and gas mineral tracts requiring repayments.
3. Upon adoption of the final review findings by the industrial commission, the commissioner of university and school lands shall calculate the amount necessary for mineral revenue repayments based on the final review findings.
 4. If the commissioner of university and school lands determines additional funding is necessary for any remaining mineral revenue repayments after the calculation under subsection 3:
 - a. The commissioner of university and school lands shall request from the sixty-sixth legislative assembly additional funding sufficient for any remaining mineral revenue repayments.
 - b. If additional funding is needed before funds being made available by the sixty-sixth legislative assembly under subdivision a, the Bank of North Dakota shall extend a line of credit, not to exceed \$87,000,000, to the commissioner of university and school lands. The commissioner of university and school lands may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of mineral revenue repayments for the biennium beginning July 1, 2017, and ending June 30, 2019. The commissioner of university and school lands shall repay the line of credit from funds available in the strategic investment and improvements fund as appropriated by the legislative assembly.

SECTION 4. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - REIMBURSEMENT OF LEGAL EXPENSES.

1. There is appropriated out of any moneys held in reserve in the strategic investment and improvements fund for mineral title disputes, not otherwise appropriated, the sum of \$750,000, or so much of the sum as may be necessary, to the commissioner of university and school lands for the purpose of reimbursing legal expenses as provided in subsection 2, for the biennium beginning July 1, 2017, and ending June 30, 2019.
2. The commissioner of university and school lands shall use funds appropriated in subsection 1 to reimburse actual legal and expert fees incurred and requested by any private mineral owner, or the owner's successors in interest, who reserved the mineral rights, through deed or condemnation order from the court, when the United States acquired the owner's property as part of the land acquisitions for Garrison Dam and its reservoir, Lake Sakakawea, and who filed a lawsuit against the state of North Dakota after December 31, 2011, but before December 31, 2016,

and which lawsuit was pending as of February 1, 2017, claiming title to reserved mineral rights. The legal and expert fees may not be reimbursed until the final adjudication, settlement, or other resolution of the lawsuit for which they were incurred.

SECTION 5. RETROACTIVE APPLICATION. Section 1 of this Act is retroactive to the date of closure of the Pick-Sloan Missouri basin project dams. The ordinary high-water mark determination under this Act is retroactive and applies to all oil and gas wells spud after January 1, 2006, for purposes of oil and gas mineral and royalty ownership.

SECTION 6. EMERGENCY. This Act is declared to be an emergency measure."

Renumber accordingly

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

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2001, SB 2009, SB 2010, SB 2011, SB 2012, SB 2014, SB 2015, and SB 2144, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2001: Sens. Holmberg; Wanzek; Robinson
SB 2009: Sens. Krebsbach; Wanzek; Grabinger
SB 2010: Sens. Krebsbach; Erbele; Mathern
SB 2011: Sens. Krebsbach; Wanzek; Grabinger
SB 2012: Sens. G. Lee; Oehlke; Grabinger
SB 2014: Sens. Sorvaag; Hogue; Mathern
SB 2015: Sens. Wanzek; Hogue; Mathern
SB 2144: Sens. Casper; Burckhard; Marcellais

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

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

SB 2037: Reps. Schreiber-Beck; Pyle; Guggisberg
SB 2156: Reps. D. Anderson; Damschen; Bosch

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

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

SB 2161: Reps. Klemin; Magrum; Hanson
SB 2316: Reps. Rich S. Becker; Longmuir; Simons

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 1058, HB 1126, HB 1181, HB 1189, HB 1197, HB 1202, HB 1236, HB 1299, HB 1320, and HB 1419.

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 1098, HB 1222, HB 1247, HB 1272, HB 1283, and HB 1294.

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1341, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1341: Reps. Paur; Blum; Hanson

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1378, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1378: Reps. Beadle; Laning; Dobervich

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

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

HB 1025: Sens. Roers; Schaible; Oban

HB 1041: Sens. Armstrong; D. Larson; Nelson

HB 1235: Sens. D. Larson; Luick; Osland

HB 1269: Sens. Armstrong; D. Larson; Nelson

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

MR. SPEAKER: The President has appointed Sen. Campbell to replace Sen. Laffen on the Conference Committee on SB 2247.

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 1037, HB 1194.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently failed to pass: HB 1166.

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

MR. SPEAKER: The President has signed: HB 1330, HCR 3027.

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

MR. PRESIDENT: The Speaker has signed: HB 1144, HB 1149, HB 1151, HB 1156, HB 1198, HB 1251, HB 1255, HB 1279, HB 1321, HB 1345, HB 1354, HB 1363, HB 1367, HB 1395, HB 1398, HB 1415, HCR 3011, HCR 3021, HCR 3027.

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

MR. PRESIDENT: The Speaker has signed: HB 1330.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 5, 2017, I have signed the following: SB 2026, SB 2027, SB 2028, SB 2107, SB 2193, SB 2201, SB 2244, SB 2248, SB 2258, SB 2301, and SB 2330.

MOTION

SEN. KLEIN MOVED that the absent members be excused, which motion prevailed.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, Thirteenth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 12:30 p.m., Friday, April 7, 2017, which motion prevailed.

REPORT OF STANDING COMMITTEE

HB 1361, as engrossed: Finance and Taxation Committee (Sen. Cook, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (4 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1361 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code, relating to voter imposed limitations on the amount of property tax levied by taxing districts; to amend and reenact section 57-20-04 of the North Dakota Century Code, relating to the abstract of a county tax list and a statewide property tax increase report; to repeal

section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts; to provide for a report to the legislative management; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Section 57-15-02.2 of the North Dakota Century Code is created and enacted as follows:

57-15-02.2. Limitation on levies by taxing districts with voter approval.

1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section supersedes and limits that authority. For purposes of this section, "taxing district" means any park district, city, or county. This section may not be interpreted as authority to increase any property tax levy authority otherwise provided by law and must be applied to limit any property tax levy authority to which a taxing district may otherwise be entitled.
2. Upon receipt of a petition containing the signatures of at least ten percent of the number of qualified electors of the taxing district who cast votes in the most recent general election in the taxing district, but no fewer than twenty-five signatures, the governing body of the taxing district shall submit to the qualified electors at the next regularly scheduled primary election, or a special election to take place on the second Tuesday in June in a year that a primary election is not scheduled, the question of approving or disapproving the levy limitation under this section. The ballot measure question to approve the levy limitation must include a statement identifying the annual increase in property taxes levied by the taxing district in each of the previous three taxable years as reported in section 57-20-04. Levy limitations approved by electors may not be effective for more than one taxable year.
3. If approved by a majority of qualified electors in a taxing district voting on the question, property taxes levied in dollars by the taxing district may not exceed the amount the taxing district levied in dollars in the preceding taxable year by more than three percent, except:
 - a. When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year.
 - b. When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year.
 - c. When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced for purposes of this section by the amount of taxes that were imposed against the taxable valuation of that property in the preceding taxable year.
 - d. When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the previous taxable year but is no longer applicable or has been reduced, the

amount levied in dollars in the previous taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied.

4. The limitation on the total amount levied by a taxing district under subsection 3 does not apply to:
 - a. New or increased property tax levy authority that was not available to the taxing district in the preceding taxable year, including property tax levy authority provided by state law or approved by the electors of the taxing district.
 - b. Any irrevocable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 3.
 - c. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 3.
5. A city or county may not supersede or modify the application of the provisions of this section under home rule authority.

SECTION 2. AMENDMENT. Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall make prepare and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county.
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

SECTION 3. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 4. EFFECTIVE DATE. This Act is effective for taxable years beginning after December 31, 2016."

Renumber accordingly

REPORT OF CONFERENCE COMMITTEE

SB 2216, as engrossed: Your conference committee (Sens. D. Larson, Luick, Myrdal and Reps. Karls, Roers Jones, M. Nelson) recommends that the **HOUSE RECEDE** from the House amendments and place SB 2216 on the Seventh order.

Engrossed SB 2216 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2303: Your conference committee (Sens. D. Larson, Nelson, Osland and Reps. Jones, Roers Jones, Hanson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 811, adopt further amendments as follows, and place SB 2303 on the Seventh order:

That the Senate accede to the House amendments as printed on page 811 of the Senate Journal and page 964 of the House Journal and that Senate Bill No. 2303 be further amended as follows:

Page 2, line 21, after "written" insert "or electronic"

Page 3, line 25, after the period insert "If an individual required to register in North Dakota, including in a tribal registry, resides in another state or on tribal lands, that individual shall register employment and school addresses and any changes in required registration information with the law enforcement agency having local jurisdiction over the school or employment address."

Renumber accordingly

SB 2303 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2223, as engrossed: Your conference committee (Sens. Burckhard, Casper, Marcellais and Reps. Sukut, Bosch, Dobervich) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 847-849, adopt amendments as follows, and place SB 2223 on the Seventh order:

That the House recede from its amendments as printed on pages 847-849 of the Senate Journal and pages 1011-1014 of the House Journal and that Engrossed Senate Bill No. 2223 be amended as follows:

Page 1, line 1, after "10-32.1-30.1" insert "of the North Dakota Century Code, relating to sharing of profits and losses"

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

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

Page 1, remove lines 17 through 24

Page 2, replace lines 1 and 2 with:

"SECTION 2. AMENDMENT. Section 10-32.1-30 of the North Dakota Century Code is amended and reenacted as follows:

10-32.1-30. Sharing of and right to distributions before dissolution.

1. ~~Subject~~Except as provided in subsection 5 and subject to paragraphs 1 through 4 of subdivision c of subsection 4 of section 10-32.1-05, any distributions made by a limited liability company before its dissolution and winding up must be in equal shares among members and dissociated members, except to the extent necessary to comply with any transfer

effective under section 10-32.1-44 and any charging order in effect under section 10-32.1-45.

2. A person has a right to a distribution before the dissolution and winding up of a limited liability company only if the company decides to make an interim distribution. The dissociation of a person does not entitle the person to a distribution.
3. A person does not have a right to demand or receive a distribution from a limited liability company in any form other than money. Except as otherwise provided in ~~subsection 3 of~~ section 10-32.1-54, a limited liability company may distribute an asset in kind if each part of the asset is fungible with each other part and each person receives a percentage of the asset equal in value to the share of distributions of the person.
4. If a member or transferee becomes entitled to receive a distribution, then the member or transferee has the status of, and is entitled to all remedies available to, a creditor of the limited liability company with respect to the distribution.
5. Notwithstanding subsection 1, subject to paragraphs 1 through 4 of subdivision c of subsection 4 of section 10-32.1-05 and unless otherwise provided in the articles of organization or in an operating agreement, for a limited liability company created after July 31, 2017, any distributions among members and dissociated members made by a limited liability company before its dissolution and winding up must be in proportion to the value of the contributions of the members, except to the extent necessary to comply with any transfer effective under section 10-32.1-44 and any charging order in effect under section 10-32.1-45.

Page 2, line 7, after "company" insert "created after July 31, 2017,"

Page 2, line 12, overstrike "In" and insert immediately thereafter:

a. Except as provided in subdivision b, in"

Page 2, line 13, overstrike "a." and insert immediately thereafter "(1)"

Page 2, line 14, overstrike "b." and insert immediately thereafter "(2)"

Page 2, line 14, remove the overstrike over "~~Each member has equal rights in the management and conduct of the activities~~"

Page 2, line 15, remove the overstrike over "~~of the company~~"

Page 2, line 15, remove "Unless otherwise provided in the articles of organization or in an"

Page 2, remove lines 16 through 18

Page 2, line 19, remove "winding up"

Page 2, line 20, overstrike "c." and insert immediately thereafter "(3)"

Page 2, line 21, remove "voting power of the"

Page 2, line 22, remove "transferable interest of the"

Page 2, line 23, overstrike "d." and insert immediately thereafter "(4)"

Page 2, line 25, overstrike "e." and insert immediately thereafter "(5)"

Page 2, after line 25, insert:

"b. Notwithstanding subdivision a, in a member-managed limited liability company created after July 31, 2017, the following rules apply:

- (1) The management and conduct of the company are vested in the members.
- (2) Unless otherwise provided in the articles of organization or in an operating agreement, each member possesses voting power in the management and conduct of the activities of the company in proportion to the interest of the member in distributions of the limited liability company before dissolution and winding up.
- (3) A difference arising among members as to a matter in the ordinary course of the activities of the company may be decided by a majority of the voting power of the transferable interest of the members.
- (4) An act outside the ordinary course of the activities of the company may be undertaken only with the consent of all members.
- (5) The operating agreement may be amended only with the consent of all members."

Page 4, line 14, overstrike "In" and insert immediately thereafter "Except as provided in subsection 5, in"

Page 4, line 14, overstrike "must" and insert immediately thereafter "shall"

Page 4, line 18, remove "and unless otherwise provided in the articles of organization or an"

Page 4, line 19, remove "operating agreement"

Page 4, line 23, remove the overstrike over "equal shares among"

Page 4, line 23, remove "proportion to the value of the contributions of"

Page 5, line 1, remove "unless"

Page 5, remove line 2

Page 5, line 3, remove "unanimous consent of the voting members"

Page 5, after line 3, insert:

- "5. a. Notwithstanding subsections 1 through 4, in winding up its activities a limited liability company created after July 31, 2017, shall apply its assets to discharge its obligations to creditors, including members that are creditors.
- b. After a limited liability company complies with subdivision a, any surplus must be distributed in the following order, subject to any charging order in effect under section 10-32.1-45 and unless otherwise provided in the articles of organization or an operating agreement:
- (1) To each person owning a transferable interest that reflects contributions made by a member and not previously returned, an amount equal to the value of the unreturned contributions; and
 - (2) In proportion to the value of the contributions of members and dissociated members, except to the extent necessary to comply with any transfer effective under section 10-32.1-44.
- c. If a limited liability company does not have sufficient surplus to comply with paragraph 1 of subdivision b, any surplus must be

distributed among the owners of transferable interests in proportion to the value of their respective unreturned contributions.

- d. All distributions made under subdivisions a and b must be paid in money unless otherwise provided in the articles of organization or in an operating agreement, or by the unanimous consent of the voting members."

Renumber accordingly

Engrossed SB 2223 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1194: Your conference committee (Sens. Luick, Osland, Nelson and Reps. Klemin, Blum, Hanson) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1137-1138, adopt amendments as follows, and place HB 1194 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1137 and 1138 of the House Journal and pages 874 and 875 of the Senate Journal and that House Bill No. 1194 be amended as follows:

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

Page 1, line 3, after "12.1-34-02" insert ", and subsection 1 of section 12.1-34-06"

Page 2, after line 22, insert:

"SECTION 3. AMENDMENT. Subsection 1 of section 12.1-34-06 of the North Dakota Century Code is amended and reenacted as follows:

1. ~~The information technology department may establish~~office of the attorney general shall maintain a statewide automated victim information and notification system that must:
 - a. Permit a victim to register or update the victim's registration information for the system by calling a toll-free telephone number or accessing a public website.
 - b. Notify a registered victim by telephone, mail, text message, or electronic mail in accordance with this chapter.
 - c. Notify a registered victim by telephone, mail, text message, or electronic mail when the offender has a scheduled court proceeding, a parole review, or a change in the status of the offender's parole or probation status, including a change in the offender's address.
 - d. Notify a registered victim by telephone, mail, text message, or electronic mail when a protective order requested by the victim has been served upon the respondent.
 - e. Permit a victim to receive a status report for an offender under the supervision or in the custody of the department of corrections and rehabilitation or other correctional facility by calling the system on a toll-free telephone number or by accessing the system through a public website."

Page 2, line 27, replace "26" with "25"

Renumber accordingly

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

REPORT OF CONFERENCE COMMITTEE

HB 1037: Your conference committee (Sens. Davison, Schaible, Vedaa and Reps. Zubke,

Longmuir, Guggisberg) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ pages 1136-1137 and place HB 1037 on the Seventh order.

HB 1037 was placed on the Seventh order of business on the calendar.

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

Shanda Morgan, Secretary

