

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)
(At the request of the Legislative Council)

LEGISLATIVE BRANCH

AN ACT providing an appropriation for defraying the expenses of the legislative branch of state government; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION FOR THE LEGISLATIVE BRANCH OF STATE GOVERNMENT. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 2005, as follows:

Subdivision 1.

FIFTY-EIGHTH AND FIFTY-NINTH LEGISLATIVE ASSEMBLIES AND BIENNIUM	
Salaries and wages	\$5,482,878
Operating expenses	2,904,850
Capital assets	6,000
National conference of state legislatures	<u>167,524</u>
Total general fund appropriation	\$8,561,252

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$4,916,029
Operating expenses	2,184,827
Capital assets	<u>27,000</u>
Total general fund appropriation	\$7,127,856
Grand total general fund appropriation	\$15,689,108

SECTION 2. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative council as may be requested by the chairman of the council or the chairman's designee upon the finding by the chairman or designee that the nature of studies and duties assigned to the council requires the transfers in properly carrying on the council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the fifty-eighth and fifty-ninth legislative assemblies, upon request by the chairman of the legislative council or the chairman's designee upon the finding by the chairman or designee that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 2**HOUSE BILL NO. 1002**

(Appropriations Committee)
(At the request of the Supreme Court)

JUDICIAL BRANCH

AN ACT to provide an appropriation for defraying the expenses of the judicial branch.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

SUPREME COURT

Salaries and wages	\$5,847,592
Operating expenses	1,652,809
Judges retirement	<u>132,288</u>
Total general fund appropriation	\$7,632,689

Subdivision 2.

DISTRICT COURTS

Salaries and wages	\$33,913,180
Operating expenses	13,998,950
Capital assets	74,500
Judges retirement	826,944
UND-Central legal research	80,000
Alternative dispute resolution	<u>20,000</u>
Total all funds	\$48,913,574
Less estimated income	<u>1,762,735</u>
Total general fund appropriation	\$47,150,839

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	\$538,643
Total all funds	<u>\$538,643</u>
Less estimated income	280,801
Total general fund appropriation	<u>\$257,842</u>
Grand total general fund appropriation	\$55,041,370
Grand total other funds appropriation	\$2,043,536
Grand total all funds appropriation	\$57,084,906

SECTION 2. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfers of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 3

HOUSE BILL NO. 1003 (Appropriations Committee) (At the request of the Governor)

UNIVERSITY SYSTEM

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to authorize the state board of higher education to issue and sell bonds for capital projects; to authorize the industrial commission to issue and sell bonds for capital projects; to provide statements of legislative intent; to provide for a general fund transfer; to provide for a legislative council study; to provide an exemption; to create and enact section 4 to House Bill No. 1023, as approved by the fifty-eighth legislative assembly, relating to capital projects of various state departments and to declare that Act an emergency; to amend and reenact sections 15-10-08, 15-10-12, 54-44.1-04, 54-44.1-06, and 54-44.1-11 of the North Dakota Century Code, relating to compensation of state board of higher education members, higher education institutions' special revenue funds, budget requests and block grant appropriations, and unexpended appropriations; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota university system office and to the various entities and institutions under the supervision of the board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	\$12,790,689
Competitive research	4,750,000
Centers for excellence	1,550,000
Board initiatives	485,306
System governance	4,472,850
Title II	695,600
Technology pool	25,089,639
Operations pool	578,417
Contingency and capital emergency	1,752,767
Professional liability insurance	1,850,000
Student financial assistance grants	2,930,215
Professional student exchange program	1,678,300
Scholars program	816,368
Native American scholarships	204,086
Education incentive programs	<u>830,000</u>
Total all funds	\$60,474,237
Less estimated income	<u>3,855,507</u>
Total general fund appropriation	\$56,618,730

Subdivision 2.

BISMARCK STATE COLLEGE

Capital assets	\$250,000
Operations	<u>16,112,327</u>
General fund appropriation	\$16,362,327

Subdivision 3.

LAKE REGION STATE COLLEGE

Capital assets	\$44,831
Operations	<u>5,032,682</u>
General fund appropriation	\$5,077,513

Subdivision 4.

WILLISTON STATE COLLEGE

Capital assets	\$88,790
Operations	<u>5,387,371</u>
General fund appropriation	\$5,476,161

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Capital assets	\$32,662,136
Operations	<u>84,558,126</u>
Total all funds	\$117,220,262
Less estimated income	<u>30,300,000</u>
General fund appropriation	\$86,920,262

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Capital assets	\$16,737,531
Operations	<u>67,576,959</u>
Total all funds	\$84,314,490
Less estimated income	<u>15,000,000</u>
General fund appropriation	\$69,314,490

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Capital assets	\$4,442,420
Operations	<u>23,936,824</u>
Total all funds	\$28,379,244
Less estimated income	<u>3,668,920</u>
General fund appropriation	\$24,710,324

Subdivision 8.

DICKINSON STATE UNIVERSITY

Capital assets	\$5,393,962
Operations	<u>13,598,831</u>
Total all funds	\$18,992,793
Less estimated income	<u>5,000,000</u>
General fund appropriation	\$13,992,793

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Capital assets	\$414,589
Operations	<u>8,602,335</u>
Total all funds	\$9,016,924

Less estimated income	<u>150,000</u>
General fund appropriation	\$8,866,924

Subdivision 10.

MINOT STATE UNIVERSITY

Capital assets	\$612,850
Operations	<u>25,769,578</u>
General fund appropriation	\$26,382,428

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Capital assets	\$265,334
Operations	<u>11,304,672</u>
General fund appropriation	\$11,570,006

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Capital assets	\$209,663
Operations	<u>4,102,856</u>
General fund appropriation	\$4,312,519

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF
MEDICINE AND HEALTH SCIENCES

Operations	<u>\$30,165,865</u>
General fund appropriation	\$30,165,865

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Capital assets	\$146,061
Operations	<u>2,715,016</u>
Total all funds	\$2,861,077
Less estimated income	<u>1,090,001</u>
Total general fund appropriation	\$1,771,076
Grand total general fund appropriation H.B. 1003	\$361,541,418
Grand total estimated income appropriation H.B. 1003	\$110,546,775
Grand total all funds appropriation H.B. 1003	\$472,088,193

SECTION 2. BOARD INITIATIVES. The sum of \$485,306, or so much of the sum as may be necessary, included in the board initiatives line item in subdivision 1 of section 1 of this Act, must be used to support university system and statewide goals linked to the state board of higher education strategic plan and the higher education roundtable report, as determined by the board.

SECTION 3. CAPITAL ASSETS. The sum of \$12,790,689, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 1 of section 1 of this Act, must be used by the state board of higher education to satisfy outstanding bond obligations.

SECTION 4. TECHNOLOGY POOL. The sum of \$25,089,639, or so much of the sum as may be necessary, included in the technology pool line item in subdivision 1 of section 1 of this Act, must be used for the benefit of the institutions and entities under the control of the state board of higher education, as determined by the board. Technology funding allocations must be made based on historic funding and the North Dakota university system information technology plan. Funds allocated pursuant to this section must be used to support the higher education

computer network, the interactive video network, the on-line dakota information network, and other related technology initiatives as determined by the board.

SECTION 5. OPERATIONS POOL. The sum of \$578,417, or so much of the sum as may be necessary, included in the operations pool in item in subdivision 1 of section 1 of this Act, is to be allocated by the state board of higher education to the entities included in section 1.

SECTION 6. CONTINGENCY AND CAPITAL EMERGENCY. The sum of \$296,693, or so much of the sum as may be necessary, included in the contingency and capital emergency line item in subdivision 1 of section 1 of this Act, must be used to meet unforeseen operations or capital asset needs and opportunities, as determined by the state board of higher education, at institutions and entities under the control of the board.

SECTION 7. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources, received by the institutions and entities under the control of the state board of higher education are appropriated to those institutions and entities, for the biennium beginning July 1, 2003, and ending June 30, 2005. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2003, and ending June 30, 2005, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board and for student financial assistance grants. Twenty-two percent of the additional funds must be used for student financial assistance grants for students at private baccalaureate degree-granting institutions.

SECTION 8. EXEMPTION. The appropriations contained in section 1 of chapter 28 of the 2001 Session Laws are not subject to the provisions of section 54-44.1-11.

SECTION 9. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by the institutions and entities under the control of the state board of higher education are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 10. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The state board of higher education is authorized to adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control. The university system shall report any adjustments to the office of management and budget before the submission of the 2005-07 biennium budget request.

SECTION 11. STATE FORESTER RESERVE ACCOUNT - BUDGET SECTION APPROVAL. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$115,000 from the state forester reserve account, established pursuant to section 4-19-01.2, for construction of equipment and supply storage buildings in Towner and Bottineau. After receiving approval from the budget section, the forest service may obtain and utilize any additional funds, which are appropriated for the biennium beginning July 1, 2003, and ending June 30, 2005, to assist in the construction of the equipment and supply storage buildings.

SECTION 12. WATER DEVELOPMENT TRUST FUND. Notwithstanding section 54-27-25, the sum of \$1,456,074, or so much of the sum as may be necessary, included in the contingency and capital emergency line item in subdivision 1 of section 1 of this Act, is from the water development trust fund and may be spent by the state board of higher education for disaster response costs, during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2005. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of the indebtedness. The evidences of indebtedness may be issued, and the proceeds are appropriated, for the biennium beginning July 1, 2003, and ending June 30, 2005, for the purpose of financing the following capital projects:

Bismarck state college - Student apartments	\$1,785,000
Lake region state college - North residence hall renovation	\$375,000
Mayville state university - Fieldhouse renovation and addition	\$3,000,000
University of North Dakota - Airport hangar	\$2,000,000
University of North Dakota - Wellness center and athletic complex	\$21,000,000
Valley City state university - Kolstoe hall renovation	\$3,300,000
North Dakota state university - Bison court construction	\$11,000,000

Mayville state university may obtain and utilize special funds to assist in the renovation and addition of the fieldhouse. There is appropriated to Mayville state university the sum of \$1,000,000, or so much as may be necessary, from any other funds that may become available for this project, for the biennium beginning July 1, 2003, and ending June 30, 2005.

Total special funds appropriation	\$43,460,000
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SECTION 14. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, hereby declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, during the biennium beginning July 1, 2003, and ending June 30, 2005. The proceeds of the evidences of indebtedness and other available funds are hereby appropriated during the biennium beginning July 1, 2003, and ending June 30, 2005, for the following projects:

Dickinson state university	Murphy hall phase I addition	\$5,882,047
Valley City state university	Graichen gymnasium elevator and emergency exits	\$785,300
Mayville state university	Steamline replacement phase II	\$1,355,000

The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2005. This authority of the industrial commission to issue evidences of indebtedness ends June 30, 2005, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and to comply with any covenants entered into before that date.

Grand total special funds appropriation \$8,022,347

SECTION 15. BOND ISSUANCE REPAYMENT RESPONSIBILITY. Of the total amount of evidences of indebtedness issued under the provisions of section 14 of this Act, a total of \$250,000 must be available from non-general fund sources to assist in the retirement of the evidences of indebtedness issued for the project costs associated with the construction of the projects authorized by this Act:

Dickinson state university \$250,000

The Dickinson state university local responsibility must be paid during the 2005-07 biennium.

SECTION 16. BOND ISSUANCE ASSISTANCE. The North Dakota university system shall provide funding of \$830,000 from the capital bond payments line item in subdivision 1 of chapter 28 of the 2001 Session Laws to the industrial commission for bond issuance buydown for projects authorized in section 14 of this Act.

SECTION 17. STUDENT FINANCIAL ASSISTANCE GRANTS. The funds appropriated for student financial assistance grants in section 1 of this Act must be allocated not less than twenty-two percent to students at private baccalaureate degree-granting institutions with the remaining funds allocated to students at public and native American institutions.

SECTION 18. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY MEASURES. It is the intent of the legislative assembly that the board of higher education's performance and accountability report as required by section 15-10-14.2 include an executive summary and information regarding:

1. Education excellence, including:
 - a. Student performance on nationally recognized exams in their major fields compared to the national averages.
 - b. First-time licensure pass rates compared to other states.
 - c. Alumni-reported and student-reported satisfaction with preparation in selected major, acquisition of specific skills, and technology knowledge and abilities.
 - d. Employer-reported satisfaction with preparation of recently hired graduates.
 - e. Biennial report on employee satisfaction relating to the university system and local institutions.
 - f. Ratio of faculty and staff to students.
 - g. Student graduation and retention rates.
2. Economic development, including:
 - a. Enrollment in entrepreneurship courses and the number of graduates of entrepreneurship programs.

- b. Percentage of university system graduates obtaining employment appropriate to their education in the state.
 - c. Number of businesses and employees in the region receiving training.
3. Student access, including:
 - a. Proportion of residents of the state who are within a forty-five-minute drive of a location at which they can receive educational programs from a provider.
 - b. Number and proportion of enrollments in courses offered by nontraditional methods.
 4. Student affordability, including:
 - a. Tuition and fees on a per student basis compared to the regional average.
 - b. Tuition and fees as a percentage of median North Dakota household income.
 - c. Cost per student in terms of general fund appropriations and total university system funding.
 - d. Administrative, instructional, and other cost per student.
 - e. Per capita general fund appropriations for higher education.
 - f. State general fund appropriation levels for university system institutions compared to peer institutions general fund appropriation levels.
 5. Financial operations, including:
 - a. Percentage of total university system funding used for instruction, research, and public service.
 - b. Percentage of total university system funding used for institutional support, operations, and maintenance of physical plant.
 - c. Ratio measuring the funding derived from operating and contributed income compared to total university system funding.
 - d. Deferred maintenance ratio measuring the size of the university system's outstanding maintenance as compared to its expendable net assets.
 - e. Viability ratio measuring the amount of expendable net assets as compared to the amount of long-term debt.
 - f. Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity.

- g. New construction and major renovation capital projects for which specific appropriations are made, including budget to actual comparison, use of third-party funding, and related debt.

SECTION 19. GENERAL FUND TRANSFER. The industrial commission shall transfer to the general fund the sum of \$14,258,969 from the North Dakota student loan trust. The moneys must be transferred as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 20. COMPETITIVE RESEARCH. The competitive research line item in subdivision 1 of section 1 of this Act includes \$100,000 for public private partnership for establishment of a design center at the university of North Dakota. Federal and private matching funds totaling \$300,000 must be leveraged by the North Dakota university system prior to June 30, 2004, or the funding is to be made available to other competitive research initiatives.

SECTION 21. CENTERS FOR EXCELLENCE. The centers for excellence line item in subdivision 1 of section 1 of this Act includes \$1,150,000 for the John D. Odegard center for aerospace science - center of excellence in multimedia technology and \$400,000 is for future centers for excellence. Of the \$1,150,000, \$206,000 is for the expanded air service enterprise - upper great plains air taxi service. Federal matching funding relating to the expanded air service enterprise - upper great plains air taxi service must be leveraged by the North Dakota university system before June 30, 2004, or the funding is to be made available for other centers for excellence. The funding for future centers for excellence is to be distributed by the state board of higher education. The funds provided in this section may not be used to supplant funding for current operations or academic instruction or to pay indirect costs.

SECTION 22. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs may be allocated to education incentive programs as determined by the state board of higher education, including the reduction or elimination of specific programs, and the state board of higher education may determine the appropriate number of years of program eligibility for each education incentive program.

SECTION 23. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2003, and ending June 30, 2005, the state board of higher education determines that funds allocated to institution operations in section 1 of this Act are needed for capital projects or extraordinary repairs, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 24. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION. The legislative council shall consider continuing the study of higher education during the 2003-04 interim. If conducted, the study may include the use of the higher education roundtable format. The study should further refine the expectations of the North Dakota university system in meeting the state's needs in the twenty-first century, the funding methodology needed to meet those expectations and needs, and the accountability system and reporting methodology for the university system. The legislative council shall report its findings and recommendations, together with

any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 25. CONSTRUCTION OF BASKETBALL ARENA - APPROVAL.

The state board of higher education may approve amendments to terms of the agreement entered under chapter 159 of the 1999 Session Laws and may authorize the construction of a basketball arena on the site authorized under that legislation for the university of North Dakota to be financed with private funds.

SECTION 26. PURCHASE OF HOTEL - APPROVAL. The state board of higher education may authorize the university of North Dakota to purchase a hotel and land upon which the hotel is located within the city of Grand Forks for use as a student residence facility for a sum not to exceed \$1,200,000, under terms approved by the board. The university of North Dakota may utilize available housing reserve funds for the purchase.

SECTION 27. MAYVILLE STATE UNIVERSITY - FIELDHOUSE RENOVATION AND ADDITION - REVENUE NOTE. The state board of higher education may, as an alternative to issuing revenue bonds to finance the Mayville state university fieldhouse renovation and addition authorized in section 13 of this Act, enter an agreement or agreements and do all things necessary to finance this improvement with a tax-exempt revenue note, under terms and conditions acceptable to the board. The proceeds of the revenue note must be used to pay all or part of the cost of construction, equipment, and furnishing of the Mayville state university fieldhouse, costs of issuance, interest, and any reasonable required reserve. The note may be issued based on the pledge of revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds. A revenue note authorized by this section may not constitute a direct obligation of the state or any agency or political subdivision of the state within the meaning of any statutory or constitutional provision. The principal and interest on the note must be payable solely from revenues generated by the fieldhouse, student fees, local sales tax revenues dedicated to the improvement, and assignment of capital campaign collections or other private funds.

SECTION 28. LEGISLATIVE INTENT - UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES. It is the intent of the fifty-eighth legislative assembly that funding of \$395,000 included in the operations line item in subdivision 13 of section 1 of this Act is considered one-time funding and the funding is not to be included in the university of North Dakota school of medicine and health sciences base funding for determination of funding requests for the 2005-07 biennium.

SECTION 29. LEGISLATIVE INTENT - MAYVILLE STATE UNIVERSITY. It is the intent of the fifty-eighth legislative assembly that funding of \$50,000 included in the capital assets line item in subdivision 9 of section 1 of this Act is for improvement of the sound system in old main.

SECTION 30. LEGISLATIVE INTENT - MINOT STATE UNIVERSITY - BOTTINEAU. It is the intent of the fifty-eighth legislative assembly that funding of \$97,000 included in the capital assets line item in subdivision 12 of section 1 of this Act is for air conditioning-related extraordinary repairs.

SECTION 31. STUDENT INTERNSHIP PROGRAM - REPORT TO THE BUDGET SECTION. The state board of higher education shall study, during the 2003-04 interim, the use of internships to attract students to high-growth occupations

in the state and shall implement a student internship program by July 1, 2004. The board is encouraged to seek input from the department of commerce, job service North Dakota, the higher education roundtable, and the North Dakota student association, and the board may accept any public or private moneys to implement the program. The board shall provide a report on the program implemented to the first meeting of the budget section after July 1, 2004, and shall present a report to the fifty-ninth legislative assembly.

SECTION 32. EXEMPTION. The facility authorized in chapter 159 of the 1999 Session Laws is exempt from North Dakota Century Code section 5-02-05 for December 25, 2004.

SECTION 33. AMENDMENT. Section 15-10-08 of the North Dakota Century Code is amended and reenacted as follows:

15-10-08. Compensation of board members - Expenses - Legislative appropriations. Each member of the state board of higher education, except the student member, is entitled to receive as compensation ~~sixty-two~~ one hundred dollars ~~and fifty cents~~ per day for each calendar day actually spent devoted to the duties of office, and necessary expenses in the same manner and amounts as other state officials for attending meetings and performing other functions of office. The legislative assembly shall provide adequate funds to carry out the functions and duties of the board.

SECTION 34. AMENDMENT. Section 15-10-12 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12. (Effective through June 30, ~~2003~~ 2005) Board may accept gifts and bequests - Deposit and appropriation of institutional funds. Subject to the limitations of section 15-10-12.1, the state board of higher education may receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue fund of each institution and expended in accordance with section 1 of article IX of the Constitution of North Dakota. All other funds, unless restricted by the terms of a grant, donation, or bequest, received by the institutions from federal, state, and local grants and contracts, indirect cost recoveries, tuition, special student fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing education program fees, internal service fund revenues, and all other revenues must be deposited in the institution special revenue funds. The state treasurer shall immediately transfer the funds deposited in the special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget ~~pursuant to section 15-10-15.~~ Payments from each institution's general fund appropriation must be made in amounts as may be necessary for the operation and maintenance of each institution. The funds in the institution accounts are appropriated on a continuing basis to the state board of higher education. All such appropriations are subject to proration in the same manner as other appropriations are prorated if

insufficient funds are available to meet expenditures from the general fund. Sinking funds for the payment of interest and principal of institutional revenue bonds must be deposited pursuant to section 15-55-06.

(Effective after June 30, 2003 2005) Board may accept gifts and bequests - Deposit of funds. The state board of higher education may, subject to the limitations of section 15-10-12.1, receive donations, gifts, grants, and bequests offered or tendered to or for the benefit of any institution of higher education under its control or subject to its administration, and all moneys coming into the hands of the board as donations, gifts, grants, and bequests must be used for the specific purpose for which they are donated or given. A special revenue fund, for each institution of higher education under the control of the board or subject to its administration, must be maintained within the state treasury and all institutional income from tuition collections must be placed in the special fund for the use of the institution for which the money was raised. All rent, interest, or income from land, money, or property, donated or granted by the United States and allocated to specific institutions of higher learning under the terms of the Enabling Act and the Constitution of North Dakota must be deposited in the special revenue fund of each institution and expended in accordance with section 1 of article IX of the Constitution of North Dakota. Moneys in the special revenue fund are subject to legislative appropriations. All other funds, unless restricted by the terms of a grant, donation, or bequest, received by the institutions from federal, state, and local grants and contracts, indirect cost recoveries, special student fees, room and board fees and other auxiliary enterprise fees, student activity fees, continuing education program fees, internal service fund revenues, and all other revenues must be deposited in the institution special revenue funds. The state treasurer shall immediately transfer the funds deposited in the special revenue funds to institution accounts in the Bank of North Dakota. Biennial estimates of revenue and expenditures of the other funds by source of funds must be presented at the same time biennial budget requests for appropriations from the special revenue fund and state general fund are prepared and submitted to the office of the budget pursuant to section 15-10-15. Payments from each institution's general fund appropriation must be made in amounts as may be necessary for the operation and maintenance of each institution, except that at the close of the biennium the balance of funds not paid from the general fund appropriation must be deposited in the special revenue funds of the institutions. All such appropriations are subject to proration in the same manner as other appropriations are prorated if insufficient funds are available to meet expenditures from the general fund. Sinking funds for the payment of interest and principal of institutional revenue bonds must be deposited pursuant to section 15-55-06.

SECTION 35. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. (Effective through June 30, 2003 2005) Budget estimates of budget units filed with the office of the budget - Deadline. The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The budget estimates for the North Dakota university system must include block grants for the university system for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets at the institutions of higher education. The estimates so submitted must bear the approval of the board or

commission of each budget unit for which a board or commission is constituted. The director of the budget in the director's discretion may extend the filing date for any budget unit if the director finds there is some circumstance ~~which~~ that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare ~~such~~ the budget unit's estimate of financial requirements except ~~such~~ the estimate may not exceed ninety percent of ~~such~~ the budget unit's previous biennial appropriation. The director of the budget or ~~such~~ a subordinate officer as the director designates shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

(Effective after June 30, 2003 2005) Budget estimates of budget units filed with the office of the budget - Deadline. The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget may extend the filing date for any budget unit if the director finds there is some circumstance ~~which~~ that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare ~~such~~ the budget unit's estimate of financial requirements except ~~such~~ the estimate may not exceed ninety percent of ~~such~~ the budget unit's previous biennial appropriation. The director of the budget or ~~such~~ a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

¹ **SECTION 36. AMENDMENT.** Section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-06. (Effective through June 30, 2003 2005) Preparation of the budget data - Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:

1. Summary statements of the financial condition of the state, accompanied by ~~such~~ the detailed schedules of assets and liabilities as the director of the budget ~~deems~~ determines desirable, which ~~shall~~ must include, ~~but not be limited to,~~ the following:
 - a. Summary statements of fund balances and assets showing in detail for each fund the surplus or deficit at the beginning of each of the two fiscal years of the previous biennium and the first fiscal

¹ Section 54-44.1-06 was also amended by section 22 of Senate Bill No. 2015, chapter 36.

year of the present biennium, the actual revenue for those years, the total appropriations for the previous and present biennium, and the total expenditures for those fiscal years; and

- b. Similar summary statements of the estimated fund balances and assets for the current fiscal year and each of the fiscal years of the next biennium.

Summary statements may include, ~~but not be limited to~~, a comparative consolidated balance sheet showing all the assets and liabilities of the state and the surplus or deficit, as the case may be, at the close of the first fiscal year of the current biennium.

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.
3. Summary statements of expenditures of the previous biennium and first year of the present biennium, itemized by budget units and classified as prescribed by the director of the budget.
4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with ~~such~~ any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget.
5. A detailed statement showing the estimate of all moneys required to be raised or appropriated for the payment of interest upon the funded debt of the state and its other obligations bearing interest, and the amount of money required to be contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.
6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated

revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.

7. Drafts of proposed general and special appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium and drafts of such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act. The draft of the proposed appropriations act for the North Dakota university system must include block grants for a base funding appropriation and for an initiative funding appropriation for specific strategies or initiatives and an appropriation for asset funding for renewal and replacement of physical plant assets at the institutions of higher education ~~in the format approved by the fifty-seventh legislative assembly.~~
8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of assets and services comprising a single system with a combined value of at least fifty thousand dollars acquired through a capital or operating lease arrangement or debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.
9. ~~Such~~ Any other information as the director of the budget ~~deems~~ determines desirable or as is required by law.

(Effective after June 30, 2003 2005) Preparation of the budget data - Contents. The director of the budget, through the office of the budget, shall prepare budget data which must contain and include the following:

1. Summary statements of the financial condition of the state, accompanied by ~~such~~ the detailed schedules of assets and liabilities as the director of the budget ~~deems~~ determines desirable, which ~~shall~~ must include; ~~but not be limited to~~, the following:
 - a. Summary statements of fund balances and assets showing in detail for each fund the surplus or deficit at the beginning of each of the two fiscal years of the previous biennium and the first fiscal year of the present biennium, the actual revenue for those years, the total appropriations for the previous and present biennium, and the total expenditures for those fiscal years; and
 - b. Similar summary statements of the estimated fund balances and assets for the current fiscal year and each of the fiscal years of the next biennium.

Summary statements may include; ~~but not be limited to~~, a comparative consolidated balance sheet showing all the assets and liabilities of the

state and the surplus or deficit, as the case may be, at the close of the first fiscal year of the current biennium.

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.
3. Summary statements of expenditures of the previous biennium and first year of the present biennium, itemized by budget units and classified as prescribed by the director of the budget.
4. Detailed comparative statements of expenditures and requests for appropriations by funds, budget units and classification of expenditures, showing the expenditures for the previous biennium, the first fiscal year of the present biennium, the budget of the current biennium, and the governor's recommendation for appropriations for each budget unit for the next biennium, all distributed according to the prescribed classification of expenditures. Following the lists of actual and proposed expenditures of each budget unit there must be a brief explanation of the functions of the unit and comments on its policies and plans and on any considerable differences among the amounts recommended, with ~~such~~ any descriptive, quantitative, comparative, and other data as to work done, unit costs, and like information as may be considered necessary or desirable. For capital outlay expenditures involving construction projects to be completed in two or more fiscal years, there must be shown the total estimated cost of each such project and the amount thereof recommended to be appropriated and expended in each ensuing fiscal year until completion of the project. Capital outlay needs may be projected for at least two years beyond the period covered by the budget.
5. A detailed statement showing the estimate of all moneys required to be raised or appropriated for the payment of interest upon the funded debt of the state and its other obligations bearing interest, and the amount of money required to be contributed in the two next ensuing fiscal years to the general sinking funds maintained for the redemption and payment of the debts of the state.
6. A summary statement of the unappropriated fund balance estimated to be available at the beginning of the next biennium, and the estimated revenue of the next biennium, as compared with the total recommended amounts of appropriation for all classes of expenditures for the next biennium, and if the total of the recommended expenditures exceeds the total of the estimated resources, recommendations as to how the deficiency is to be met and estimates of any proposed additional revenue.
7. Drafts of a proposed general appropriations act and special appropriations acts embodying the budget data and recommendations of the governor for appropriations for the next biennium and drafts of

such revenues and other acts recommended by the governor for putting into effect the proposed financial plan. The recommended general appropriation for each budget unit must be specified in a separate section of the general appropriations act.

8. A list of every individual asset or service, excluding real estate, with a value of at least fifty thousand dollars and every group of assets and services comprising a single system with a combined value of at least fifty thousand dollars acquired through a capital or operating lease arrangement or debt financing arrangement by a state agency or institution. The list must include assets or services acquired in the current biennium and anticipated assets or services to be acquired in the next biennium.
9. ~~Such~~ Any other information as the director of the budget ~~deems~~ determines desirable or as is required by law.

SECTION 37. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. (Effective through June 30, 2003 2005) Office of management and budget to cancel unexpended appropriations - When they may continue. Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

(Effective after June 30, 2003 2005) Office of management and budget to cancel unexpended appropriations - When they may continue. The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

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

SECTION 38. Section 4 to House Bill No. 1023, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 39. EMERGENCY. The capital assets line items contained in section 1 of this Act and sections 12, 13, 14, 15, 16, and 38 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 4**HOUSE BILL NO. 1004**

(Appropriations Committee)
(At the request of the Governor)

HEALTH DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to create and enact a new section to chapter 23-01 and a new section to chapter 23-09.3 of the North Dakota Century Code, relating to the state department of health combining purchasing with or on behalf of local public health units and to basic care facility license fees; to amend and reenact section 23-16-03 of the North Dakota Century Code, relating to health facilities licensing fees; to provide a continuing appropriation; to provide legislative intent; and to provide for a legislative council study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$29,972,929
Operating expenses	24,151,257
Capital assets	1,629,972
Grants	36,190,628
Tobacco program	7,783,097
WIC food payments	<u>17,680,000</u>
Total all funds	\$117,407,883
Less estimated income	<u>104,306,791</u>
Total general fund appropriation	<u>\$13,101,092</u>

SECTION 2. ABANDONED MOTOR VEHICLE DISPOSAL FUND. The estimated income line item included in section 1 of this Act includes \$250,000, or so much of the sum as may be necessary, to be made available to the state department of health from the abandoned motor vehicle disposal fund, under section 39-26-11 for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$250,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. DOMESTIC VIOLENCE PREVENTION FUND. The estimated income line item included in section 1 of this Act includes \$280,000, or so much of the sum as may be necessary, to be made available to the state department of health from the domestic violence prevention fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 5. ENVIRONMENTAL HEALTH PRACTITIONER LICENSURE FEE ADMINISTRATIVE FUND. The estimated income line item included in section 1 of this Act includes \$1,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environmental health practitioner licensure fee administrative fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. WASTEWATER OPERATORS CERTIFICATION FUND. The estimated income line item included in section 1 of this Act includes \$21,000, or so much of the sum as may be necessary, to be made available to the state department of health from the wastewater operators certification fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. COMMUNITY HEALTH TRUST FUND. The estimated income line item included in section 1 of this Act includes \$5,760,000, or so much of the sum as may be necessary, to be made available to the state department of health from the community health trust fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 8. ESTIMATED INCOME - HEALTH CARE COOPERATIVE AGREEMENT FUND. The estimated income line item included in section 1 of this Act includes \$100,000, or so much of the sum as may be necessary, is to be made available to the state department of health from the health care cooperative agreement fund for the purpose of defraying the expenses of the certificate of public advantage program for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 9. INTENT - INDIRECT COST RECOVERIES. Notwithstanding section 54-44.1-14, the state department of health may deposit indirect cost recoveries in its operating account.

SECTION 10. A new section to chapter 23-01 of the North Dakota Century Code is created and enacted as follows:

Combined purchasing with local public health units - Continuing appropriation. The state department of health may make combined or joint purchases with or on behalf of local public health units for items or services. Payments received by the state department of health from local public health units pursuant to a combined or joint purchase must be deposited in the operating fund and are appropriated as a standing and continuing appropriation to the department of health for the purpose of this section.

SECTION 11. A new section to chapter 23-09.3 of the North Dakota Century Code is created and enacted as follows:

Application for license - License fee. Applicants for a license shall file applications under oath with the state department of health upon forms prescribed. An application for a license for facilities not owned by the state or its political subdivisions must be accompanied by a fee of ten dollars per bed. License fees collected pursuant to this section must be deposited in the state department of health services operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

SECTION 12. AMENDMENT. Section 23-16-03 of the North Dakota Century Code is amended and reenacted as follows:

23-16-03. Application for license - License fee. Applicants for license shall file applications under oath with the state department of health upon forms prescribed. Applications must be signed by the owner, or in the case of a corporation by two of its officers, or in the case of a county or municipal unit by the head of the governmental department having jurisdiction over it. Applications must set forth the full name and address of the owner of the institution for which license is sought, the names of the persons in control thereof, and such additional information as the state department of health may require, including affirmative evidence of ability to comply with such minimum standards, rules, and regulations as may be lawfully prescribed pursuant to this section. An application for a license for facilities not owned by the state or its political subdivisions must be accompanied by the following fees:

1. For each licensed acute care bed, ten dollars.
2. For each licensed skill care bed, ~~seven~~ ten dollars.
3. ~~For each licensed intermediate care bed, five dollars.~~

License fees collected pursuant to this section must be deposited in the state department of health services operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly.

SECTION 13. LEGISLATIVE INTENT - EMPLOYEE OUTSOURCING - REPORT TO BUDGET SECTION. It is the intent of the legislative assembly that the state department of health consider the option of outsourcing employee positions whenever reasonable and report to the budget section during the 2003-04 interim on the status of outsourcing employees.

SECTION 14. LEGISLATIVE COUNCIL STUDY - NURSING HOME SURVEY PROCESS. The legislative council shall consider studying, during the 2003-04 interim, the nursing home survey process, including a review of federal, state, and local agency procedures and requirements that result in additional costs, duplicated procedures, and added regulations for nursing homes. The study must also explore the potential for mitigating the impact of new mandated federal rules through additional collaboration between the state department of health and the department of human services and the submission of waiver requests. The legislative council shall report its findings and recommendations, including the potential for federal waivers and collaboration between agencies that may result in efficiencies, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 5

HOUSE BILL NO. 1005 (Appropriations Committee) (At the request of the Governor)

INDIAN AFFAIRS COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission; to create and enact two new sections to chapter 54-36 of the North Dakota Century Code, relating to a revolving fund for publications and the authority to produce publications and charge a fee; to provide for a transfer; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$314,311
Operating expenses	40,932
Total general fund appropriation	\$355,243

SECTION 2. Two new sections to chapter 54-36 of the North Dakota Century Code are created and enacted as follows:

Indian affairs commission printing fund for publications - Appropriation. There is created a revolving fund known as the Indian affairs commission printing fund. All moneys collected by the commission from fees from persons purchasing publications and informal and educational materials produced or distributed by the commission and moneys received from any person for producing and distributing publications and informational and educational materials must be deposited into the Indian affairs commission printing fund. Money in the Indian affairs commission printing fund and earnings on the money in the fund are appropriated on a continuing basis to the commission to defray expenses incurred by the commission in producing and distributing publications and informational and educational materials. This fund is not subject to section 54-44.1-11. If on the first day of July in any year the amount of money in the Indian affairs commission printing fund is more than twenty-five thousand dollars, the amount in excess of twenty-five thousand dollars must be transferred to the general fund.

Publications - Fees. The commission may produce and distribute publications and informational and educational materials and may charge a fee for the publication. The fee must be established at an amount equal to the postage and printing costs of the publication.

SECTION 3. TRANSFER. The department of public instruction shall transfer \$14,500 from the department's revolving printing fund to the Indian affairs commission printing fund.

SECTION 4. EMERGENCY. Sections 2 and 3 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 6**HOUSE BILL NO. 1006**
(Appropriations Committee)
(At the request of the Governor)**AERONAUTICS COMMISSION**

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the aeronautics commission for the purpose of defraying the expenses of the aeronautics commission, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$674,424
Operating expenses	1,831,368
Capital assets	134,000
Grants	<u>6,520,000</u>
Total all funds	\$9,159,792
Less estimated income	<u>8,637,292</u>
Total general fund appropriation	\$522,500

Approved April 16, 2003

Filed April 17, 2003

CHAPTER 7**HOUSE BILL NO. 1007**

(Appropriations Committee)
(At the request of the Governor)

**VETERANS' HOME AND DEPARTMENT OF
VETERANS' AFFAIRS**

AN ACT to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide for a performance audit of the department of veterans' affairs and the administrative committee on veterans' affairs; to provide for additional skilled nursing care bed capacity; to allow for line item transfers; to provide for a legislative council study; to provide reports to the budget section; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home and the department of veterans' affairs for the purpose of defraying their expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

VETERANS' HOME

Salaries and wages	\$7,975,737
Operating expenses	2,711,704
Capital assets	<u>329,754</u>
Total all funds	\$11,017,195
Less estimated income	<u>7,971,123</u>
Total general fund appropriation	\$3,046,072

Subdivision 2.

VETERANS' AFFAIRS

Total all funds	\$524,292
Less estimated income	<u>43,494</u>
Total general fund appropriation	\$480,798
Grand total general fund appropriation section 1 of H.B. 1007	\$3,526,870
Grand total special funds appropriation section 1 of H.B. 1007	\$8,014,617
Grand total all funds appropriation section 1 of H.B. 1007	\$11,541,487

SECTION 2. VETERANS' POSTWAR TRUST FUND - REPORT. The department of veterans' affairs shall report on the use of moneys in the veterans' postwar trust fund to the appropriations committees of the fifty-ninth legislative assembly. The report must be presented during the agency's budget presentation.

SECTION 3. PERFORMANCE AUDIT - DEPARTMENT OF VETERANS' AFFAIRS AND THE ADMINISTRATIVE COMMITTEE ON VETERANS' AFFAIRS. The state auditor shall conduct a performance audit of the department of veterans' affairs and the administrative committee on veterans' affairs during the biennium beginning July 1, 2003, and ending June 30, 2005. The results of the performance

audit must be presented to the legislative audit and fiscal review committee by July 1, 2004, and filed with the appropriations committees during the fifty-ninth legislative assembly.

SECTION 4. VETERANS' HOME GOVERNING BOARD - STATUS REPORTS - STRATEGIC PLAN - BUDGET SECTION. A representative of the veterans' home governing board shall periodically report to the budget section on the status of the board's progress in developing and implementing a strategic plan for the veterans' home during the 2003-04 interim.

SECTION 5. FULL-TIME EQUIVALENT POSITIONS - AUTHORIZATION. The governing board of the veterans' home may employ two new full-time equivalent employee positions for the veterans' home before June 30, 2003, as needed, subject to the availability of funds.

SECTION 6. 2001-03 BIENNIUM LINE ITEM TRANSFERS - AUTHORIZATION. Notwithstanding section 54-16-04, the veterans' home may transfer up to \$150,000 of appropriation authority between line items for the 2001-03 biennium to implement changes in technology and telecommunications, with the approval of the office of management and budget. Any line item transfers must be reported to the budget section.

SECTION 7. SKILLED NURSING CARE BED PURCHASE - TRANSFER. Notwithstanding the provisions of section 23 of chapter 431 of the 2001 Session Laws which require a reduction in licensed nursing facility bed capacity, the department of human services shall purchase eight skilled nursing care beds after April 14, 2003, from funding available in section 23 of chapter 431 of the 2001 Session Laws and transfer the purchased beds to the veterans' home in Lisbon.

SECTION 8. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE CLASS LIMITS. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of establishing a separate payment rate class for the veterans' home and the related effect on the state's general fund and the long-term care industry in North Dakota. The study, if conducted, may be done in conjunction with the long-term care continuum study included in 2003 Senate Bill No. 2012. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 9. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$96,924, or so much of the sum as may be necessary, and \$205,586 of federal funds to the department of human services for the purpose of medicaid reimbursement to the veterans' home relating to the addition of nursing home beds, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 10. EMERGENCY. Sections 5, 6, and 7 of this Act are declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 8**HOUSE BILL NO. 1008**

(Appropriations Committee)
 (At the request of the Governor)

DEPARTMENT OF FINANCIAL INSTITUTIONS

AN ACT to provide an appropriation for defraying the expenses of the department of financial institutions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the financial institutions regulatory fund in the state treasury, not otherwise appropriated, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$2,984,539
Operating expenses	<u>672,726</u>
Total appropriation from the financial institutions regulatory fund	\$3,657,265

Approved April 16, 2003

Filed April 17, 2003

CHAPTER 9

HOUSE BILL NO. 1009 (Appropriations Committee) (At the request of the Governor)

STATE FAIR ASSOCIATION

AN ACT to provide an appropriation for defraying the expenses of the state fair association; and to amend and reenact section 4-02.1-05 of the North Dakota Century Code, relating to the compensation of state fair board members.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Capital assets	\$210,000
Premiums	391,750
Total all funds	\$601,750
Less estimated income	20,000
Total general fund appropriation	\$581,750

SECTION 2. AMENDMENT. Section 4-02.1-05 of the North Dakota Century Code is amended and reenacted as follows:

4-02.1-05. Compensation of members. ~~Members may not receive any fixed salary for their services, but, by resolution~~ Each member of the board of directors, ~~per diem payments not exceeding ten dollars per day, or expense money not to exceed in amount the mileage and travel expenses allowed employees and officials of the state by law, may be allowed for attendance at each regular or special meeting is entitled to receive compensation in the amount of seventy-five dollars per day plus reimbursement of expenses as provided by law for state officers while attending meetings or performing duties directed by the board.~~ The board of directors ~~has the power, in its discretion, to contract for and may pay to members rendering unusual or special services to the association, special compensation appropriate to the value of such the services.~~

Approved April 21, 2003

Filed April 22, 2003

CHAPTER 10**HOUSE BILL NO. 1010**

(Appropriations Committee)
(At the request of the Governor)

COUNCIL ON THE ARTS

AN ACT to provide an appropriation for defraying the expenses of the council on the arts and an appropriation of funds from the cultural endowment fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$425,568
Operating expenses	221,443
Grants	1,415,857
Lewis and Clark bicentennial	<u>163,750</u>
Total all funds	\$2,226,618
Less estimated income	<u>1,222,215</u>
Total general fund appropriation	\$1,004,403

SECTION 2. APPROPRIATION. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2003, and ending June 30, 2005.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 11

HOUSE BILL NO. 1011 (Appropriations Committee) (At the request of the Governor)

HIGHWAY PATROL

AN ACT to provide an appropriation for defraying the expenses of the highway patrol.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Administration	\$2,241,434
Field operations	30,434,831
Law enforcement training academy	<u>1,016,344</u>
Total all funds	\$33,692,609
Less estimated income	<u>15,481,087</u>
Total general fund appropriation	<u>\$18,211,522</u>

SECTION 2. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$7,444,054, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$170 per month for the biennium beginning July 1, 2003, and ending June 30, 2005. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 12

HOUSE BILL NO. 1012

(Appropriations Committee)
(At the request of the Governor)

DEPARTMENT OF TRANSPORTATION

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; to authorize the department of transportation to acquire lands; to amend and reenact sections 24-01-51, 24-02-44, and 39-04-19, and subdivisions f and g of subsection 1 of section 39-09-02 of the North Dakota Century Code and section 7 of chapter 331 of the 2001 Session Laws, relating to haying of no-mow areas, department of transportation authority for emergency borrowing from the Bank of North Dakota, motor vehicle registration fees, and speed limits; and to repeal section 10 of chapter 331 of the 2001 Session Laws, relating to registration fee allocation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the department of transportation for the purpose of defraying the expenses of those divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$105,222,404
Operating expenses	122,902,369
Capital assets	512,175,642
Grants	44,085,503
Total special funds appropriation	\$784,385,918

SECTION 2. ACQUIRING LAND IN NO-MOW AND MANAGED-MOW AREAS. The department of transportation may acquire land to eliminate no-mow and managed-mow areas adjacent to the state's roadways. If the department intends to acquire public land to eliminate no-mow and managed-mow areas, the department shall hold a public hearing in the county in which the land is located before the land is acquired.

SECTION 3. AMENDMENT. Section 24-01-51 of the North Dakota Century Code is amended and reenacted as follows:

24-01-51. (Effective January 1, 2004 2006) Haying of no-mow areas. Notwithstanding any other provision of law, a person owning land adjacent to an area within the right of way of a highway which is designated as a no-mow or managed-mow area may hay the no-mow or managed-mow area after July fifteenth without any payment or penalty.

SECTION 4. AMENDMENT. Section 24-02-44 of the North Dakota Century Code is amended and reenacted as follows:

24-02-44. Authority to borrow funds for a disaster - Appropriation. The department of transportation, subject to the approval of the emergency commission, may borrow moneys from the Bank of North Dakota to match federal emergency relief funds under the Transportation Equity Act for the 21st Century [~~Pub. L. 105-178~~]. Any moneys borrowed from the Bank of North Dakota pursuant to this section are appropriated. If it appears to the department of transportation that at the end of the biennium the amount available to repay the amount borrowed plus interest is insufficient to totally repay the Bank of North Dakota, the department of transportation shall request from the legislative assembly a deficiency appropriation from the state highway fund sufficient for the repayment of the amount borrowed plus interest.

SECTION 5. AMENDMENT. Section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the department, shall pay a fee of twenty dollars for a trip permit which is valid for a period of seventy-two hours. All fees collected under the provisions of this subsection must be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state must be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle, including a motorcycle or trailer, first becomes subject to registration other than at the beginning of the registration period, such fees must be prorated on a monthly basis. The minimum fee charged hereunder must be five dollars:

a. Passenger motor vehicles:

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th, 8th, and 9th Years	10th, 11th, and 12th Years	13th and Subsequent Years
Less than 3,200	\$57.00 <u>\$60</u>	\$49.00 <u>\$52</u>	\$41.00 <u>\$44</u>	\$33.00 <u>\$36</u>
3,200 - 4,499	77.00 <u>80</u>	65.00 <u>68</u>	53.00 <u>56</u>	41.00 <u>44</u>
4,500 - 4,999	95.00 <u>98</u>	78.00 <u>81</u>	63.00 <u>66</u>	47.00 <u>50</u>
5,000 - 5,999	126.00 <u>129</u>	104.00 <u>107</u>	82.00 <u>85</u>	60.00 <u>63</u>
6,000 - 6,999	160.00 <u>162</u>	130.00 <u>133</u>	104.00 <u>104</u>	73.00 <u>76</u>
7,000 - 7,999	192.00 <u>195</u>	156.00 <u>159</u>	121.00 <u>124</u>	86.00 <u>89</u>
8,000 - 8,999	225.00 <u>228</u>	183.00 <u>186</u>	141.00 <u>144</u>	99.00 <u>102</u>
9,000 and over	258.00 <u>261</u>	209.00 <u>212</u>	161.00 <u>164</u>	112.00 <u>115</u>

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or

combinations of trucks and trailers which qualify for registration under subsection 5:

YEARS REGISTERED

Gross Weights	1st Through 6th Years	7th Through 9th Years	10th Through 12th Years	13th Through 19th Years	20th and Subsequent Years
Not over 4,000	\$56.00 \$58	\$42.00 \$45	\$37.00 \$40	\$34.00 \$37	\$33.00 \$36
4,001 - 6,000	60.00 63	47.00 50	41.00 44	35.00 38	34.00 37
6,001 - 8,000	65.00 68	52.00 55	45.00 48	36.00 39	35.00 38
8,001 - 10,000	70.00 73	57.00 60	49.00 52	38.00 41	37.00 40
10,001 - 12,000	75.00 78	62.00 65	53.00 56	40.00 43	39.00 42
12,001 - 14,000	80.00 83	67.00 70	57.00 60	43.00 46	42.00 45
14,001 - 16,000	85.00 88	72.00 75	64.00 64	46.00 49	45.00 48
16,001 - 18,000	90.00 93	77.00 80	65.00 68	48.00 51	47.00 50
18,001 - 20,000	93.00 96	80.00 83	67.00 70	49.00 52	48.00 51

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, 6th, and 7th Years	8th, 9th, 10th, 11th, and 12th Years	13th and Subsequent Years
20,001 - 22,000	\$123.00 \$126	\$97.00 \$100	\$84.00 \$87
22,001 - 26,000	175.00 178	145.00 148	120.00 132
26,001 - 30,000	236.00 239	194.00 197	172.00 175
30,001 - 34,000	302.00 305	247.00 250	219.00 222
34,001 - 38,000	363.00 366	296.00 299	262.00 265
38,001 - 42,000	424.00 427	345.00 348	304.00 307
42,001 - 46,000	485.00 488	393.00 396	347.00 350
46,001 - 50,000	546.00 549	442.00 445	390.00 393
50,001 - 54,000	616.00 619	500.00 503	441.00 444
54,001 - 58,000	677.00 680	549.00 552	484.00 487
58,001 - 62,000	739.00 742	598.00 601	527.00 530
62,001 - 66,000	799.00 802	646.00 649	570.00 573
66,001 - 70,000	860.00 863	695.00 698	612.00 615
70,001 - 74,000	924.00 924	744.00 747	655.00 658
74,001 - 78,000	982.00 985	793.00 796	698.00 701
78,001 - 82,000	1,043.00 1,046	842.00 845	741.00 744
82,001 - 86,000	1,106.00 1,109	897.00 900	788.00 791
86,001 - 90,000	1,168.00 1,171	954.00 957	835.00 838
90,001 - 94,000	1,231.00 1,234	1,014.00 1,017	885.00 888
94,001 - 98,000	1,294.00 1,297	1,074.00 1,077	935.00 938
98,001 - 102,000	1,357.00 1,360	1,134.00 1,137	985.00 988
102,001 - 105,500	1,420.00 1,423	1,194.00 1,197	1,035.00 1,038

c. Motorcycles, fifteen dollars.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 3901] are exempt from the payment of state sales or use tax and, if paid, such veterans are entitled to a refund. This exemption also applies to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.

5. Trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than twenty thousand but not more than one hundred five thousand five hundred pounds [more than 9071.84 but not more than 47854.00 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or wholesale business being conducted from those farms, nor otherwise for hire. In addition to the penalty provided in section 39-04-41, any person violating this subsection shall license for the entire license period the farm vehicle at the higher commercial vehicle rate in accordance with the weight carried by the farm vehicle at the time of the violation.

YEARS REGISTERED

Gross Weights	1st, 2nd, 3rd, 4th, 5th, and 6th Years	7th and 8th Years	9th and 10th Years	11th and Subsequent Years
20,001 - 22,000	\$95.00 \$98	\$81.00 \$84	\$67.00 \$70	\$49.00 \$52
22,001 - 24,000	400.00 103	85.00 88	70.00 73	54.00 54
24,001 - 26,000	408.00 111	94.00 94	74.00 77	53.00 56
26,001 - 28,000	449.00 122	99.00 102	80.00 83	57.00 60
28,001 - 30,000	428.00 131	407.00 110	86.00 89	64.00 64
30,001 - 32,000	443.00 146	420.00 123	97.00 100	70.00 73
32,001 - 34,000	453.00 156	428.00 131	403.00 106	74.00 77
34,001 - 36,000	463.00 166	436.00 139	409.00 112	78.00 81
36,001 - 38,000	473.00 176	444.00 147	445.00 118	82.00 85
38,001 - 40,000	483.00 186	452.00 155	424.00 124	86.00 89
40,001 - 42,000	493.00 196	460.00 163	427.00 130	90.00 93
42,001 - 44,000	203.00 206	468.00 171	433.00 136	94.00 97
44,001 - 46,000	213.00 216	476.00 179	439.00 142	98.00 101
46,001 - 48,000	223.00 226	484.00 187	445.00 148	402.00 105
48,001 - 50,000	233.00 236	492.00 195	454.00 154	406.00 109
50,001 - 52,000	253.00 256	210.00 213	467.00 170	420.00 123
52,001 - 54,000	263.00 266	218.00 221	473.00 176	424.00 127
54,001 - 56,000	273.00 276	226.00 229	479.00 182	428.00 131
56,001 - 58,000	283.00 286	234.00 237	485.00 188	432.00 135
58,001 - 60,000	293.00 296	242.00 245	494.00 194	436.00 139
60,001 - 62,000	303.00 306	250.00 253	497.00 200	440.00 143
62,001 - 64,000	313.00 316	258.00 261	203.00 206	444.00 147
64,001 - 66,000	323.00 326	266.00 269	209.00 212	448.00 151
66,001 - 68,000	333.00 336	274.00 277	215.00 218	452.00 155
68,001 - 70,000	343.00 346	282.00 285	224.00 224	456.00 159
70,001 - 72,000	353.00 356	290.00 293	227.00 230	460.00 163
72,001 - 74,000	363.00 366	298.00 301	233.00 236	464.00 167
74,001 - 76,000	373.00 376	306.00 309	239.00 242	468.00 171
76,001 - 78,000	383.00 386	314.00 317	245.00 248	472.00 175
78,001 - 80,000	393.00 396	322.00 325	254.00 254	476.00 179
80,001 - 82,000	403.00 406	330.00 333	257.00 260	480.00 183
82,001 - 84,000	413.00 416	352.00 355	300.00 303	256.00 259
84,001 - 86,000	433.00 436	360.00 372	314.00 317	268.00 271
86,001 - 88,000	453.00 456	386.00 389	328.00 331	280.00 283
88,001 - 90,000	473.00 476	403.00 406	342.00 345	292.00 295
90,001 - 92,000	493.00 496	420.00 423	356.00 359	304.00 307
92,001 - 94,000	513.00 516	437.00 440	370.00 373	316.00 319
94,001 - 96,000	533.00 536	454.00 457	384.00 387	328.00 331
96,001 - 98,000	553.00 556	474.00 474	398.00 401	340.00 343
98,001 - 100,000	573.00 576	488.00 491	412.00 415	352.00 355
100,001 - 102,000	593.00 596	505.00 508	426.00 429	364.00 367
102,001 - 104,000	613.00 616	522.00 525	440.00 443	376.00 379
104,001 - 105,500	633.00 636	539.00 542	454.00 457	388.00 391

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the department and upon payment of a fee of twenty-five dollars.

² **SECTION 6. AMENDMENT.** Subdivisions f and g of subsection 1 of section 39-09-02 of the North Dakota Century Code as amended in section 1 of House Bill No. 1046, as approved by the fifty-eighth legislative assembly, are amended and reenacted as follows:

- f. Fifty-five miles [88.51 kilometers] an hour on gravel, dirt, or loose surface highways, and on paved two-lane county and township highways if there is no speed limit posted, unless otherwise permitted, restricted, or required by conditions.
- g. Sixty-five miles [104.61 kilometers] an hour on paved two-lane highways ~~and on paved and divided multilane highways~~ if posted for that speed, unless otherwise permitted, restricted, or required by conditions.

SECTION 7. AMENDMENT. Section 7 of chapter 331 of the 2001 Session Laws is amended and reenacted as follows:

SECTION 7. ~~TEMPORARY ALLOCATION.~~ ~~Two~~ Three dollars of each registration fee collected under subsection 2 or 5 of section 39-04-19 must be deposited in the state highway fund.

SECTION 8. REPEAL. Section 10 of chapter 331 of the 2001 Session Laws is repealed.

Approved May 2, 2003
Filed May 2, 2003

² Section 39-09-02 was also amended by section 1 of House Bill No. 1046, chapter 325, and section 6 of House Bill No. 1047, chapter 317.

CHAPTER 13

HOUSE BILL NO. 1013 (Appropriations Committee) (At the request of the Governor)

COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distribution amounts from permanent funds; to create and enact a new section to chapter 47-30.1 of the North Dakota Century Code, relating to property unclaimed by state agencies; and to amend and reenact sections 47-30.1-18, 47-30.1-21.1, and 47-30.1-24 and subsection 1 of section 47-30.1-35 of the North Dakota Century Code, relating to the enforcement of the Uniform Unclaimed Property Act.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury, not otherwise appropriated, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$1,876,162
Operating expenses	722,572
Capital Assets	37,000
Grants	4,888,100
Contingencies	<u>50,000</u>
Total special funds	\$7,573,834

SECTION 2. OIL AND GAS IMPACT GRANT FUND. The amount of \$5,000,000, or so much of the amount as may be necessary, included in the total special funds appropriated in section 1 of this Act may be spent from the oil and gas impact grant fund by the commissioner of university and school lands for the purpose of providing oil and gas development impact grants and the administration of the oil and gas development impact grant program for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. GRANTS. Section 54-44.1-11 does not apply to appropriations made for oil impact grants in section 1 of this Act.

SECTION 4. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the board of university and school lands, the commissioner of university and school lands may transfer from the contingencies line item in section 1 of this Act to all other line items except the capital assets line item. The commissioner shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 5. DISTRIBUTIONS TO STATE INSTITUTIONS. Notwithstanding section 15-03-05.2, during the biennium beginning July 1, 2003, and ending June 30, 2005, the board of university and school lands shall distribute the following amounts, or so much income as may be available, from the permanent funds managed for the benefit of the following entities:

North Dakota state university	\$1,132,000
University of North Dakota	946,000
Youth correctional center	396,000
School for the deaf	322,000
North Dakota state college of science	339,200
State hospital	325,200
Veterans' home	269,200
Valley City state university	268,000
North Dakota vision services - school for the blind	247,200
Mayville state university	186,000
Minot state university - Bottineau	33,200
Dickinson state university	33,200
Minot state university	33,200
Total	\$4,530,400

SECTION 6. A new section to chapter 47-30.1 of the North Dakota Century Code is created and enacted as follows:

Claims by state agencies - Budget section approval and report. Within one year of receipt of state agency property, the administrator shall notify the agency by certified mail. The commissioner of university and school lands shall present a report to the budget section of the legislative council identifying every state agency that has not submitted a claim for property belonging to that agency within one year of the receipt of the date of the certified mail receipt. Upon approval of the budget section of the legislative council, the agency relinquishes its right to recover its property.

SECTION 7. AMENDMENT. Section 47-30.1-18 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-18. Notice and publication of lists of abandoned property.

1. The administrator shall cause a notice to be published not later than October first of the year immediately following the report required by section 47-30.1-17 at least once a week for two consecutive weeks in a newspaper of general circulation in the county of this state in which is located the last known address of any person to be named in the notice. If no address is listed or the address is outside this state, the notice must be published in the county in which the holder of the property has its principal place of business within this state.
2. ~~The published notice~~ One of the annual notices must be entitled "Notice of Names of Persons Appearing to be Owners of Abandoned Property" and contain:
 - a. The names in alphabetical order and last known address, if any, of persons listed in the report and entitled to notice within the county as specified in subsection 1.

- b. A statement that information concerning the property and the name and last known address of the holder may be obtained by any person possessing an interest in the property by addressing an inquiry to the administrator.
3. One of the annual notices must be a display advertisement that contains information on abandoned property and contact information for making an inquiry.
4. The administrator is not required to publish in the notice any items of less than fifty dollars unless the administrator considers their publication to be in the public interest.
4. 5. This section is not applicable to sums payable on traveler's checks, money orders, and other written instruments for which the holder is not required to report the name of the apparent owner.
6. The administrator may not publish in the notice any property clearly identified as belonging to a state agency. Property presumed to be state agency property that cannot be clearly identified as belonging to a specific agency also is exempt from public notice requirements.

SECTION 8. AMENDMENT. Section 47-30.1-21.1 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-21.1. Crediting of dividends or increments on stock to owner's account. Whenever property in the form of stock is paid or delivered to the administrator under this chapter, the owner is entitled to receive any dividends or other increments realized or accruing on the stock for as long as the stock is held by the administrator, provided the total amount of cash due the owner exceeds five dollars.

SECTION 9. AMENDMENT. Section 47-30.1-24 of the North Dakota Century Code is amended and reenacted as follows:

47-30.1-24. Filing of claim with administrator - Exempt from open records law.

1. A person, excluding another state, claiming an interest in any property paid or delivered to the administrator may file with the administrator a claim on a form prescribed by the administrator and verified by the claimant.
2. The administrator shall consider each claim within ninety days after it is filed and give written notice to the claimant if the claim is denied in whole or in part. The notice may be given by mailing it to the last address, if any, stated in the claim as the address to which notices are to be sent. If no address for notices is stated in the claim, the notice may be mailed to the last address, if any, of the claimant as stated in the claim. No notice of denial need be given if the claim fails to state either the last address to which notices are to be sent or the address of the claimant.
3. If a claim is allowed, the administrator shall pay over or deliver to the claimant the property or the amount the administrator actually received or the net proceeds if it has been sold by the administrator.

4. Documentation and information submitted by a claimant for the purpose of proving ownership of the property is exempt from the open records law under section 44-04-18.

SECTION 10. AMENDMENT. Subsection 1 of section 47-30.1-35 of the North Dakota Century Code is amended and reenacted as follows:

1. All agreements to pay compensation to recover or assist in the recovery of property reported under section 47-30.1-17, made within twenty-four months after the date payment or delivery is made to the administrator, are unenforceable.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 14

HOUSE BILL NO. 1014
 (Appropriations Committee)
 (At the request of the Governor)

CHILDREN'S SERVICES COORDINATING COMMITTEE

AN ACT to provide an appropriation for defraying the expenses of the children's services coordinating committee; to provide for a report to the legislative council; to amend and reenact sections 54-56-06 and 54-56-07 of the North Dakota Century Code, relating to funds of the children's services coordinating committee; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income to the children's services coordinating committee for the purpose of defraying the expenses of the children's services coordinating committee, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$66,302
Operating expenses	73,398
Grants	<u>2,374,900</u>
Total special funds	<u>\$2,514,600</u>

SECTION 2. ADDITIONAL INCOME - EMERGENCY COMMISSION APPROVAL. All income of the children's services coordinating committee in excess of the amount appropriated in section 1 of this Act is appropriated to the children's services coordinating committee, for the biennium beginning July 1, 2003, and ending June 30, 2005, and may be spent only upon authorization of the emergency commission.

SECTION 3. LEGISLATIVE INTENT - FUNCTION OF REGIONAL AND TRIBAL CHILDREN'S SERVICES COORDINATING COMMITTEES. It is the intent of the fifty-eighth legislative assembly that each regional and tribal children's services coordinating committee function as a regional planning committee to monitor and coordinate children's services in each region and that the regional and tribal children's services coordinating committees not directly provide services or programs.

SECTION 4. REFINANCING FUND ALLOCATIONS. Of the federal funds estimated to be generated as a result of participating entities claiming federal administrative cost reimbursements through the department of human services, the following allocations are made for the biennium beginning July 1, 2003, and ending June 30, 2005:

AGENCY/ORGANIZATION	ALLOCATION
Department of human services	10 percent
Children's services coordinating committee - Administration	5 percent
Children's services coordinating committee -	35 percent

Grants to regional and tribal children's services coordinating committees for administrative costs and collaboration efforts

Regional and tribal children's services coordinating committees - Grants to participating entities 50 percent

SECTION 5. REPORT TO LEGISLATIVE COUNCIL. The children's services coordinating committee shall report to an interim committee designated by the legislative council at least twice during the 2003-04 interim on the amount of "refinancing" funds generated and the uses of the funds for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. AMENDMENT. Section 54-56-06 of the North Dakota Century Code is amended and reenacted as follows:

54-56-06. Regional or tribal children's services coordinating committee - Functions. A regional or tribal children's services coordinating committee, if established, must be composed of community volunteers and must maintain its own records. To foster and nurture the broadest base of community support and participation, at least one-third of regional or tribal committee members must be from the private sector. A regional or tribal committee shall:

1. Recruit local organizations to become participating entities to claim federal administrative cost reimbursements through the department of human services.
2. Expend administrative funding received from the state children's services coordinating committee only for costs associated with salaries and benefits, mileage and travel, meals, conferences and workshops, contract services, telephone, office supplies, marketing, printing, postage, dues and subscriptions, and room rent.
3. Reimburse a committee member only for expenses that are not reimbursed by the organization or entity that the member is representing on the regional or tribal committee.
4. Submit all claims received from its participating entities claiming federal administrative cost reimbursements to the department of human services within ninety days of the end of each calendar quarter.
5. Distribute ~~twenty~~ fifty percent of the federal funds generated as a result of a participating entity claiming federal administrative cost reimbursements through the department of human services to the participating entity that generated the federal administrative cost reimbursement.
6. Distribute funds due to participating entities within twenty days of receiving the funds.

A regional or tribal committee may not maintain an unobligated fund balance, excluding income received during the final thirty days of each fiscal year, which exceeds fifty thousand dollars ~~or twenty percent of annual gross income, whichever is less,~~ at the end of each fiscal year.

SECTION 7. AMENDMENT. Section 54-56-07 of the North Dakota Century Code is amended and reenacted as follows:

54-56-07. Operating fund balance. The children's services coordinating committee may not maintain an unobligated operating fund balance, excluding income received during the final thirty days of each fiscal year, which exceeds fifty thousand dollars ~~or twenty percent of annual income allocated for its administrative costs and statewide grants, whichever is less,~~ at the end of each fiscal year.

SECTION 8. EMERGENCY. Section 6 of this Act is declared to be an emergency measure.

Approved April 18, 2003

Filed April 18, 2003

CHAPTER 15**HOUSE BILL NO. 1015**

(Appropriations Committee)
(At the request of the Governor)

INDUSTRIAL COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide a continuing appropriation; to provide for an industrial commission review; to provide an exemption; and to authorize transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

Salaries and wages	\$6,244,663
Operating expenses	1,904,767
Capital assets	68,300
Grants	16,270,000
Bond payments	<u>19,830,990</u>
Total all funds	<u>\$44,318,720</u>
Less estimated income	<u>37,291,836</u>
Total general fund appropriation	<u>\$7,026,884</u>

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$16,527,614
Operating expenses	10,925,665
Capital assets	825,000
Contingencies	<u>1,500,000</u>
Total appropriation from Bank of North Dakota fund	<u>\$29,778,279</u>

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

Partnership in assisting community expansion fund	\$5,700,000
Agriculture partnership in assisting community expansion fund	1,425,000
Beginning farmer	<u>950,000</u>
Total general fund appropriation	<u>\$8,075,000</u>

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$16,690,956
Operating expenses	12,991,196
Contingencies	250,000

Agriculture promotion	<u>50,000</u>
Total appropriation from mill and elevator fund	\$29,982,152

Subdivision 5.

HOUSING FINANCE AGENCY

Salaries and wages	\$3,929,907
Operating expenses	2,391,480
Grants	27,168,380
HFA contingencies	<u>100,000</u>
Total appropriation from housing finance agency fund	\$33,589,767
Grand total general fund appropriation H.B. 1015	\$15,101,884
Grand total special funds appropriation H.B. 1015	\$130,642,034
Grand total all funds appropriation H.B. 1015	\$145,743,918

SECTION 2. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. TRANSFER. The sum of \$66,407, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the North Dakota mill and elevator association. The moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial commission.

SECTION 5. TRANSFER. The sum of \$86,656, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial commission.

SECTION 6. TRANSFER. The sum of \$57,760, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the housing finance agency fund. The moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial commission.

SECTION 7. TRANSFER. The sum of \$20,248, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the revenues of the municipal bond bank. The available moneys must be transferred during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial commission.

SECTION 8. INCOME AUTHORIZATION - STUDENT LOAN TRUST. There is authorized the receipt of fees by the industrial commission in the sum of \$76,655, or so much of the sum as is owed, included in the special funds appropriation line

item in subdivision 1 of section 1 of this Act, from the student loan trust for administrative services rendered by the industrial commission to the extent permitted by sections 54-17-24 and 54-17-25. The fees must be received during the biennium beginning July 1, 2003, and ending June 30, 2005, upon order of the industrial commission.

SECTION 9. TRANSFER - INDUSTRIAL COMMISSION REPORT. The industrial commission shall transfer to the general fund in the state treasury, the sum of \$5,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005. The cumulative transfers during the 2003-05 biennium may not exceed the mill and elevator association's estimated net income for the 2003-05 biennium as projected by the industrial commission. The industrial commission shall report to the fifty-ninth legislative assembly regarding the mill and elevator association's net income to date and estimated net income for the remainder of the 2003-05 biennium.

SECTION 10. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$1,300,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line items in subdivision 1 of section 1 of this Act, is appropriated from the lignite research fund for the purpose of contracting for independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and jobs or that will lead to increased development of lignite and its products and create new jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the Lignite Vision 21 project; for nonmatching externality studies and activities in externality proceedings; or other marketing or environmental activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated herein are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 11. LEGISLATIVE INTENT - LEASE PAYMENTS. The amount of \$19,830,990 included in subdivision 1 of section 1 of this Act in the bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2003, and ending June 30, 2005:

Higher education institutions	\$12,790,689
Department of corrections and rehabilitation - State penitentiary	2,117,009
Department of corrections and rehabilitation - Youth correctional center	554,598
State department of health	387,673
Job service North Dakota	553,594
Department of human services - Southeast human service center	589,075
Department of human services - State hospital	547,608
Department of human services - Developmental center at westwood park, Grafton	627,582
Adjutant general	60,987
Veterans' home improvement fund	<u>235,050</u>
Total	\$18,463,865

University system energy conservation projects	\$1,367,125
Total	\$19,830,990

SECTION 12. APPROPRIATION - TRANSFER. The funds appropriated by subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in assisting community expansion fund established by section 6-09.14-02; the agriculture partnership in assisting community expansion fund established by section 6-09.13-04; and the beginning farmer loan fund established by section 6-09-15.5 in the amounts set out in that subdivision. The Bank of North Dakota may not be construed to be a general fund agency because of the appropriation made by subdivision 3 of section 1 of this Act.

SECTION 13. EXEMPTION. The Bank of North Dakota contingencies appropriation contained in subdivision 2 of section 1 of chapter 40 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the continued development and implementation of systems that provide the Bank of North Dakota and student loans of North Dakota customers with the ability to perform business activity electronically during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 14. INDUSTRIAL COMMISSION REVIEW - OIL AND GAS DIVISION AND GEOLOGICAL SURVEY MERGER - BUDGET SECTION REPORT. The industrial commission shall review the implementation of the merger of the oil and gas division and the geological survey to be accomplished by July 1, 2005. In conducting the review, the industrial commission shall consider allowing the oil and gas director to appoint the state geologist, recommend a name change for the merged oil and gas division and geological survey, and identify efficiencies and savings that will result from the merger. Before November 1, 2004, the industrial commission shall present a report to the budget section regarding the recommendations for the oil and gas division and geological survey merger. The industrial commission shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

³ **SECTION 15. OIL AND GAS DIVISION AND GEOLOGICAL SURVEY EMPLOYEE POSITIONS.** Any full-time equivalent employee position in the oil and gas division and geological survey that becomes vacant because of an employee retirement or an employee resignation must remain vacant for the remainder of the 2003-05 biennium.

Approved May 2, 2003
 Filed May 2, 2003

³ Section 15 was vetoed by the Governor, see chapter 570.

CHAPTER 16

HOUSE BILL NO. 1017

(Appropriations Committee)
(At the request of the Governor)

JOB SERVICE NORTH DAKOTA

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; to provide an exemption; to provide for a legislative council study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying its expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$34,017,882
Operating expenses	14,529,359
Capital assets	39,684
Grants	7,617,792
Work force 2000	<u>1,250,000</u>
Total all funds	\$57,454,717
Less estimated income	<u>56,204,717</u>
Total general fund appropriation	\$1,250,000

SECTION 2. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EXEMPTION. The work force 2000 appropriation contained in section 1 of chapter 42 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$225,000 and any unexpended funds from this appropriation are available to be used to subcontract with the North Dakota manufacturing extension partnership to provide training within industries and lean manufacturing training to North Dakota residents employed at motor coach industries during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. WORK FORCE 2000 FUNDING. Fifty percent of the work force 2000 funding in section 1 of this Act must be used for projects for new or expanding businesses in North Dakota.

SECTION 5. LEGISLATIVE COUNCIL STUDY - WORKFORCE DEVELOPMENT, WORKFORCE TRAINING, PUBLIC LABOR EXCHANGE, AND UNEMPLOYMENT INSURANCE PROGRAM DELIVERY SYSTEMS. The legislative council shall consider studying during the 2003-04 interim the impact of pending federal legislation that would significantly change the respective federal-state responsibilities and funding for workforce development, workforce training, public labor exchange, and unemployment insurance programs. The study should consider appropriate organizational placement within state government for delivery of

workforce development, workforce training, public labor exchange, and unemployment insurance programs, appropriate methods of funding the programs, including replacement of the Federal Unemployment Tax Act funds currently funding the administration of the unemployment insurance and public labor exchange program, and other relevant issues as may be identified. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 6. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 17**HOUSE BILL NO. 1018**

(Appropriations Committee)
(At the request of the Governor)

OFFICE OF ADMINISTRATIVE HEARINGS

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from billing agencies for services, to the office of administrative hearings for the purpose of defraying its expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$938,648
Operating expenses	<u>304,310</u>
Total special funds appropriation	\$1,242,958

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 18

HOUSE BILL NO. 1019 (Appropriations Committee) (At the request of the Governor)

DEPARTMENT OF COMMERCE

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide for a transfer to the general fund; to provide an exemption; to establish a trade promotion authority; to provide a continuing appropriation; to provide for a report to the legislative council; to provide statements of legislative intent; to direct the state tax commissioner to audit the ethanol incentive program; to create and enact a new section to chapter 15-10 and a new subsection to section 54-59-05 of the North Dakota Century Code, relating to centers of excellence and to wide area network services provided by the information technology department; to amend and reenact section 57-38.5-03 of the North Dakota Century Code, relating to the seed capital investment tax credit; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$6,713,340
Operating expenses	8,237,247
Grants	46,585,026
Discretionary grants	1,447,127
North Dakota development fund	1,550,000
Agricultural products utilization	2,983,179
Lewis and Clark bicentennial	<u>951,911</u>
Total all funds	\$68,467,830
Less estimated income	<u>52,353,107</u>
Total general fund appropriation	\$16,114,723

SECTION 2. AGRICULTURE FUEL TAX REFUNDS. The less estimated income line item in section 1 of this Act includes \$575,000 from refunds of tax for fuel used for agricultural purposes, to be used by the agricultural products utilization commission, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EXEMPTION. The funds appropriated in the discretionary grants line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item may be spent during the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 4. EXEMPTION. The funds appropriated in the agricultural products utilization line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item relating to grants awarded

may be available for continued payment of grants awarded but not paid during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 5. STATE TAX COMMISSIONER - AUDIT OF ETHANOL PRODUCTION INCENTIVE PROGRAM. The state tax commissioner shall conduct an audit of the ethanol production incentive program during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. GENERAL FUND TRANSFER. The industrial commission shall transfer to the general fund the sum of \$1,000,000 from the North Dakota student loan trust. The moneys must be transferred as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 7. LEGISLATIVE INTENT - SEED CAPITAL - EARLY STAGE FINANCING. It is the intent of the legislative assembly that the state's seed capital investment tax credit be the primary focus to encourage the availability of seed capital or early stage financing for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 8. USE OF DEVELOPMENT FUND - ADMINISTRATIVE COSTS. Moneys in the development fund may be used for defraying the costs of administering the fund for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 9. ACCOUNTABILITY MEASURES - REPORTING. The commissioner of the department of commerce shall monitor and report annually during the 2003-04 interim to either the budget section or an interim committee designated by the legislative council regarding the following North Dakota economic goals and associated benchmarks:

1. Develop unified efforts for economic development based on collaboration and accountability:
 - a. Site selection ranking of the North Dakota department of commerce.
 - b. Share of local economic development organizations participating in statewide marketing strategy.
2. Strengthen cooperation between the university system, economic development organizations, and private businesses:
 - a. Academic research and development expenditures as percentage of gross state product.
 - b. Industry research and development expenditures as percentage of gross state product.
3. Create quality jobs that retain North Dakota's workforce and attract new high-skilled labor:
 - a. Net job growth.

- b. New private sector businesses per one hundred thousand residents.
 - c. Average annual wage.
 - d. Net migration.
4. Create a strong marketing image that builds on the state's numerous strengths, including workforce, education, and quality of life.
 - a. Positive national and out-of-state media exposure (favorable mentions).
 - b. Number of North Dakota department of commerce web site hits per month.
 - c. Number of leads generated by the North Dakota department of commerce.
 5. Accelerate job growth in sustainable, diversified industry clusters to provide opportunities for the state's economy:
 - a. Net job growth in manufacturing.
 - b. Net job growth in business services.
 - c. New private sector businesses in manufacturing.
 - d. New private sector businesses in business services.
 - e. Number of utility patents per one hundred thousand residents.
 6. Strengthen North Dakota's business climate to increase international competitiveness:
 - a. Gross state product (annual growth rate).
 - b. Venture capital investments (thousands).
 - c. Merchandise export value (per capita).

The department, in cooperation with job service North Dakota, the department of human services, and the university system, shall include in its report the number of individuals trained and the number who became employed as a result of each department's workforce development and training programs, including the state's investment, the areas of occupational training, the average annual salary of those employed, and the average increase in earnings twelve months after completion of training.

SECTION 10. TOURISM DIVISION - LEWIS AND CLARK MARKETING.

Notwithstanding the provisions of Senate Bill No. 2337, as approved by the fifty-eighth legislative assembly, the department of commerce shall use the \$2,900,000 appropriated in Senate Bill No. 2337, only for defraying the tourism division's expenses of marketing the Lewis and Clark bicentennial celebration for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. TOURISM DIVISION - LEWIS AND CLARK MARKETING CONTRACTS. The tourism division of the department of commerce shall request bids for each Lewis and Clark bicentennial-related marketing campaign developed during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. TOURISM DIVISION - REPORTING. The department of commerce shall provide a report to the appropriations committees of the fifty-ninth legislative assembly regarding the tourism division's appropriations and expenditures to date detail for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. LEGISLATIVE INTENT - PARTNERSHIPS WITH INDIAN TRIBES. It is the intent of the legislative assembly that the department of commerce assist in the creation of business partnerships with North Dakota Indian tribes in order to increase primary sector business growth on Indian reservations and other areas of the state for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 14. LEGISLATIVE INTENT - TOURISM LEARNING VACATIONS. It is the intent of the legislative assembly that the tourism division of the department of commerce establish, coordinate, and promote learning vacations in North Dakota for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 15. LEWIS AND CLARK INTERPRETIVE CENTER GRANT. The Lewis and Clark bicentennial line item in section 1 of this Act includes \$150,000 from the general fund for the tourism division for the purpose of providing a grant to the North Dakota Lewis and Clark bicentennial foundation for costs associated with the Lewis and Clark interpretive center near Washburn for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 16. VISITOR RESCUE GRANTS. The discretionary grants line item in section 1 of this Act includes \$25,000 from the general fund for the tourism division for the purpose of reimbursing political subdivisions for extraordinary costs incurred in rescues of visitors to North Dakota tourist attractions for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 17. RED RIVER VALLEY RESEARCH CORRIDOR MARKETING. The discretionary grants line item in section 1 of this Act includes \$200,000 from the general fund for the purpose of contracting with a private organization for conducting a marketing and image-building campaign for the Red River valley research corridor during the second year of the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 18. FORT ABRAHAM LINCOLN GRANT. The Lewis and Clark bicentennial line item in section 1 of this Act includes \$150,000 from the general fund for the tourism division for the purpose of providing a grant to the fort Abraham Lincoln foundation for costs associated with the national guard reconstruction of the seventh cavalry stable, interpretation of the stable, and maintenance and repairs of other fort buildings, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 19. DEVELOPMENT FUND - CENTERS OF EXCELLENCE GRANTS. Notwithstanding chapter 10-30.5, the department of commerce shall provide a grant from the development fund of \$1,250,000 to the North Dakota state university center for technology enterprise and of \$800,000 to the university of North Dakota center for innovation. The department shall provide the grant on October 1, 2003.

SECTION 20. LEGISLATIVE INTENT - INTERNSHIP PROGRAM. It is the intent of the legislative assembly that the department of commerce workforce development division develop an internship program involving its internet web site and in conjunction with North Dakota university system programs.

SECTION 21. TRADE PROMOTION AUTHORITY - REPORT TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The department of commerce shall establish a trade promotion authority for promoting North Dakota products and improving international trade of North Dakota products for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall use \$75,000 from the general fund appropriated in the operating expenses line item in section 1 of this Act for operating costs of the authority for the 2003-05 biennium. The department shall report to the appropriations committees of the fifty-ninth legislative assembly regarding its recommendations to improve trade of North Dakota products with other countries and to overcome trade barriers and its recommendation regarding continuation of the trade promotion authority.

SECTION 22. GIFTS, GRANTS, AND OTHER INCOME - CONTINUING APPROPRIATION. The department of commerce may accept gifts, grants, or other income for use by the trade promotion authority which are hereby appropriated for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 23. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Centers of excellence.

1. The state board of higher education shall establish a centers of excellence program relating to economic development consistent with the purpose under subsection 2. The board shall designate centers of excellence. A designation by the board of a center of excellence within the economic development category does not preclude the board or a higher education institution from designating a center of excellence in an academic or service area. Centers of excellence relating to economic development include the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation.

Before January 1, 2004, the board, in consultation with the North Dakota economic development foundation and with private sector input, shall establish definitions and eligibility criteria for centers of excellence relating to economic development. The board shall present the definitions and eligibility criteria for the centers of excellence relating to economic development to an interim committee designated by the legislative council. The North Dakota economic development foundation may identify and recommend high priority centers of excellence relating to economic development for consideration by the state board of higher education for future budget requests.

2. The purpose of the program is to develop and engage strategies for science and technology research and development, commercialization, entrepreneurship, infrastructure, growth and expansion of knowledge-based industries, and activities in the state to develop innovative approaches that expand the gross state product; to assist efforts to attract private and federal assistance for science and technology research and development and for commercialization in

growth clusters most likely to increase the gross state product; to increase collaboration among state, federal, and private research and development and technology commercialization organizations in the state; to strengthen the leadership and support of the national science foundation experimental program to stimulate competitive research programs and to encourage partnerships with other state institutions for expanded efforts to stimulate economic growth in identified industry clusters; to provide leadership in science and technology policy at a regional, a national, and an international level; and to create employment opportunities for North Dakota university system graduates. Identified industry clusters include advanced manufacturing, aerospace, energy, information and technology, tourism, and value-added agriculture.

3. The state board of higher education shall allocate funds from appropriations for undesignated centers of excellence relating to economic development based on the criteria established and shall report on such allocations, in partnership with the North Dakota economic development foundation, to the budget section. A recipient of funds under this section shall use the funds to enhance capacity, enhance infrastructure, and leverage state, federal, and private sources of funding. Funds awarded under this section may not be used to supplant funding for current operations or academic instruction or to pay indirect costs. The board may award funds under this section to research universities, university-related foundations, and public institutions that are located in the state which demonstrate the potential to deliver expertise and service to industry clusters that will contribute to the gross state product. A recipient of funds under this section which is an institution of higher education under the control of the board of higher education or which is a nonprofit university-related foundation shall:
- a. Provide the board of higher education with documentation of the availability of two dollars of matching funds for each dollar of funds awarded under this section as a condition of eligibility for receipt of funds under this section; and
 - b. Provide the board of higher education, governor, and North Dakota economic development foundation with annual reports for four fiscal years following receipt of the funds.

⁴ **SECTION 24.** A new subsection to section 54-59-05 of the North Dakota Century Code is created and enacted as follows:

Notwithstanding subsection 11, the department may provide wide area network services for a period not to exceed four years to an occupant of a technology park associated with an institution of higher education or to a business located in a business incubator associated with an institution of higher education.

⁴ Section 54-59-05 was also amended by section 4 of House Bill No. 1043, chapter 503, and section 3 of House Bill No. 1043, chapter 503.

SECTION 25. AMENDMENT. Section 57-38.5-03 of the North Dakota Century Code is amended and reenacted as follows:

57-38.5-03. Seed capital investment tax credit. If a taxpayer makes a qualified investment in a qualified business, the taxpayer is entitled to a credit against state income tax liability under section 57-38-29 or 57-38-30.3. The amount of the credit to which a taxpayer is entitled is ~~thirty~~ forty-five percent of the amount invested by the taxpayer in qualified businesses during the taxable year, subject to the following:

1. The aggregate annual investment for which a taxpayer may obtain a tax credit under this section is not less than five thousand dollars and not more than two hundred fifty thousand dollars. This subsection may not be interpreted to limit additional investment by a taxpayer for which that taxpayer is not applying for a credit.
2. In any taxable year, a taxpayer may claim no more than ~~fifty percent~~ one-third of the credit under this section which is attributable to investments in a single taxable year.
3. Any amount of credit under this section not allowed because of the limitations in this section may be carried forward for up to four taxable years after the taxable year in which the investment was made.
4. A partnership that invests in a qualified business must be considered to be the taxpayer for purposes of the investment limitations in this section and the amount of the credit allowed with respect to a partnership's investment in a qualified business must be determined at the partnership level. The amount of the total credit determined at the partnership level must be allowed to the partners, limited to individuals, estates, and trusts, in proportion to their respective interests in the partnership.
5. The investment must be at risk in the business. An investment for which a credit is received under this section must remain in the business for at least three years.
- ~~6.~~ ~~Tax credits for investments in one qualified business may not exceed two hundred fifty thousand dollars.~~
- ~~7.~~ 6. The entire amount of an investment for which a credit is claimed under this section must be expended by the qualified business for plant, equipment, research and development, marketing and sales activity, or working capital for the qualified business.
- ~~8.~~ 7. A taxpayer who owns a controlling interest in the qualified business or whose full-time professional activity is the operation of the business is not entitled to a credit under this section. A member of the immediate family of a taxpayer disqualified by this subsection is not entitled to the credit under this section. For purposes of this subsection, "immediate family" means the taxpayer's spouse, parent, sibling, or child or the spouse of any such person.
- ~~9.~~ 8. The tax commissioner may disallow any credit otherwise allowed under this section if any representation by a business in the application for certification as a qualified business proves to be false or if the taxpayer

or qualified business fails to satisfy any conditions under this section or any conditions consistent with this section otherwise determined by the tax commissioner. The amount of any credit disallowed by the tax commissioner that reduced the taxpayer's income tax liability for any or all applicable tax years, plus penalty and interest as provided under section 57-38-45, must be paid by the taxpayer.

SECTION 26. EFFECTIVE DATE. Section 25 of this Act is effective for taxable years beginning after December 31, 2002.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 19

HOUSE BILL NO. 1020 (Appropriations Committee) (At the request of the Governor)

BOARD FOR VOCATIONAL AND TECHNICAL EDUCATION

AN ACT to provide an appropriation for defraying the expenses of the state board for vocational and technical education; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for vocational and technical education for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$2,966,641
Operating expenses	956,237
Grants	19,291,883
Adult farm management	625,760
Workforce training	1,350,000
Postsecondary education vocational grants	357,452
Total all funds	\$25,547,973
Less estimated income	<u>10,874,500</u>
Total general fund appropriation	<u>\$14,673,473</u>

SECTION 2. LEGISLATIVE INTENT - HIGHER EDUCATION FUNDING. It is the intent of the fifty-eighth legislative assembly that the funds totaling \$1,350,000 included in the state board for vocational and technical education for workforce training be considered by the North Dakota university system as a part of higher education's share of total general fund spending.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 20

HOUSE BILL NO. 1021

(Appropriations Committee)
(At the request of the Governor)

EXTENSION SERVICE, CROPS INSTITUTE, TRANSPORTATION INSTITUTE, RESEARCH CENTERS, AND SEED FARM

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide legislative intent; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$33,567,597
Soil conservation committee	<u>778,679</u>
Total all funds	\$34,346,276
Less estimated income	<u>20,486,830</u>
Total general fund appropriation	\$13,859,446

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds	\$1,523,347
Less estimated income	<u>777,345</u>
Total general fund appropriation	\$746,002

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds	\$10,844,750
Less estimated income	<u>10,361,651</u>
Total general fund appropriation	\$483,099

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds	\$60,517,214
Less estimated income	<u>32,306,474</u>
Total general fund appropriation	\$28,210,740

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$5,281,134
Central grasslands research center	1,667,387
Hettinger research center	1,521,475
Langdon research center	1,282,885
North central research center	1,712,510
Williston research center	1,643,075
Carrington research center	<u>3,326,616</u>
Total all funds	\$16,435,082
Less estimated income	<u>8,967,403</u>
Total general fund appropriation	\$7,467,679

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	<u>\$1,166,604</u>
Total special funds appropriation	\$1,166,604
Grand total general fund appropriation H.B. 1021	\$50,766,966
Grand total special funds appropriation H.B. 1021	\$74,066,307
Grand total all funds appropriation H.B. 1021	\$124,833,273

SECTION 2. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act and shall notify the office of management and budget within ten days following the transfer.

SECTION 4. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education is authorized to adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget before submission of the 2005-07 budget request.

SECTION 5. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations or revenues are available and may be expended by those entities during the biennium beginning July 1, 2005, and ending June 30, 2007.

SECTION 6. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$120,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of

constructing chemical handling facilities at select research centers, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. ESTIMATED INCOME - MINOR USE PESTICIDE FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$250,000, or so much of the sum as may be necessary, from the minor use pesticide fund for the purpose of defraying the expenses of minor use pesticide research programs, for the biennium beginning July 1, 2003, and ending June 30, 2005. These funds may be transferred upon approval of the crop protection product harmonization and registration board.

SECTION 8. LEGISLATIVE INTENT - BEEF SYSTEMS CENTER OF EXCELLENCE. It is the intent of the fifty-eighth legislative assembly that a beef systems center of excellence be established by the department of animal and range science with the \$800,000 appropriation provided in subdivision 4 of section 1 of this Act in accordance with the provisions of 2003 Senate Bill No. 2334.

SECTION 9. AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION FUND - TRANSFER. Notwithstanding the provisions of chapter 6-09.13, the Bank of North Dakota shall transfer \$800,000 from the agriculture partnership in assisting community expansion fund to the main research center. The transfer may not be made until \$1,000,000 of federal funds and \$1,000,000 of special funds from private contributions has been collected for the establishment of a beef systems center of excellence.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 21

HOUSE BILL NO. 1023 (Appropriations Committee) (At the request of the Governor)

CAPITAL IMPROVEMENTS

AN ACT to provide an appropriation for capital projects of various state departments; to provide an appropriation for the state facility energy improvement capital project of the department of corrections and rehabilitation; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide for a legislative council study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act and ending June 30, 2005. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2005. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2005, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered into before that date. The proceeds of the evidences of indebtedness and other available funds are appropriated to the agencies listed in this section, beginning with the effective date of this Act and ending June 30, 2005, for the following projects:

State department of health east laboratory remodeling	\$614,865
State department of health morgue and storage annex construction	960,000
Department of corrections and rehabilitation - James River correctional center phase II	<u>2,662,890</u>
Total special funds appropriation	\$4,237,755

The bonding authority provided for the state department of health east laboratory remodeling project in the amount of \$614,865 must be reduced by any available moneys the department is able to use from the funding provided by the centers for disease control and prevention and health resources and services administration for bioterrorism programs.

SECTION 2. STATE FACILITY ENERGY IMPROVEMENT PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, which are described in a report dated August 29, 2002, filed with the governor by the division of community services of the department of commerce, and which are declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2 and section 54-44.5-08, beginning with the effective date of this Act and ending June 30, 2005. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2005, but the industrial commission may continue to exercise all other powers

granted to it under chapter 54-17.2, section 54-44.5-08, and this Act, and comply with any covenants entered into before that date. The proceeds of the evidences of indebtedness and other available funds are appropriated to the agencies and institutions listed in this section, beginning with the effective date of this Act and ending June 30, 2005, for the following projects:

Department of corrections and rehabilitation - Missouri River correctional center	<u>\$105,326</u>
Total special funds appropriation	\$105,326

SECTION 3. LEGISLATIVE COUNCIL STUDY - CAPITAL CONSTRUCTION LEASE PAYMENT LIMITATION. The legislative council shall consider studying, during the 2003-04 interim, the provisions of section 54-17.2-23 of the North Dakota Century Code regarding the statutory limitation on the amount of capital construction lease payments paid from the general fund and the effect of increasing the percentage limitation. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 22

SENATE BILL NO. 2001 (Appropriations Committee) (At the request of the Governor)

GOVERNOR

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the governor for the purpose of defraying the expenses of the governor, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$2,009,850
Operating expenses	265,736
Grants	760,000
Contingencies	10,000
Roughrider awards	10,800
Presidential electors	500
Governor's transition in	15,000
Governor's transition out	<u>40,000</u>
Total all funds	\$3,111,886
Less estimated income	<u>780,000</u>
Total general fund appropriation	\$2,331,886

SECTION 2. APPROPRIATION - AUTHORIZATION - GOVERNOR'S OFFICE. The governor's office may receive and expend any federal or private funds which are appropriated which become available during the biennium beginning July 1, 2003, and ending June 30, 2005.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 23

SENATE BILL NO. 2002

(Appropriations Committee)
(At the request of the Governor)

SECRETARY OF STATE

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$2,153,618
Operating expenses	2,025,589
Petition review	8,000
Election reform	<u>9,500,000</u>
Total all funds	\$13,687,207
Less estimated income	<u>9,880,363</u>
Total general fund appropriation	\$3,806,844

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	\$336,000
Total general fund appropriation	<u>\$336,000</u>
Grand total general fund appropriation S.B. 2002	\$4,142,844
Grand total special funds appropriation S.B. 2002	\$9,880,363
Grand total all funds appropriation S.B. 2002	\$14,023,207

SECTION 2. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 2 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used as state matching funds for federal election reform funding available to the state, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EMERGENCY. The election reform line item in subdivision 1 of section 1 and section 2 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 24

SENATE BILL NO. 2003 (Appropriations Committee) (At the request of the Governor)

ATTORNEY GENERAL

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact subsection 3 of section 53-06.1-14 of the North Dakota Century Code, relating to administration of gaming stamps; to provide a contingent appropriation; to provide an exemption; to provide for racing commission expenses; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$18,461,301
Operating expenses	7,995,471
Capital assets	1,830,250
Grants	5,891,560
Litigation fees	50,000
Arrest and return of fugitives	10,000
Gaming commission	5,109
Total all funds	<u>\$34,243,691</u>
Less estimated income	17,429,474
Total general fund appropriation	<u>\$16,814,217</u>

SECTION 2. CONTINGENT APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$240,000, or so much of the sum as may be necessary, to the attorney general for the purpose of defraying the expenses of defending the state's school finance system for the biennium beginning July 1, 2003, and ending June 30, 2005. These funds may be spent only if the attorney general is required to defend the state in a lawsuit involving the state's school finance system during the 2003-05 biennium.

SECTION 3. EXEMPTION. The appropriation contained in section 1 of chapter 3 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$66,000, and this amount may be used by the attorney general for defraying the expenses associated with conducting criminal background checks during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. ATTORNEY GENERAL REFUND FUND - EXCEPTION. Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2003.

SECTION 5. ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND - LOCAL GAMING ENFORCEMENT GRANTS. The line item entitled grants in section 1 of this Act includes \$617,000 for local gaming enforcement grants.

SECTION 6. FIRE AND TORNADO FUND - FEES. The attorney general shall charge and collect fees for services provided by the state fire marshal program to entities covered by the fire and tornado fund under chapter 26.1-22. Fees under this section may be collected in amounts of up to a total of \$300,000 for the biennium beginning July 1, 2003, and ending June 30, 2005. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 7. PETROLEUM RELEASE COMPENSATION FUND - FEES. The attorney general shall charge and collect fees for services provided by the state fire marshal program to entities covered by the petroleum release compensation fund under chapter 23-37. Fees under this section may be collected in amounts of up to a total of \$35,000 for the biennium beginning July 1, 2003, and ending June 30, 2005. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 8. ESTIMATED INCOME - RACING PROMOTION, PURSE, AND BREEDERS' FUNDS. Notwithstanding section 53-06.2-11, the estimated income line item in section 1 of this Act includes \$50,000 from the racing promotion fund, \$50,000 from the purse fund, and \$50,000 from the breeders' fund for the purpose of defraying the administrative and operating costs of the racing commission for the biennium beginning July 1, 2003, and ending June 30, 2005.

⁵ **SECTION 9. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the North Dakota Century Code is amended and reenacted as follows:

3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs and bingo cards, punchboard, sports pool board, calcutta board, and series of paddlewheel ticket cards sold and shall purchase the stamps from the attorney general for thirty-five cents each. Ten cents of each stamp sold, up to thirty-six thousand dollars per biennium, must be credited to the attorney general's operating fund to defray the costs of issuing and administering the gaming stamps.

SECTION 10. EMERGENCY. Sections 3 and 4 of this Act are declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

⁵ Section 53-06.1-14 was also amended by section 1 of House Bill No. 1404, chapter 451, and section 10 of Senate Bill No. 2148, chapter 449.

CHAPTER 25

SENATE BILL NO. 2004 (Appropriations Committee) (At the request of the Governor)

STATE AUDITOR

AN ACT to provide an appropriation for defraying the expenses of the state auditor; and to amend and reenact subsection 4 of section 54-10-01 of the North Dakota Century Code, relating to the powers and duties of the state auditor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$5,981,437
Operating expenses	<u>717,771</u>
Total all funds	\$6,699,208
Less estimated income	<u>2,117,976</u>
Total general fund appropriation	\$4,581,232

SECTION 2. APPROPRIATION. Section 1 of this Act includes an appropriation of up to \$1,264,865 in funds generated by the state auditor from political subdivision audit service fees for the period beginning July 1, 2003, and ending June 30, 2005. Any amount in excess of \$1,264,865 must be deposited in the state auditor operating account and made available for appropriation after June 30, 2005.

⁶ **SECTION 3. AMENDMENT.** Subsection 4 of section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

⁶ Section 54-10-01 was also amended by section 4 of House Bill No. 1243, chapter 454.

4. Perform or provide for performance audits of state agencies as determined necessary by the state auditor or the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 26**SENATE BILL NO. 2005**
(Appropriations Committee)
(At the request of the Governor)**STATE TREASURER**

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$593,830
Operating expenses	122,554
In lieu of tax payments	<u>1,910,000</u>
Total general fund appropriation	\$2,626,384

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 27

SENATE BILL NO. 2006

(Appropriations Committee)
(At the request of the Governor)

TAX COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit; to provide for an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; and to provide for a legislative council study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state tax commissioner for the purpose of defraying the expenses of the state tax commissioner and paying the state reimbursement under the homestead tax credit, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$12,806,112
Operating expenses	4,438,627
Capital assets	25,000
Homestead tax credit	4,000,000
Total all funds	\$21,269,739
Less estimated income	115,044
Total general fund appropriation	\$21,154,695

SECTION 2. TRANSFER. There is transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of \$1,396,200 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

SECTION 3. EXEMPTION. The appropriation contained in section 1 of chapter 6 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$110,000, and this amount may be spent for information technology projects for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. LEGISLATIVE COUNCIL STUDY - ELIMINATION OF ESTATE TAX. The legislative council shall consider studying, during the 2003-04 interim, with assistance from the tax commissioner, the effect on cities and counties of repeal of the estate tax. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 28**SENATE BILL NO. 2007**
(Appropriations Committee)
(At the request of the Governor)**LABOR COMMISSIONER**

AN ACT to provide an appropriation for defraying the expenses of the labor commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other special funds derived from federal funds, to the labor commissioner for the purpose of defraying the expenses of the labor commissioner, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$944,532
Operating expenses	<u>163,113</u>
Total all funds	\$1,107,645
Less estimated income	<u>229,698</u>
Total general fund appropriation	\$877,947

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 29

SENATE BILL NO. 2008

(Appropriations Committee)
(At the request of the Governor)

PUBLIC SERVICE COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to provide for repayment of funding; to provide for legislative council studies; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$4,771,497
Operating expenses	1,197,261
Capital assets	35,011
Grants	62,000
Abandoned mined lands contractual services	3,668,492
Rail rate complaint case	<u>250,000</u>
Total all funds	\$9,984,261
Less estimated income	<u>6,072,767</u>
Total general fund appropriation	\$3,911,494

SECTION 2. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$225,000, or so much of the sum as may be necessary, from the state rail fund, maintained by the department of transportation under section 49-17.1-02.1, and \$25,000 from other sources, to pay the costs associated with the initial stage of a rail rate complaint case. The commission must have written commitments for the \$25,000 from other sources before spending any moneys from the state rail fund.

SECTION 3. REPAYMENT OF FUNDING. The public service commission shall reimburse the state rail fund for any amounts transferred from proceeds that may result from a successful outcome of the rail rate study and rail rate complaint case.

SECTION 4. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION DUTIES. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of transferring inspection and standards functions performed by various state agencies to the public service commission, including the potential cost-savings and efficiencies that may be realized by training and certifying employees to conduct multiple inspection duties. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 5. LEGISLATIVE COUNCIL STUDY - PUBLIC SERVICE COMMISSION FUNDING. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of funding the public service commission entirely from special fund revenue sources. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 6. EMERGENCY. The rail rate complaint case line item in section 1 and section 2 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 30

SENATE BILL NO. 2009

(Appropriations Committee)
(At the request of the Governor)

AGRICULTURE COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide for the continuation of an agricultural pesticide and pesticide container disposal program; to amend and reenact sections 4-37-03 and 4-37-04, subsection 1 of section 19-13.1-03, and section 19-14-04 of the North Dakota Century Code, relating to powers, duties, and funding for the agriculture in the classroom program and pet food and livestock medicine registration fees; to provide for a transfer of funds; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$4,494,970
Operating expenses	3,359,825
Capital assets	8,000
Grants	100,000
Board of animal health	869,464
State meat inspection	763,461
Pride of Dakota	180,948
Wildlife services	800,000
Safe send	308,870
Noxious weeds	1,346,836
Crop protection product harmonization and registration board	<u>25,000</u>
Total all funds	\$12,257,374
Less estimated income	<u>8,068,849</u>
Total general fund appropriation	\$4,188,525

SECTION 2. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$2,264,453, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture department programs, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. ANHYDROUS AMMONIA STORAGE INSPECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$54,496, or so much of the sum as may be necessary, from the anhydrous ammonia storage inspection fund for the purpose of defraying the expenses of regulating anhydrous

ammonia storage facilities, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$700,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various agriculture department programs for the biennium beginning July 1, 2003, and ending June 30, 2005. The agriculture commissioner, including the board of animal health, may spend moneys from the game and fish department operating fund only after costs for the various agriculture department programs have been incurred.

SECTION 5. PESTICIDE AND PESTICIDE CONTAINER DISPOSAL PROGRAM - PESTICIDE CONTAINER MANAGEMENT - COMPENSATION.

1. The definitions contained in section 4-35-05 apply to this section.
2. In consultation with an advisory board consisting of the state health officer, director of the North Dakota state university extension service, two individuals representing agribusiness organizations, and two individuals representing farm organizations, all of whom must be selected by the agriculture commissioner, the commissioner shall continue to implement the project authorized by section 1 of chapter 77 of the 2001 Session Laws, which is known as project safe send. The purpose of the project is to:
 - a. Collect and either recycle or dispose of unusable pesticides and unusable pesticide containers. The commissioner shall provide for the establishment and operation of temporary collection sites for the pesticides and pesticide containers. The commissioner may limit the type and quantity of pesticides and pesticide containers acceptable for collection.
 - b. Promote proper pesticide container management. In consultation with the director of the North Dakota state university extension service, the commissioner shall evaluate and promote proper methods of pesticide container management, including information on the variety of pesticide containers available.
3. Any entity collecting pesticide containers or unusable pesticides shall manage and dispose of the containers and pesticides in compliance with applicable federal and state requirements. When called upon, any state agency shall assist the commissioner in implementing the project.
4. For services rendered in connection with the design and implementation of this project, the members selected by the commissioner are entitled to reimbursement for mileage and travel expenses in the same manner and for the same amounts provided for state employees and officials. Compensation and expense reimbursement must be paid from the environment and rangeland protection fund.

SECTION 6. PROJECT SCOPE AND EVALUATION. The project described in section 5 of this Act must occur in areas to be determined by the agriculture commissioner in consultation with the advisory board under subsection 2 of section 5 of this Act.

SECTION 7. PROJECT SAFE SEND PESTICIDE AND PESTICIDE CONTAINER COLLECTION - USER FEES. The agriculture commissioner, in consultation with the advisory board for the project safe send pesticide and pesticide container disposal program, may charge a fee for collection of rinsate. The fees must be established at a level that will generate enough revenue to cover the cost of disposal associated with the rinsate that is collected. Collections from this fee must be deposited in the environment and rangeland protection fund.

⁷ **SECTION 8. AMENDMENT.** Section 4-37-03 of the North Dakota Century Code is amended and reenacted as follows:

4-37-03. Purpose - Powers and duties. The agriculture in the classroom council shall provide grants and contracts to individuals and organizations that conduct an agriculture in the classroom program to develop agricultural curriculum activities and train teachers in these agricultural curriculum activities for grades kindergarten through twelve in this state's public school system. The council shall work with all educators, including the superintendent of public instruction, the state board for vocational and technical education, the United States department of agriculture, and the state agriculture commissioner in accomplishing its purpose. The council shall render services consistent with this purpose which include:

1. Consultations with the state superintendent of public instruction, the state board for vocational and technical education, the state agriculture commissioner, and the United States department of agriculture.
2. Preparation of instructional, informational, and reference publications on the North Dakota agricultural economy and rural lifestyles.
3. Provide training programs for public school teachers in developed agricultural curriculum activities.
4. Encourage research on and identification of new instructional, informational, and reference publications relating to this state's agricultural economy and rural lifestyles.
5. Monitor the quality and condition of the agriculture in the classroom program.

SECTION 9. AMENDMENT. Section 4-37-04 of the North Dakota Century Code is amended and reenacted as follows:

4-37-04. Gifts and grants. In order to carry out its duties under this chapter, the agriculture in the classroom council may contract for and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources. Additional income must be spent for the purpose designated, if any, in the gift, grant, or donation. The funds must be used to contract with individuals or organizations that conduct an agriculture in the classroom program to carry out the purposes of this chapter.

⁷ Section 4-37-03 was also amended by section 3 of House Bill No. 1183, chapter 138.

SECTION 10. AMENDMENT. Subsection 1 of section 19-13.1-03 of the North Dakota Century Code is amended and reenacted as follows:

1. Each pet food and specialty pet food must be registered before being distributed in this state. The application for registration must be submitted on forms furnished by the commissioner. The application must be accompanied by a label and any other printed matter describing each product and the registration fee of ~~fifty~~ one hundred dollars per product. Upon approval by the commissioner, a certificate of registration must be furnished to the applicant. Registrations are not transferable. Registration covers a two-year period beginning January first and ending December thirty-first. Registration renewals received after January thirty-first must be assessed a penalty fee of ten dollars per product. Products found marketed in this state without proper registration must be assessed the penalty fee of twenty-five dollars.

⁸ **SECTION 11. AMENDMENT.** Section 19-14-04 of the North Dakota Century Code is amended and reenacted as follows:

19-14-04. Registration fee. Prior to each two-year registration, a registration fee of ~~twenty~~ forty dollars must be paid to the ~~commissioner of~~ agriculture commissioner for each livestock medicine that is registered.

SECTION 12. AGRICULTURE IN THE CLASSROOM - 2003-05 BIENNIUM CONTRACTS. The department of agriculture shall contract for a minimum of \$100,000 of services with individuals or organizations for the agriculture in the classroom program during the 2003-05 biennium.

SECTION 13. TRANSFER. The state treasurer shall transfer \$200,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund to the minor use pesticide fund, during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 14. EXPIRATION DATE. Sections 5, 6, and 7 of this Act are effective through July 31, 2007, and after that date are ineffective.

Approved May 2, 2003
Filed May 2, 2003

⁸ Section 19-14-04 was also amended by section 4 of House Bill No. 1128, chapter 185.

CHAPTER 31

SENATE BILL NO. 2010

(Appropriations Committee)
(At the request of the Governor)

INSURANCE COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, and from other special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$4,698,378
Operating expenses	1,781,501
Capital assets	<u>6,900</u>
Total special funds appropriation	\$6,486,779

SECTION 2. APPROPRIATION - INSURANCE TAX PAYMENTS TO FIRE DEPARTMENTS AND NORTH DAKOTA FIREFIGHTER'S ASSOCIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$5,304,000, or so much of the sum as may be necessary, to the insurance commissioner, of which \$5,200,000 is for the purpose of making payments of insurance premiums to fire departments and \$104,000 is for the purpose of making two equal payments to the North Dakota firefighter's association for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. BONDING FUND. Section 1 of this Act includes the sum of \$35,000, or so much of the sum as may be necessary, from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. FIRE AND TORNADO FUND. Section 1 of this Act includes the sum of \$813,576, or so much of the sum as may be necessary, from the state fire and tornado fund to pay fire and tornado fund administrative expenses for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 5. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes the sum of \$35,000, or so much of the sum as may be necessary, from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. PETROLEUM TANK RELEASE COMPENSATION FUND. Section 1 of this Act includes the sum of \$80,000, or so much of the sum as may be necessary, from the petroleum tank release compensation fund to pay petroleum

tank release compensation fund administrative expenses for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. ANHYDROUS AMMONIA STORAGE FACILITY INSPECTION FUND. Section 1 of this Act includes the sum of \$175,000, or so much of the sum as may be necessary, from the anhydrous ammonia storage facility inspection fund to pay for anhydrous ammonia tank inspection costs, for the biennium beginning July 1, 2003, and ending June 30, 2005.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 32**SENATE BILL NO. 2011**

(Appropriations Committee)
 (At the request of the Governor)

SECURITIES COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the securities commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the investor education and technology fund, to the securities commissioner for the purpose of defraying the expenses of the office of the securities commissioner, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$925,523
Operating expenses	<u>466,222</u>
Total all funds	\$1,391,745
Less estimated income	<u>311,580</u>
Total general fund appropriation	\$1,080,165

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 33

SENATE BILL NO. 2012
 (Appropriations Committee)
 (At the request of the Governor)

HUMAN SERVICES

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide for the transfer of appropriation authority between agencies and institutions; to provide an exception; to provide for legislative council studies; to provide statements of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services and its various divisions, for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

ADMINISTRATION - SUPPORT

Salaries and wages	\$11,016,285
Operating expenses	33,567,188
Capital assets	2,694
Developmentally disabled facility loan fund	<u>3,261,556</u>
Total all funds	<u>\$47,847,723</u>
Less estimated income	<u>34,130,107</u>
Total general fund appropriation	<u>\$13,717,616</u>

Subdivision 2.

PROGRAM/POLICY MANAGEMENT

Salaries and wages	\$22,053,781
Operating expenses	37,381,409
Capital assets	39,672
Grants	288,837,725
Grants - Medical assistance	918,049,664
Total all funds	<u>\$1,266,362,251</u>
Less estimated income	<u>956,761,496</u>
Total general fund appropriation	<u>\$309,600,755</u>

Subdivision 3.

MENTAL HEALTH COMMUNITY SERVICES CONTINGENCY

Total general fund appropriation	\$250,000
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NORTHWEST HUMAN SERVICE CENTER

Total all funds	\$7,275,679
Less estimated income	<u>3,645,640</u>
Total general fund appropriation	<u>\$3,630,039</u>

NORTH CENTRAL HUMAN SERVICE CENTER		
Total all funds		\$14,564,870
Less estimated income		<u>6,723,674</u>
Total general fund appropriation		\$7,841,196
LAKE REGION HUMAN SERVICE CENTER		
Total all funds		\$8,420,933
Less estimated income		<u>3,782,973</u>
Total general fund appropriation		\$4,637,960
NORTHEAST HUMAN SERVICE CENTER		
Total all funds		\$19,441,183
Less estimated income		<u>11,444,820</u>
Total general fund appropriation		\$7,996,363
SOUTHEAST HUMAN SERVICE CENTER		
Total all funds		\$20,724,542
Less estimated income		<u>11,215,222</u>
Total general fund appropriation		\$9,509,320
SOUTH CENTRAL HUMAN SERVICE CENTER		
Total all funds		\$11,358,975
Less estimated income		<u>5,731,868</u>
Total general fund appropriation		\$5,627,107
WEST CENTRAL HUMAN SERVICE CENTER		
Total all funds		\$17,584,844
Less estimated income		<u>9,121,635</u>
Total general fund appropriation		\$8,463,209
BADLANDS HUMAN SERVICE CENTER		
Total all funds		\$8,924,627
Less estimated income		<u>4,558,723</u>
Total general fund appropriation		\$4,365,904
STATE HOSPITAL		
Total all funds		\$41,889,561
Less estimated income		<u>16,405,360</u>
Total general fund appropriation		\$25,484,201
DEVELOPMENTAL CENTER		
Total all funds		\$40,761,057
Less estimated income		<u>31,949,828</u>
Total general fund appropriation		\$8,811,229
Total all funds - Subdivision 3		\$191,196,271
Total estimated income - Subdivision 3		\$104,579,743
Total general fund appropriation - Subdivision 3		\$86,616,528
Grand total general fund appropriation S.B. 2012		\$410,984,899
Grand total special funds appropriation S.B. 2012		\$1,097,596,346
Grand total all funds appropriation S.B. 2012		\$1,508,581,245

SECTION 2. APPROPRIATION - HEALTH CENTER GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing grants to community entities to support community development and grant writing services for the purpose of health center grant application submission, for the biennium

beginning July 1, 2003, and ending June 30, 2005. The department may not award an individual grant of more than \$10,000.

SECTION 3. APPROPRIATION - LEGISLATIVE INTENT. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,000,000, or so much of the sum as may be necessary, and from federal funds, the sum of \$2,125,000 to the department of human services for the purpose of supplementing other appropriations provided for the medical assistance program, the developmental center, the state hospital, and home and community-based services programs for the biennium beginning July 1, 2003, and ending June 30, 2005. It is the intent of the legislative assembly that whenever possible, the department use the general fund moneys appropriated under this section to maximize federal funding for these programs and functions.

SECTION 4. LEGISLATIVE INTENT - DEVILS LAKE CHILD SUPPORT ENFORCEMENT UNIT. It is the intent of the legislative assembly that the fifty-ninth legislative assembly consider removing general fund support for the Devils Lake child support enforcement unit reservation project if the project's performance results do not improve during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 5. LANDS AND MINERALS TRUST FUND. The sum of \$3,261,556, or so much of the sum as may be necessary, included in the developmentally disabled facility loan fund line item in subdivision 1 of section 1 of this Act, may be expended by the department of human services from the lands and minerals trust fund for the purpose of making payments of principal and interest to the common schools trust fund on any loans made from it pursuant to the developmentally disabled loan fund program nos. 2 and 3, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. HEALTH CARE TRUST FUND - TRANSFER TO GENERAL FUND. The office of management and budget shall transfer \$35,911,035 from the health care trust fund to the general fund during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act, and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2003, and ending June 30, 2005. The department shall notify the office of management and budget of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2004, any transfers made in excess of \$50,000 and to the appropriations committees of the fifty-ninth legislative assembly regarding any transfers made pursuant to this section.

SECTION 8. FEDERAL TANF BLOCK GRANT PROGRAMS - EXPENDITURE LIMIT. The department of human services shall make the changes necessary to programs utilizing funding from the temporary assistance for needy families (TANF) block grant to provide that by the end of the 2003-05 biennium, the cumulative funding anticipated to be spent for these programs for each fiscal year does not exceed North Dakota's annual federal TANF block grant allocation, including any incentive or bonus grants awarded to North Dakota.

SECTION 9. MEDICAL SERVICES - COPAYMENTS AND SERVICE LIMITS. The department of human services shall establish a six dollar copayment for medical assistance recipients for each emergency room visit that is not

designated an emergency service by the medical services provider. The department of human services shall establish other service copayments or limits and make other programmatic changes within the medical services program to operate the program within the funding levels approved by the fifty-eighth legislative assembly for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 10. NURSING HOME RATES - EXCEPTION - DIRECT CARE LIMIT. Notwithstanding subsection 4 of section 50-24.4-10, the department of human services shall establish an eighty-five dollar per diem limit, adjusted for inflation under subsection 5 of section 50-24.4-10, on allowable operating costs for direct care services of nursing facilities for purposes of determining nursing facility payment rates for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. SUPPORTED LIVING ARRANGEMENTS FOR INDIVIDUALS WITH DEVELOPMENTAL DISABILITIES - LOCAL MATCHING FUNDS - FUNDING ALLOCATION. The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the general fund for supported living arrangement services for individuals with developmental disabilities. This funding may be spent only if local or private funding is provided for these services on a dollar-for-dollar matching fund basis. The department shall allocate the funding appropriated for this purpose proportionately to each human service region of the state based on the number of individuals with developmental disabilities seeking supported living arrangement services in each region for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 12. LEGISLATIVE INTENT - VOCATIONAL REHABILITATION - SURVEY TIME PERIOD. It is the intent of the legislative assembly that the department of human services only survey vocational rehabilitation clients who become employed regarding job retention and job satisfaction after three months of employment if allowed under federal regulations for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 13. COMPULSIVE GAMBLING TREATMENT SERVICES - LIMITATION. Notwithstanding section 1 of House Bill No. 1243, as approved by the fifty-eighth legislative assembly, the department of human services may not spend in excess of \$400,000 for compulsive gambling treatment services for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 14. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICES ADMINISTRATIVE COSTS. The legislative council shall consider studying, during the 2003-04 interim, administrative costs of human service programs, including costs incurred by the central office of the department of human services, human service centers, and county social services. If studied, the legislative council shall review the effects of the 1997 "swap" legislation on state and county human service program costs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 15. LEGISLATIVE COUNCIL STUDY - CHILDREN WITH SPECIAL HEALTH NEEDS. The legislative council shall consider studying, during the 2003-04 interim, programs providing services to children with special health care needs in North Dakota and service needs of these children which are not available under current programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 16. LEGISLATIVE COUNCIL STUDY - MEDICAID ADVISORY COUNCIL. The legislative council shall consider studying, during the 2003-04 interim, the feasibility and desirability of establishing an advisory council for the medical assistance program of the department of human services. If studied, the legislative council shall consider including representatives of private health care providers on the advisory council. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 17. LEGISLATIVE COUNCIL STUDY - LONG-TERM CARE CONTINUUM. The legislative council shall consider studying, during the 2003-04 interim, North Dakota's long-term care continuum of services, including service delivery methods and payment systems. If studied, the legislative council shall consider the cost-effectiveness of the programs and the appropriateness of rate structures and the nursing home equalized rate policy. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 18. EMERGENCY. The total all funds line item for the state hospital in subdivision 3 of section 1 of this Act includes \$400,000 from special funds for capital construction projects, and the appropriation of that amount is declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 34

SENATE BILL NO. 2013

(Appropriations Committee)
(At the request of the Governor)

PUBLIC INSTRUCTION

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library; to provide an appropriation; to provide for an exemption; to provide for the distribution of special education payments; to provide statements of legislative intent; to create and enact a new section to chapter 54-52 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; to amend and reenact subsection 3 of section 15-39.1-09, subsection 3 of section 54-52-01, subsection 5 of section 54-52-17.4, and subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code, relating to participation by nonteaching employees of the superintendent of public instruction in the public employees retirement system; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of these agencies, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$9,277,686
Operating expenses	13,057,823
Capital assets	15,000
Grants - State school aid	489,379,990
Grants - Teacher compensation payments	51,854,000
Grants - Tuition apportionment	69,495,371
Grants - Special education	49,898,695
Grants - Other grants	<u>182,255,244</u>
Total all funds	\$865,233,809
Less estimated income	<u>266,058,803</u>
Total general fund appropriation	\$599,175,006

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$2,078,571
Operating expenses	1,181,647
Grants	<u>1,396,807</u>
Total all funds	\$4,657,025
Less estimated income	<u>1,629,979</u>
Total general fund appropriation	\$3,027,046

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$4,809,808
Operating expenses	1,102,160
Capital assets	<u>32,723</u>
Total all funds	\$5,944,691
Less estimated income	<u>871,449</u>
Total general fund appropriation	\$5,073,242

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$2,540,292
Operating expenses	698,683
Capital assets	<u>18,233</u>
Total all funds	\$3,257,208
Less estimated income	<u>1,167,383</u>
Total general fund appropriation	\$2,089,825
Grand total general fund appropriation Section 1 of S.B. 2013	\$609,365,119
Grand total special funds appropriation Section 1 of S.B. 2013	\$269,727,614
Grand total all funds appropriation Section 1 of S.B. 2013	\$879,092,733

SECTION 2. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$10,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003.

SECTION 3. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$69,495,371, included in the grants - tuition apportionment line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. EXEMPTION. The appropriation contained in subdivision 1 of section 1 of chapter 13 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 for an amount of up to \$105,000, and this amount may be used by the department of public instruction in conjunction with special funds received by the department for the purpose of providing a grant to fund the north central council of school television's licensing of educational television programs for classroom use by North Dakota elementary and secondary schools.

SECTION 5. LEGISLATIVE INTENT - ADULT EDUCATION PROGRAM. It is the intent of the legislative assembly that the additional \$20,000 of funding from the general fund provided for the department of public instruction's adult education program is to be distributed by the department to address salary concerns for those teachers who have not received the teacher compensation payments.

SECTION 6. STATE SCHOOL AID AND SPECIAL EDUCATION EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the grants - state school aid and grants - special education line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2001-03 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2003.

SECTION 7. DISTRIBUTION OF SPECIAL EDUCATION AID. The sum of \$49,898,695, included in the grants - special education line item in subdivision 1 of section 1 of this Act, must be distributed as follows:

1. Thirteen million dollars to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities.
2. Four hundred thousand dollars to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
3. Any amount remaining in the line item must be distributed on a per student basis as required by section 15.1-27-10, excluding reimbursements for student contracts and gifted and talented programs. State special education payments distributed as required by section 15.1-27-10 must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 8. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS. Payments to school districts educating limited English proficient students, as provided in section 15.1-27-12, must be made by the superintendent of public instruction during the biennium beginning July 1, 2003, and ending June 30, 2005, using up to \$650,000 of the amount included in the grants - state school aid line item in subdivision 1 of section 1 of this Act.

SECTION 9. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 10. DISPLACED HOMEMAKER FUND. The sum of \$251,747, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the displaced homemaker fund and must be used by the superintendent of public instruction for the purpose of providing services for displaced homemakers, as provided in chapter 14-06.1, during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$844,307 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2004.

SECTION 12. FEES DEPOSITED IN VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or Braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 13. LEGISLATIVE INTENT - NO CHILD LEFT BEHIND ACT. It is the intent of the legislative assembly that the department of public instruction have a primary focus of being an advocate and facilitator for those schools having difficulty complying or those not in compliance with the federal mandates contained in the federal No Child Left Behind Act, and the department seek to promulgate the most flexible interpretation of the No Child Left Behind Act to assist public schools in this state.

SECTION 14. AMENDMENT. Subsection 3 of section 15-39.1-09 of the North Dakota Century Code is amended and reenacted as follows:

3. A person, except the superintendent of public instruction, who is certified to teach in this state by the education standards and practices board and who is first employed and entered upon the payroll of the superintendent of public instruction after January 6, 2001, may elect to become a participating member of the public employees retirement system. An election made by a person to participate in the public employees retirement system under this subsection is irrevocable. Nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, may elect to transfer to the public employees retirement system pursuant to section 16 of this Act.

⁹ **SECTION 15. AMENDMENT.** Subsection 3 of section 54-52-01 of the North Dakota Century Code is amended and reenacted as follows:

3. "Eligible employee" means all permanent employees who meet all of the eligibility requirements set by this chapter and who are eighteen years or more of age, and includes appointive and elective officials who elect to remain members of the retirement system; provided, that judges of the supreme and district courts eligible under section 54-52-02.3 ~~and~~, appointed officials who elect to participate under section 54-52-02.5, and nonteaching employees of the superintendent of public instruction, including the superintendent of public instruction, who elect to transfer from the teachers' fund for retirement to the public employees retirement system under section 16 of this Act are eligible employees and shall participate in the public employees retirement system. Eligible employee does not include nonclassified state employees who elect to become members of the retirement plan established under chapter 54-52.6 but does include employees of the judicial branch and employees of the board of higher education and state institutions under the jurisdiction of the board.

SECTION 16. A new section to chapter 54-52 of the North Dakota Century Code is created and enacted as follows:

Participation by nonteaching employees of the office of the superintendent of public instruction. Notwithstanding any other provision of law, between the effective date of this Act and five p.m. on August 29, 2003, a nonteaching employee of the superintendent of public instruction, including the

⁹ Section 54-52-01 was also amended by section 1 of Senate Bill No. 2033, chapter 497, and section 2 of Senate Bill No. 2058, chapter 498.

superintendent of public instruction, who is otherwise eligible to participate in the public employees retirement system may file an election with the staff of the retirement and investment office to transfer from the teachers' fund for retirement to the public employees retirement system. The teachers' fund for retirement shall certify the employees who are eligible to transfer. An election to transfer is irrevocable for as long as the employee remains employed with the superintendent of public instruction. The teachers' fund for retirement shall certify a transferring employee's salary, service credit, contribution history, account balance, and any other necessary information to the public employees retirement system. The amount to be transferred is the greater of the actuarial present value of the employee's accrued benefit as of July 1, 2003, plus interest at the rate of seven and one-half percent from July 1, 2003, until the date the amount is transferred to the public employees retirement system or the employee's account balance as of the date of transfer. The public employees retirement system shall credit the transferring employee with the service credit specified by the teachers' fund for retirement and shall convert the annual salary history from the teachers' fund for retirement to a monthly salary for the period. An employee becomes a member of the public employees retirement system as of the date the funds are transferred. To be eligible to transfer, an employee must be employed by the office of the superintendent of public instruction at the date of the transfer. The superintendent of public instruction shall begin making retirement contributions, and the public employees retirement system shall begin receiving those retirement contributions, on behalf of employees who have elected to transfer to the public employees retirement system to that system the first of the month following the date of transfer.

¹⁰ **SECTION 17. AMENDMENT.** Subsection 5 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:

5. A participating member, or a member not presently under covered employment, may request credit for qualified military service pursuant to the Uniformed Services Employment and Reemployment Rights Act of 1994 [Pub. L. 103-353; 108 Stat. 3150; 38 U.S.C. 4301-4307]. The member shall submit a qualified application with proof of eligible military service to the board in order to receive credit for military service. For credit on and after July 1, 1966, the member must pay four percent times the member's most recent monthly salary, times the number of months of credit being purchased, plus interest at a rate determined by the board. In addition, the governmental unit, or in the case of a member not under covered employment the last employing governmental unit, shall pay to the retiree health benefits fund established under section 54-52.1-03.2 ~~one percent~~ the percentage required by section 54-52.1-03.2 times the member's present monthly salary times the member's months of credit being purchased. For credit before July 1, 1966, no contribution is required.

SECTION 18. AMENDMENT. Subsection 1 of section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:

1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing

¹⁰ Section 54-52-17.4 was also amended by section 10 of Senate Bill No. 2058, chapter 498, and section 11 of Senate Bill No. 2058, chapter 498.

hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 16 of this Act, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth percent of the monthly salary or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 16 of this Act and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one percent of the monthly salary or wages of those nonteaching employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall:

- a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended.
- b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the public employees retirement fund, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the public employees retirement system for the purpose of implementing sections 15 through 18 of this Act, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 20. EMERGENCY. Sections 2 and 4 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 35**SENATE BILL NO. 2014**
(Appropriations Committee)
(At the request of the Governor)**COMMITTEE ON PROTECTION AND ADVOCACY**

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the committee on protection and advocacy for the purpose of defraying the expenses of the committee on protection and advocacy and related services, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Total all funds	\$3,226,255
Less estimated income	<u>2,443,532</u>
Total general fund appropriation	\$782,723

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 36**SENATE BILL NO. 2015**

(Appropriations Committee)
(At the request of the Governor)

OFFICE OF MANAGEMENT AND BUDGET

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide for various transfers and financial transactions; to provide exemptions from section 54-44.1-11 of the North Dakota Century Code; to create and enact a new section to chapter 15-10, a new subsection to section 53-06.2-04, and a new section to chapter 54-59 of the North Dakota Century Code, relating to contracts for the provision of meals by institutions of higher education, the duties of the racing commission, and required information technology services from the information technology department; to create and enact section 18 of House Bill No. 1414, section 9 of House Bill No. 1012, section 16 of House Bill No. 1015, and section 2 of Senate Bill No. 2176 as approved by the fifty-eighth legislative assembly, relating to reporting disease outbreaks and quarantine of individuals and declaring that Act an emergency measure, to the speed limit on paved two-lane county and township highways and declaring that Act an emergency measure, to the partnership in assisting community expansion fund, the agriculture partnership in assisting community expansion fund, and the beginning farmer loan fund and declaring that Act an emergency measure, and to participation by retired political subdivision employees in the uniform group insurance program and declaring that Act an emergency measure; to amend and reenact sections 15-52-03, 15.1-31-07, 26.1-21-09, 34-06-04.1, 54-35-18, 54-35-18.1, and 54-35-18.2, subsection 2 of section 54-44.1-06, section 54-44.1-12, the new section to chapter 55-02 as created by section 2 of Senate Bill No. 2249 as approved by the fifty-eighth legislative assembly, and section 57-51.1-07.2 of the North Dakota Century Code, relating to tuition apportionment payments, the membership of the medical center advisory council, the reserve amount in the bonding fund, overtime or work-period claims, the expiration date and membership of the electric industry competition committee, preparation of budget data, budget allotments, the powers of the state historical board, and payments into the permanent oil tax trust fund; to provide statements of legislative intent; to require reports to the legislative assembly; to provide an exception to section 54-44.1-06 of the North Dakota Century Code, relating to the preparation of certain appropriation bills; to provide for reports to the budget section; to provide for a legislative council study; to provide for additional lodging reimbursement for members of the legislative assembly; to provide for state employee reductions and compensation pools; to provide for the transfer of state agency information technology positions; to provide an appropriation; to provide for a tax amnesty program; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the office of management and budget for the purpose of defraying their expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$15,388,231
Operating expenses	11,328,756
Capital assets	733,000
Grants	<u>179,000</u>
Total all funds	\$27,628,987
Less estimated income	<u>7,888,476</u>
Total general fund appropriation	\$19,740,511

SECTION 2. CAPITOL BUILDING FUND. The amount of \$25,000, or so much of the sum as is necessary, included in the estimated income line item in section 1 of this Act, is to be spent by the administration division from the capitol building fund for capitol grounds planning during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. EXEMPTION. The amount appropriated for the fiscal management division, as contained in subdivision 1 of section 1 of chapter 15 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State contingencies	500,000
State memberships and related expenses	449,960
Firefighter's association	126,000
Unemployment insurance	1,500,000
Capitol grounds planning commission	25,000
State consultant	120,000

SECTION 5. TRANSFER. During the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget is authorized to transfer \$2,000,000 from the lands and minerals trust fund to the general fund.

SECTION 6. TRANSFER. During the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget is authorized to transfer \$11,910,000 to the general fund from the permanent oil tax trust fund.

SECTION 7. FIRE AND TORNADO FUND. The amount of \$126,000, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the fire and tornado fund.

SECTION 8. BONDING FUND TRANSFER TO STATE GENERAL FUND.

The insurance commissioner shall transfer to the general fund in the state treasury the sum of \$2,800,000 from the state bonding fund. The moneys must be transferred in such amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 9. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND.

During the biennium ending June 30, 2005, the industrial commission shall transfer to the state general fund up to \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount transferred may come from accumulated undivided profits. The moneys must be transferred in the amounts and at such times as requested by the director of the office of management and budget.

SECTION 10. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND - BUDGET SECTION APPROVAL.

If, during the biennium ending June 30, 2005, the director of the office of management and budget determines through revised projections that general fund revenue collections will not meet the revenues as forecast in the March 2003 legislative forecast, the industrial commission shall transfer to the state general fund an additional amount, as determined by the director of the office of management and budget and approved by the budget section, from the earnings and accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. The additional amount transferred may not exceed the lesser of \$9,000,000 or the revenue shortfall of actual collections compared to the March 2003 legislative forecast. The director may determine what portion of the shortfall will be covered by the transfer pursuant to this section and what portion will be covered by allotment pursuant to section 54-44.1-12.

SECTION 11. BANK OF NORTH DAKOTA TRANSFERS - LIMITATIONS.

Any transfer authorized by the fifty-eighth legislative assembly may only be made to the extent the transfer does not reduce the Bank's capital structure below \$140,000,000.

SECTION 12. STUDENT LOAN TRUST TRANSFER TO STATE GENERAL FUND.

The industrial commission shall transfer to the general fund in the state treasury the sum of \$11,000,000 from the North Dakota student loan trust. The moneys must be transferred in such amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 2003, and ending June 30, 2005, and upon certification by the student loan trust trustee that sufficient moneys remain available to pay all debt service on student loan trust bonds, all required rebate payments to the United States treasury, and all program operating expenses.

SECTION 13. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Contract - Preparation and provision of meals - Policy. An institution under the control of the state board of higher education may enter a contract to prepare and provide meals, snacks, or other food services for persons or programs not affiliated with the institution, provided the institution first establishes a policy regarding such contracts and specifically addressing issues related to competition with private sector entities. An institution under the control of the state board of higher education may not advertise to the general public its willingness to provide

meals, snacks, or other food services for persons or programs not affiliated with the institution.

¹¹ **SECTION 14. AMENDMENT.** Section 15-52-03 of the North Dakota Century Code as amended in section 1 of Senate Bill No. 2282, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

15-52-03. Medical center advisory council - Members, terms, meetings.

1. To assure the proper coordination and integration of the North Dakota state medical center with all other health and welfare activities of the state, a permanent medical center advisory council is established to advise, consult, and make recommendations to the university administration, and to the several agencies represented on the council concerning the program of the North Dakota state medical center, the adaptation of the medical center to the needs of the state and to the requirements and facilities of the several agencies involved, and the use of the North Dakota state medical center and its facilities by the various institutions and agencies of the state and its political subdivisions.
2. The council consists of fourteen members:
 - a.
 - (1) Two members of the senate and two, one of whom must be from the majority party and one of whom must be from the minority party, selected by the chairman of the legislative council; and
 - (2) Two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party, to be selected by the chairman of the legislative council;
 - b. One member selected by each of the following:
 - (1) The department of human services;
 - (2) The state board of higher education;
 - (3) The state department of health;
 - (4) The North Dakota medical association;
 - (5) The North Dakota healthcare association; and
 - (6) The veterans administration hospital in Fargo; and
 - c. One member selected by the dean of the university of North Dakota medical school from each of the four campus areas of the medical school with headquarters in Bismarck, Fargo, Grand Forks, and Minot.

¹¹ Section 15-52-03 was also amended by section 1 of Senate Bill No. 2282, chapter 141.

3. The representatives named by the state agencies and boards must be selected to serve as members of the medical center advisory council for periods of at least one year, but may not serve longer than their term of office on the public agency. The representatives from the North Dakota state medical association and the North Dakota healthcare association serve a term of three years or until their successors are named and qualified.
4. The council shall name its own chairman and the dean of the university of North Dakota medical school shall serve as executive secretary of the council. The council shall meet not less than twice each year, and, from time to time, on its own motion or upon request of the university administration, to consider plans and programs of action for the North Dakota state medical center and make its recommendations to the several agencies of the state and political subdivisions involved and to the legislative assembly.

SECTION 15. AMENDMENT. Section 15.1-31-07 of the North Dakota Century Code is amended and reenacted as follows:

15.1-31-07. Students not subject to this chapter. If a student, as a result of a school district dissolution or reorganization, resides in a district other than the one the student chooses to attend at the time of the dissolution or reorganization, the student is not subject to ~~the provisions of~~ this chapter and may attend school in the chosen school district. Notwithstanding section 15.1-28-03, the superintendent of public instruction shall forward payments from the state tuition fund made on behalf of the student to the student's chosen school district. The student may not be considered a student in average daily membership in the student's school district of residence for purposes of section 15.1-31-02.

SECTION 16. AMENDMENT. Section 26.1-21-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-21-09. Premiums - Amount to whom paid - Minimum. The premium for a blanket bond must be determined by the commissioner. Premiums must be paid in advance by the proper authority of the state, or of the political subdivision of the state, from its treasury, to the state treasurer who shall keep the same in the fund. The state treasurer shall issue receipts in triplicate. The treasurer shall file one of such receipts in the treasurer's office, and shall mail one to the official making such payment and one to the commissioner. The minimum premium for each bond must be two dollars and fifty cents per year. Payments must be made for one year or for such longer terms as the commissioner may prescribe. From and after July 1, 1953, the premiums referred to in this section must be waived until the reserve fund of the state bonding fund has been depleted below the sum of two ~~and one-half~~ million dollars. The collection of premiums must be resumed on the bonds, at the rates ~~herein set forth~~ provided under this section, whenever the reserve fund is depleted below the sum of two ~~and one-half~~ million dollars. The premiums must continue to be collected until the reserve fund reaches a total of three million dollars, at which time all premiums must again be waived until the reserve fund has been depleted below the sum of two ~~and one-half~~ million dollars.

SECTION 17. AMENDMENT. Section 34-06-04.1 of the North Dakota Century Code is amended and reenacted as follows:

34-06-04.1. Compensatory time, overtime, and work-period claims. The state or a political subdivision of the state may provide for compensatory time and for

a work period for compensatory time and overtime calculation for its employees if the state or political subdivision complies with the requirements of the Fair Labor Standards Act of 1938, as amended, [Pub. L. 75-718; 52 Stat. 1060; 29 U.S.C. 206 201 et seq.] and any rules and interpretations adopted by the United States department of labor. The authority provided in this section applies in any proceeding brought after June 30, 2003, with respect to compensatory time or overtime earned regardless of when the work in question was performed.

SECTION 18. A new subsection to section 53-06.2-04 of the North Dakota Century Code is created and enacted as follows:

Reinstate race dates and issue a license under the certificate system to any racetrack in the state which was operational after December 31, 2000.

SECTION 19. AMENDMENT. Section 54-35-18 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18. (Effective through August 1, 2003 2007) Electric industry competition - Need for study. The legislative council shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state. The legislative assembly finds that the economy of this state depends on the availability of reliable, low cost, electric energy. There is a national trend toward competition in the generation, transmission, and distribution of electric energy and the legislative assembly acknowledges that this competition has both potential benefits and adverse impacts on this state's electric suppliers as well as on their shareholders and customers and the citizens of this state. The legislative assembly determines that it is in the best interests of the citizens of this state to study the effects of competition on the generation, transmission, and distribution of electric energy.

SECTION 20. AMENDMENT. Section 54-35-18.1 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.1. (Effective through August 1, 2003 2007) Electric industry competition committee - Composition.

1. The legislative council shall appoint a committee to study electric industry competition.
2. The committee shall study the impact of competition on the generation, transmission, and distribution of electric energy within this state and on the state's electric suppliers.
3. As used in sections 54-35-18 through 54-35-18.2, "electric suppliers" means public utilities regulated under title 49, rural electric cooperatives organized under chapter 10-13, municipal electric utilities organized under chapters 40-33 and 40-33.2, and power marketers.
4. The committee consists of:
 - a. ~~Three or four~~ Six members of the house of representatives, ~~no more than two of whom may be from the same political party~~ four of whom must be from the majority political party and two of whom must be from the minority political party.

- b. ~~Three or four~~ Six members of the senate, no more than two of whom may be from the same political party ~~four of whom must be from the majority political party and two of whom must be from the minority political party.~~
5. The chairman of the legislative council shall name one of the members as chairman.

SECTION 21. AMENDMENT. Section 54-35-18.2 of the North Dakota Century Code is amended and reenacted as follows:

54-35-18.2. (Effective through August 1, 2003 2007) Electric industry competition committee - Study areas. The electric industry competition committee shall study this state's electric industry competition and electric suppliers and shall report to the legislative council in the same manner as do other interim legislative council committees, concerning the following issues:

1. Financial issues, including:
 - a. The interests of residential customers, including:
 - (1) Fairness of rates, terms, and conditions of service for services chosen.
 - (2) Affordability of rates, bills, and services.
 - (3) Stability and predictability of rates and bills.
 - (4) Reliability and quality of power supply.
 - (5) Assurance that rates, terms, and conditions are nondiscriminatory.
 - (6) Ability of customers to understand potential energy choices.
 - (7) Importance of a fair dispute resolution process.
 - (8) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - b. The interests of small business customers, large business customers, shareholders, and other stakeholders, including:
 - (1) Fairness of rates, terms, and conditions of service for the services chosen by customers.
 - (2) Affordability of rates, bills, and services for customers.
 - (3) Stability and predictability of customers' rates and bills.
 - (4) Assurance that rates, terms, and conditions are nondiscriminatory for all customers.
 - (5) Ability of customers to understand potential energy choices and the implications of these choices.

- (6) Importance of a fair dispute resolution process for customers.
 - (7) Potential for rates to reflect the customer's desired level of energy reliability and availability.
 - c. Financial integrity of and cost of capital to electric power suppliers.
 - d. Taxes paid by electric suppliers, including franchise taxes, excise taxes, income taxes, ad valorem taxes, in lieu taxes, and real and personal property taxes.
 - e. Tax implications to local governments.
 - f. Quantification and recovery of stranded investments by electric power suppliers, including those resulting from:
 - (1) Customers who have a legal obligation to bear certain costs, who find a way to avoid those obligations, and who leave without paying costs incurred on the customer's behalf; and
 - (2) The costs of investments that exceed their value in the competitive market.
 - g. Pricing of transmission and distribution services.
 - h. Pricing and rate subsidies for all classes of customers.
 - i. Unbundling of costs of services.
2. Legal issues, including:
- a. State, tribal, and federal jurisdiction.
 - b. State statutory and regulatory constraints and oversight of the electric industry.
 - c. Those related to the federal energy regulatory commission.
 - d. Commerce clause constraints.
 - e. Review of existing state laws, rules, and constitutional provisions that affect the generation, transmission, and distribution of electric energy, including the need and appropriateness of regulatory reforms for services that will continue to be provided by a regulated utility.
 - f. Interstate reciprocity and the regional nature of the industry.
 - g. Continuing obligations of an electric supplier to serve customers.
 - h. Use and protection of proprietary information in a competitive market.

3. Social issues, including:
 - a. Planning and operation of electric suppliers, including integrated resource planning.
 - b. Efficiency and sufficiency of an aggregate supply of energy.
 - c. Environmental impacts.
 - d. Impact on the development and use of renewable resources.
 - e. Appropriate and proper method of recovery of the cost of social, low income, and noneconomic renewable energy programs in order to ensure that costs are fairly and equitably shared among all customers of electric energy.
4. Issues related to system planning, operation, and reliability, including:
 - a. Electric system reliability.
 - b. Provisions by which customers would be permitted to have a choice of generation providers.
 - c. Applicability of regulatory reliability criteria to nonutility market participants.
 - d. Form and requirements of contracts for the sale and purchase of electric energy.
 - e. Requirements for metering energy usage at the customer's location.
 - f. Designation and regulation of ancillary services.
5. Identification and review of potential market structures, including:
 - a. Possible market structures for a deregulated generation market and transmission market and whether these structures should be mandated or allowed to form voluntarily.
 - b. Formation of market segments in response to customer requirements.
 - c. Impact on the investment stability of the electric utility industry.
 - d. Impact on multipurpose entities.
 - e. Potential to improve economic efficiency.
 - f. Size of the market and the extent to which its size impacts the level of benefits for customers or groups of customers.
 - g. Ability of participants with control over the electricity generation and transmission system to exercise market power over pricing or the need for controls to prevent the exercise of market power.

- h. Controls or bans on corporate relationships between regulated utilities and emerging competitive sectors.
 - i. Barriers to achieving nondiscriminatory competition among electric suppliers, including review of federal and state tax issues, availability of federal subsidies to certain energy suppliers, application of federal laws that impose regulatory requirements on the electric utility industry, and jurisdiction of the federal energy regulatory commission over competitors.
 - j. Viability of all customers to participate in and benefit from a competitive electricity market, including:
 - (1) Risks and responsibilities that customers or classes of customers incur by participating in a competitive market.
 - (2) Costs of gathering, processing, and managing information on the price and quality of electricity.
 - (3) Benefits to customers or classes of customers from participation in a competitive electricity market.
6. Whether and to what extent power produced by the Garrison dam should be taxed by the state.
7. The source and cost of power supplied to the state's Indian reservations.
8. Other issues related to the generation, transmission, and distribution of electric energy.

¹² **SECTION 22. AMENDMENT.** Subsection 2 of section 54-44.1-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Statements of actual revenue for the previous biennium, the first year of the present biennium, and the estimated revenue of the current fiscal year and of the next biennium, and a statement of unappropriated surplus expected to have accrued in the state treasury at the beginning of the next fiscal year. The statement of unappropriated surplus for the general fund must reflect any projected deficiency appropriations relating to expenditures from the general fund for the present biennium. The statements of revenue and estimated revenue must be classified by sources and by budget unit collecting them. Existing sources of revenue must be analyzed as to their equity, productivity, and need for revision, and any proposed new sources of revenue must be explained.

¹³ **SECTION 23. AMENDMENT.** Section 54-44.1-12 of the North Dakota Century Code is amended and reenacted as follows:

¹² Section 54-44.1-06 was also amended by section 36 of House Bill No. 1003, chapter 3.

¹³ Section 23 was vetoed by the Governor, see chapter 572.

54-44.1-12. Control over rate of expenditures. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Any allotment must be made to the extent necessary to address any projected deficiency appropriations for agencies receiving moneys from the fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
 - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and
 - b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.
4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.

¹⁴ **SECTION 24.** A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Required use of electronic mail, file and print server administration, data base administration, and application server and hosting services. Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the board of higher education, the public employees retirement system, the retirement and investment office, and the attorney general, which desires electronic mail, file and print server administration, data base administration, storage, and application server and hosting services shall obtain those services from the

¹⁴ Section 24 was vetoed by the Governor, see chapter 572.

department. The chief information officer may exempt from the application of this section any agency that demonstrates its current services are more appropriate for the specific needs of that agency than the services available from the department.

¹⁵ **SECTION 25. AMENDMENT.** The new section to chapter 55-02 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2249, as approved by the fifty-eighth legislative assembly, is amended and reenacted as follows:

Protection of public health and safety on sites having a public function.

Notwithstanding any other provision of law, if the state or a political subdivision has a property interest in real property and that property has an existing public function in addition to any historical site registration or historical significance determination, the governing body of the agency or political subdivision owning the property interest may, subject to the following provisions, improve, alter, modify, or destroy that property if the agency or governing body determines that action is necessary to protect public health or safety, to provide access for disabled persons, or to ensure structural integrity. If an action is to be taken by an agency or governing body under this section, notice of intent to take the action must be given to the director at the onset of the planning process. At the director's request, the agency or governing body shall inform the director of each meeting at which planning or decisions on a project are on the agenda. At each meeting, the agency or governing body shall provide the director with an opportunity to comment or provide preservation funding for the proposed project and the agency or governing body shall consider the director's comments or offers of funding in the development and implementation of the project. If the agency or governing body and the director do not agree on the action to be taken, the differences must be submitted to a mediator selected by the governor to facilitate a consensus between the parties. The cost of the mediator must be shared equally by the parties. The mediator shall issue a report within sixty days of appointment by the governor. The report of the mediator must be sent to the director and must be published once in the official newspaper of the state and political subdivision. Although the agency or governing body may take the action it deems necessary, the agency or governing body shall make all reasonable effort to preserve the historical characteristics of a site taking into consideration economic and technical feasibility. ~~The decision of the agency or governing body must be published~~ notify the director of its decision and must publish it once in the official newspaper of the state and political subdivision. After mediation, if any, if the governing body of a political subdivision determines to proceed with actions that will result in completely demolishing, removing, or significantly degrading the historical characteristics of a building or real property, a resident of the political subdivision where the building or real property is located may submit a written notice to the county auditor of intention to petition for a public vote. The notice must be filed with the county auditor within fourteen days of the publication of the decision of the governing body. A petition for a public vote must contain the names of at least ten percent of the qualified electors from that governing body's jurisdiction who voted in the last general election and must be filed with the county auditor within one hundred twenty days of the governing body's publication of notice of its final action. If a petition is filed, the matter must be submitted for a vote of the qualified electors at the next special, primary, or general election held in that jurisdiction. All actions to remove, demolish, or significantly degrade the historical characteristics of a building or real property are stayed for fourteen days after the governing body's publication of

¹⁵ Section 55-02-07.2 was amended by section 2 of Senate Bill No. 2249, chapter 511.

notice of its final action, and if notice of intention to seek a public vote is filed, actions are stayed until either the petition fails or the public vote is held. If the political subdivision is a home rule jurisdiction with its own referendum procedures, however, the home rule referendum procedures apply to the action of the governing body.

SECTION 26. AMENDMENT. Section 57-51.1-07.2 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.2. Permanent oil tax trust fund - Deposits - Interest - Adjustment of distribution formula. At the end of any biennium beginning after June 30, 1997, all revenue deposited in the general fund during that biennium and derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds ~~sixty-two~~ seventy-one million dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund. ~~At the end of the 1995-97 biennium all revenue deposited in the general fund during that biennium and derived from taxes imposed on oil and gas under chapters 57-51 and 57-51.1 which exceeds fifty-six million three hundred thousand dollars must be transferred by the state treasurer to a special fund in the state treasury known as the permanent oil tax trust fund.~~ The state treasurer shall transfer interest earnings of the permanent oil tax trust fund to the general fund at the end of each fiscal year. The principal of the permanent oil tax trust fund may not be expended except upon a two-thirds vote of the members elected to each house of the legislative assembly.

If the distribution formulas under chapter 57-51 or 57-51.1 are amended effective after June 30, 1997, the director of the budget shall adjust the ~~sixty-two~~ seventy-one million dollar amount in this section by the same percentage increase or decrease in the amount of revenue allocable to the general fund after the change in the allocation formula, and transfers to the permanent oil tax trust fund shall thereafter be made using that adjusted figure so that the dollar amount of the transfers to the permanent oil tax trust fund is not increased or decreased merely because of changes in the distribution formulas.

Notwithstanding section 54-27.2-02, the state treasurer shall make the transfers required by this section before calculating any general fund revenue balance available for transfer to the budget stabilization fund under chapter 54-27.2. In this section, "at the end of any biennium" has the same meaning as in section 54-27.2-02.

SECTION 27. LEGISLATIVE INTENT - SUPPORT OF TELECOMMUTING. The fifty-seventh legislative assembly enacted North Dakota Century Code section 54-06-24.1 to encourage state agencies to implement telecommuting by locating state employees away from central office settings. In furtherance of this action, it is the intent of the fifty-eighth legislative assembly that the central personnel division incorporate language within every advertisement the division publishes for a position within state government that the position may be filled through telecommuting and any offer of filling the position by telecommuting will be considered. It is also the intent of the fifty-eighth legislative assembly that the central personnel division include in every employment advertisement a web site address that has complete details on telecommuting.

¹⁶ **SECTION 28. TRANSFER OF STATE AGENCY INFORMATION TECHNOLOGY EMPLOYEE POSITIONS - CONSOLIDATION OF INFORMATION TECHNOLOGY FUNCTIONS.** On November 1, 2003, the following number of authorized full-time equivalent employee positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services must be reduced and transferred from the named agencies to the information technology department, except as otherwise provided under this section or unless exempted by the chief information officer pursuant to section 24 of this Act:

AGENCY	FULL-TIME EQUIVALENT EMPLOYEE POSITIONS
Office of management and budget	1
Tax department	2
Department of public instruction	1
State department of health	1
Department of human services	5
Job service North Dakota	3
Industrial commission	1
Bank of North Dakota	1
Housing finance agency	1
Workers compensation bureau	2
Highway patrol	1
Department of corrections and rehabilitation	2
Game and fish department	1
State water commission	1
Department of transportation	2

After consultation with the information technology department, each affected agency shall identify the specific positions for reduction and transfer. An agency may retain any of the identified positions providing that funding for the position is available from internal savings of the agency. The agency shall conduct any reduction-in-force analysis that may be required. Each agency shall limit its consideration to information technology related positions and shall identify for reduction and transfer those positions most closely associated with services assumed centrally by the information technology department.

The agencies shall retain funding relating to the employee positions identified in this section and related costs, which is contained in the agencies' respective appropriations bill. Each of the agencies shall establish an information technology services line item consisting of funding related to the salaries and wages for the identified employee positions and related funding for equipment, training, office rent, travel, contracted services, or other related costs totaling at least \$13,000 per employee for electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. Agencies shall develop documentation supporting the related funding transferred to the information technology services line item. Any line item transfer must be reported to the office of management and budget. Each of the agencies must use the funding contained in the information technology services line item to purchase information technology services from the information technology department. Each of the agencies shall make arrangements with the information technology department for the transfer of

¹⁶ Section 28 was vetoed by the Governor, see chapter 572.

equipment and material related to the transferred employee positions and services from the respective agency to the department. The information technology department is authorized to receive any funding relating to the purchase of information technology services under this section, which is hereby appropriated. Each agency is entitled to receive from the information technology department the equivalent in services that would have been performed by employees in the transferred positions at a cost not exceeding the amounts transferred to the agency's information technology services line item.

The information technology department shall determine the number of full-time equivalent positions necessary to provide the related information technology functions to state agencies. The department is authorized to employ the number of necessary employees and require all persons interested in filling the employee positions to apply with the department. In filling the employee positions, the department shall give preference to current state employees working in information technology. The department may make arrangements with the agency from which an employee was transferred to transfer any leave accrued by that employee.

In furtherance of the consolidation of information technology functions under this section, the supreme court and the attorney general shall continue to collaborate with the information technology department to implement the criminal justice information sharing program.

¹⁷ **SECTION 29. INFORMATION TECHNOLOGY FUNCTION CONSOLIDATION - ACCUMULATED SAVINGS - TRANSFER TO THE GENERAL FUND.** The information technology department shall achieve efficiencies during the biennium beginning July 1, 2003, and ending June 30, 2005, relating to the required consolidation of information technology functions, including electronic mail, file and print server administration, data base administration, storage, and application server and hosting services. The information technology department through efficiencies resulting from this consolidation shall achieve accumulated net savings totaling \$1,400,000 for the 2003-05 biennium. The director of the office of management and budget shall transfer the savings accumulated as a result of these efficiencies in the amount of \$1,400,000 to the general fund by June 30, 2005.

SECTION 30. INFORMATION TECHNOLOGY SERVICE - REPORTS TO THE INFORMATION TECHNOLOGY COMMITTEE AND THE BUDGET SECTION. The information technology department shall document information relating to the delivery of the consolidated services to agencies, including service dependability, agency complaints, and information technology department responsiveness, and shall report that information and the status of the accumulated savings to the information technology committee and the budget section as requested. Any agency receiving consolidated services may provide information to the information technology committee with respect to service availability, service dependability, complaints of the agency or of persons receiving services from the agency or the department, department responsiveness, and any additional costs incurred by the agency as a result of the consolidated services.

SECTION 31. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$30,000, or so much of the sum as may be necessary, to the legislative council for

¹⁷ Section 29 was vetoed by the Governor, see chapter 572.

the purpose of upgrading sound systems in the house and senate chambers, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 32. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the department of agriculture for the purpose of agriculture in the classroom, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 33. 2005-07 EXECUTIVE BUDGET - STUDENT LOAN TRUST FUND. Any proposal to transfer or spend moneys from the student loan trust fund included as part of the 2005-07 biennium executive budget must be included in a separate bill introduced for consideration by the fifty-ninth legislative assembly.

SECTION 34. STATE AGENCY CONTINUING APPROPRIATIONS - REPORTS TO FIFTY-NINTH LEGISLATIVE ASSEMBLY. The head of each executive branch agency or institution shall report during the budget presentation to the appropriations committees of the fifty-ninth legislative assembly on statutory provisions authorizing the agency or institution to spend funds pursuant to a continuing appropriation. The summary report must include justification for continuing the authority, expenditures made pursuant to the continuing appropriation and related revenues and fund balances for the 1999-2001 biennium, the 2001-03 biennium, the 2003-05 biennium to date, and projections for the 2005-07 biennium.

¹⁸ **SECTION 35. CERTAIN APPROPRIATION BILLS - EXECUTIVE BUDGET RECOMMENDATION.** Notwithstanding North Dakota Century Code section 54-44.1-06, the legislative council shall submit for introduction to the fifty-ninth legislative assembly the 2005-07 appropriation bills for the department of public instruction, department of corrections and rehabilitation, state treasurer, and secretary of state based on the same funding amounts, line items, and employee levels authorized by the fifty-eighth legislative assembly for the 2003-05 biennium. Any budget changes recommended by the office of the budget for these departments for the 2005-07 biennium must be presented to the appropriations committees of the fifty-ninth legislative assembly as a recommendation for amendment to the bill as introduced.

¹⁹ **SECTION 36. STATE EMPLOYEE REDUCTIONS - BUDGET SECTION REPORT.** The number of full-time equivalent state employees must be reduced by employee retirements, employee turnover, and vacant employee positions during the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Executive branch agencies and the office of the governor, excluding other offices of state elected officials and higher education	155
State elected officials, excluding the governor	13
Judicial branch	8

One-half of this total reduction must be accomplished by December 31, 2003. The additional reductions must be accomplished by December 31, 2004. Agencies shall report employee positions eliminated and related salary and wages and fringe

¹⁸ Section 35 was vetoed by the Governor, see chapter 572.

¹⁹ Section 36 was vetoed by the Governor, see chapter 572.

benefit savings for the remainder of the 2003-05 biennium to the office of management and budget. The office of management and budget shall reduce each respective agency's appropriation authority by the amount of reported agency budgetary savings. The office of management and budget shall provide periodic reports on the employee positions eliminated by agencies and reported agency budgetary savings to the budget section of the legislative council.

²⁰ **SECTION 37. STATE EMPLOYEE REDUCTIONS - STATE EMPLOYEE COMPENSATION POOLS.** The office of management and budget shall establish a state employee compensation pool for executive branch agencies other than elected officials as provided in section 36 of this Act from agency savings resulting from employee reductions, a state employee compensation pool for state elected officials from those agency savings resulting from employee reductions, and a state employee compensation pool for the judicial branch from agency savings resulting from employee reductions.

²¹ **SECTION 38. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2004, the office of management and budget shall allocate any available funds to entities in the executive branch agency state employee compensation pool and the state elected official employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2004, to be paid in February 2004. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the agencies for the purpose of providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2004, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2004, to be paid in February 2004, may not exceed increases of one percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

²² **SECTION 39. STATE EMPLOYEE COMPENSATION POOL ALLOCATIONS - APPROPRIATION - REPORT TO THE BUDGET SECTION.** By January 1, 2005, the office of management and budget shall allocate any available funds resulting from savings related to the employee reductions to be accomplished by December 31, 2004, to entities in the executive branch agency state employee compensation pool and the state elected official state employee compensation pool established in section 37 of this Act for providing state employee compensation adjustments effective January 1, 2005, to be paid in February 2005. The funds must be allocated on a pro rata basis for remaining employee positions. The office of management and budget shall increase agencies' appropriation authority by the amount of funding allocated and the funds are appropriated to the agencies for the purpose of providing state employee compensation adjustments for the period

²⁰ Section 37 was vetoed by the Governor, see chapter 572.

²¹ Section 38 was vetoed by the Governor, see chapter 572.

²² Section 39 was vetoed by the Governor, see chapter 572.

January 1, 2005, through June 30, 2005. The funds in the judicial branch state employee compensation pool established in section 37 of this Act are appropriated to the judicial branch for providing state employee compensation adjustments for the period January 1, 2005, through June 30, 2005. It is the intent of the fifty-eighth legislative assembly that the compensation adjustments effective January 1, 2005, to be paid February 1, 2005, may not exceed increases of two percent. The office of management and budget and the judicial branch shall provide a report on the state employee compensation pool allocations to the budget section of the legislative council.

SECTION 40. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2003 - LEGISLATIVE ASSEMBLY. Notwithstanding the \$650 per calendar month lodging maximum provided in section 54-03-20 for members of the legislative assembly during a legislative session, a member of the fifty-eighth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the fifty-eighth legislative assembly is in session during the month of April 2003.

SECTION 41. LEGISLATIVE COUNCIL STUDY - PUBLIC EMPLOYEE HEALTH INSURANCE BENEFITS. The legislative council shall consider studying, during the 2003-05 interim, public employee health insurance benefits, including options for providing health insurance for state employees, the availability of other health insurance plans, single versus family coverage, employee contributions, and unitization of premium rates for budgeting purposes. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-ninth legislative assembly.

SECTION 42. SPECIFIED EXEMPT COMMODITIES AND SERVICES - REPORT TO THE BUDGET SECTION. The director of the office of management and budget shall report to the budget section in December of even-numbered years on specified commodities and services exempted by written directive of the director from the procurement requirements of chapter 54-44.4.

SECTION 43. EXEMPTION. The funds appropriated in the grants line item in section 1 of chapter 44 of the 2001 Session Laws are not subject to section 54-44.1-11 in an amount of up to \$850,000 and any unexpended funds from this amount may be spent during the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 44. LEGISLATIVE INTENT - PRAIRIE PUBLIC BROADCASTING. It is the intent of the fifty-eighth legislative assembly that prairie public broadcasting funding be included in the executive budget as a separate line item in the office of management and budget's budget request for the 2005-07 biennium.

SECTION 45. Section 18 of House Bill No. 1414, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 18. EMERGENCY. This Act is declared to be an emergency measure.

SECTION 46. Section 9 of House Bill No. 1012, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 9. EMERGENCY. Subdivision f of subsection 1 of section 39-09-02 as amended by section 6 of this Act is declared to be an emergency measure.

SECTION 47. Section 16 of House Bill No. 1015, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

SECTION 16. EMERGENCY. Subdivision 3 of section 1 and sections 12 and 13 are declared to be an emergency measure.

SECTION 48. Section 2 of Senate Bill No. 2176, as approved by the fifty-eighth legislative assembly, is created and enacted as follows:

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

SECTION 49. TAX COMMISSIONER - TAX AMNESTY PROGRAM. The state tax commissioner shall conduct a one-time tax amnesty program for all state tax types beginning before December 31, 2003.

SECTION 50. EXPIRATION DATE. Section 18 of this Act is effective through December 31, 2004, and after that date is ineffective.

SECTION 51. EMERGENCY. Sections 18, 40, 43, 45, 46, 47, 48, and 49 of this Act are declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 37**SENATE BILL NO. 2016**

(Appropriations Committee)
(At the request of the Governor)

EMERGENCY MANAGEMENT

AN ACT to provide an appropriation for defraying the expenses of the division of emergency management.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the division of emergency management under the supervision of the adjutant general for the purpose of defraying the expenses of the division of emergency management, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$3,037,559
Operating expenses	1,637,032
Capital assets	12,000
Grants	<u>33,899,585</u>
Total all funds	\$38,586,176
Less estimated income	<u>37,217,141</u>
Total general fund appropriation	\$1,369,035

SECTION 2. STATE HAZARDOUS MATERIAL PREPAREDNESS AND RESPONSE FUND. The sum of \$222,814, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act, is from the state hazardous chemicals preparedness and response fund and may be spent by the division of emergency management for the hazardous chemicals preparedness and response program, pursuant to section 37-17.1-07.1.

SECTION 3. DISASTER RELIEF FUNDING. Notwithstanding section 37-17.1-23, the division of emergency management may continue its line of credit with the Bank of North Dakota relating to the state's share of federal disaster relief funding incurred during the 2001-03 biennium to July 1, 2005. The division of emergency management may repay the line of credit to the extent possible with funding received from settlements, and the division of emergency management may request a deficiency appropriation from the 2005 legislative assembly for the remaining state's share of any federal disaster relief funding from the 2001-03 biennium.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 38

SENATE BILL NO. 2017

(Appropriations Committee)
(At the request of the Governor)

ADJUTANT GENERAL

AN ACT to provide an appropriation for defraying the expenses of the adjutant general; and to provide an exemption to section 54-44.1-11 relating to unexpended appropriations.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the adjutant general's office, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$3,568,516
Operating expenses	2,681,667
Capital assets	144,987
Grants	329,514
Civil air patrol	193,020
Tuition and enlistment compensation	1,007,500
Air guard contract	6,318,364
Army guard contract	15,370,985
Veterans' cemetery	<u>275,146</u>
Total all funds	\$29,889,699
Less estimated income	<u>20,718,716</u>
Total general fund appropriation	<u>\$9,170,983</u>

SECTION 2. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. The veterans' cemetery line item in section 1 of this Act includes the sum of \$70,770 from the veterans' cemetery maintenance fund for the operation of the veterans' cemetery. Any additional funds received by the adjutant general and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery are appropriated to the adjutant general for that purpose, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. LINE ITEM TRANSFER AUTHORITY - MAINTENANCE AND REPAIRS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$800,000 from the various other line items contained in section 1 of this Act, as determined necessary by the department to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2003, and ending June 30, 2005. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 4. EXEMPTION. The appropriation contained in section 1 of chapter 17 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation must be transferred to the emergency fund of the office of the adjutant general during the biennium beginning July 1, 2003, and ending June 30, 2005.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 39

SENATE BILL NO. 2018

(Appropriations Committee)
(At the request of the Governor)

SEED DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the state seed department.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the state seed department for the purpose of defraying the expenses of the state seed department, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$3,405,750
Operating expenses	1,664,250
Capital assets	70,000
Grants	200,000
Contingencies	<u>300,000</u>
Total appropriation from seed department fund	<u>\$5,640,000</u>

SECTION 2. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the state seed commission, the state seed department may transfer from the contingencies line item in section 1 of this Act to all other line items, except the capital assets line item. The state seed commission shall notify the office of management and budget of each transfer made pursuant to this section.

Approved April 16, 2003
Filed April 17, 2003

CHAPTER 40

SENATE BILL NO. 2019 (Appropriations Committee) (At the request of the Governor)

GAME AND FISH DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$15,373,582
Operating expenses	9,491,219
Capital assets	2,259,944
Grants	3,602,050
Land habitat and deer depredation	6,881,415
Noxious weed control	300,000
Grants, gifts, and donations	150,000
Nongame wildlife conservation	120,000
Lonetree reservoir	1,337,553
Wildlife services	<u>550,000</u>
Total special funds appropriation	\$40,065,763

SECTION 2. PRIVATE LAND HABITAT AND ACCESS IMPROVEMENT. The sum of \$3,873,386, or so much of the sum as may be necessary, included in the land habitat and deer depredation line item in section 1 of this Act, is from the private land habitat and access improvement fund and shall be used by the game and fish department for the private land habitat and access improvement program, as provided in section 20.1-02-05, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. NONGAME WILDLIFE. The sum of \$41,874, or so much of the sum as may be necessary, included in the nongame wildlife line item in section 1 of this Act, is from the nongame wildlife fund and shall be used by the game and fish department for the purposes provided in section 20.1-02-16.2, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. WILDLIFE SERVICES - AGRICULTURE COMMISSIONER. The sum of \$550,000, or so much of the sum as may be necessary, included in the wildlife services line item in section 1 of this Act, is from the game and fish department operating fund and must be provided to the agriculture commissioner to pay for services provided by the United States department of agriculture wildlife services agency to alleviate wildlife depredation and damage in North Dakota. Projects, contracts, and agreements relating to the expenditure of these moneys must be approved by the director of the game and fish department.

SECTION 5. EMERGENCY. The capital assets line item in section 1 of this Act is declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 41

SENATE BILL NO. 2020 (Appropriations Committee) (At the request of the Governor)

HISTORICAL SOCIETY

AN ACT to provide an appropriation for defraying the expenses of the state historical society; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Salaries and wages	\$5,078,190
Operating expenses	1,270,004
Capital assets	849,544
Grants	1,300,000
Veterans' oral history project	150,000
Cultural heritage grants	75,000
Yellowstone-Missouri-Fort Union Commission	4,492
Lewis and Clark bicentennial	<u>923,746</u>
Total all funds	\$9,650,976
Less estimated income	<u>2,391,042</u>
Total general fund appropriation	<u>\$7,259,934</u>

SECTION 2. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. COMPACT STORAGE UNITS. The state historical society may spend moneys appropriated in the capital assets line item in section 1 of this Act to purchase compact storage units, for the period beginning with the effective date of this Act and ending June 30, 2005.

SECTION 5. EXEMPTION. The state historical society's appropriation contained in section 1 of chapter 20 of the 2001 Session Laws is not subject to the provisions of section 54-44.1-11 in an amount of up to \$540,000, of which \$440,000 is from the general fund and \$100,000 is from special funds. Of the \$540,000,

\$25,000 is for cultural heritage grants and \$515,000 is for the completion of the confluence center exhibits and the era of change exhibits.

SECTION 6. LEWIS AND CLARK BICENTENNIAL LINE ITEM AND CAPITAL ASSETS LINE ITEM TRANSFERS. Notwithstanding any other provision of law, the state historical society may transfer funds between the Lewis and Clark bicentennial line item and the capital assets line item during the period beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. EMERGENCY. The capital assets line item, \$300,000 of the grants line item relating to the federal historic preservation program, and the veterans' oral history project line item in section 1 and section 4 of this Act are declared to be an emergency measure.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 42

SENATE BILL NO. 2021
 (Appropriations Committee)
 (At the request of the Governor)

PARKS AND RECREATION DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden; to amend and reenact section 55-08-06 of the North Dakota Century Code, relating to park permit fees; to repeal section 55-08-14 of the North Dakota Century Code, relating to capital projects and revenue bonds authorization; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and the International Peace Garden, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

Salaries and wages	\$5,254,566
Operating expenses	4,601,793
Capital assets	2,517,794
Grants	4,336,000
Lewis and Clark bicentennial	<u>760,618</u>
Total all funds	\$17,470,771
Less estimated income	<u>10,767,112</u>
Total general fund appropriation	\$6,703,659

Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	<u>\$352,854</u>
Total general fund appropriation	\$352,854
Grand total general fund appropriation S.B. 2021	\$7,056,513
Grand total special funds appropriation S.B. 2021	\$10,767,112
Grand total all funds appropriation S.B. 2021	\$17,823,625

SECTION 2. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$500,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing grants for the period beginning with the effective date of this Act and ending June 30, 2003.

SECTION 3. AMENDMENT. Section 55-08-06 of the North Dakota Century Code is amended and reenacted as follows:

55-08-06. Permits for motor vehicles. Unless authorized by the director, a motor vehicle may not enter or be permitted to enter any state park, state recreational area, or reserve unless the operator of the motor vehicle displays upon request a permit issued as provided in this chapter. Permits must be of a size, form, and character as the director prescribes, and the director shall procure permits for each calendar year which by appropriate language must grant permission to use any state park, state recreational area, or reserve. Permits for each calendar year must be provided and placed on sale on or before November first next preceding and used on or at any time after that date until May first of the year following the calendar year for which issued. Permits in each category must be numbered consecutively for each year of issue. Except for senior citizen discounts, a fee of twenty-five dollars must be charged for each permit issued, except that permits of appropriate special design may be sold individually at a maximum of ~~four~~ five dollars per permit covering the use of state parks, state recreational areas, or reserves under such conditions as the director may prescribe for a designated period of not more than three days. The director may authorize a discount on the sale of annual permits to any resident of North Dakota who is sixty-five years of age or older and who applies for a discount. The fees collected must be deposited in the state park operating fund in the state treasury, unless authorized by the director as follows:

1. The director may allow other agencies or organizations that have leased state parks, state recreational areas, reserves, or facilities to retain entrance and special permit fees collected by the lessee.
2. The director may exempt all or any part of any state park, state recreational area, or reserve from the requirement of the motor vehicle permit and fee, for any activity or period, when in the director's judgment it is desirable to do so; provided, however, that no further exceptions may be made after state park revenue bonds are issued and while the bonds are outstanding.

SECTION 4. SNOWMOBILE FUND. The sum of \$902,888, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the snowmobile fund and must be used by the parks and recreation department pursuant to section 39-24-05, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 5. TRAIL TAX TRANSFER FUND. The sum of \$50,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the trail tax transfer fund and must be used by the parks and recreation department pursuant to section 39-29-05, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 6. STATE PARKS GIFT FUND. The sum of \$100,456, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the state parks gift fund and must be used by the parks and recreation department pursuant to section 55-08-07.2, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 7. GAME AND FISH OPERATING FUND. The sum of \$122,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at various state parks, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 8. WATER DEVELOPMENT TRUST FUND. Notwithstanding section 54-27-25, the sum of \$575,287, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the water development trust fund and may be spent by the parks and recreation department for the purpose of repaying principal and interest on disaster response loans from the Bank of North Dakota, pursuant to section 54-16-13.

SECTION 9. REPEAL. Section 55-08-14 of the North Dakota Century Code is repealed.

SECTION 10. EMERGENCY. The capital assets line item in subdivision 1 of section 1 of this Act and sections 2 and 3 of this Act are declared to be an emergency measure.

Approved May 2, 2003
Filed May 2, 2003

CHAPTER 43

SENATE BILL NO. 2022

(Appropriations Committee)
(At the request of the Governor)

WATER COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to provide a line of credit and an appropriation for repayment; to authorize the state water commission to issue and sell evidences of indebtedness for the construction of water-related projects; to create and enact a new section to chapter 61-02 of the North Dakota Century Code, relating to construction of the Devils Lake outlet; to amend and reenact sections 54-27-25 and 61-02.1-02.1 of the North Dakota Century Code, relating to allocation of the tobacco settlement trust fund and funding statewide water development projects; to transfer funds from the water development trust fund to the general fund; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the water development trust fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state water commission for the purpose of defraying the expenses of the state water commission, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Administrative and support services	\$2,076,235
Water and atmospheric resources	<u>157,782,619</u>
Total all funds	\$159,858,854
Less estimated income	<u>150,473,458</u>
Total general fund appropriation	\$9,385,396

SECTION 2. RESOURCES TRUST FUND. The sum of \$13,650,000, or so much of the sum as may be necessary, included in the total special funds appropriation line item in section 1 of this Act is from the resources trust fund and must be used by the state water commission for purposes authorized by the legislative assembly, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 3. WATER DEVELOPMENT TRUST FUND. The sum of \$32,946,225, or so much of the sum as may be necessary, included in the total special funds appropriation line item in section 1 of this Act is from the water development trust fund and must be used by the state water commission for purposes authorized by the legislative assembly, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 4. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects, included in the water and atmospheric resources line item in section 1 of this Act. However, this exclusion is only in effect for two years after

June 30, 2005. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 5. SALE AND PURCHASE OF LAND AND BUILDING - AUTHORITY - CONTINUING APPROPRIATION.

1. The state water commission, on behalf of the state of North Dakota, may sell in one or more parcels the land and building known as the "state water commission maintenance shop" located at 2603 East Broadway Avenue, Bismarck, North Dakota, and legally described as follows:

A tract of land lying in the Northwest Quarter (NW 1/4) of Section Two (2), Township One Hundred Thirty-Eight (138) North, Range Eighty (80) West of the Fifth (5) Principal Meridian, in the County of Burleigh and State of North Dakota, and described as follows:

Commencing at the northwest corner of said section two; thence traveling in a southerly direction along the west boundary of said section two for a distance of seven hundred seventy-four and six-tenths feet (744.60); thence turning a right angle to the left in an easterly direction along a line which is parallel to the north boundary of said section two for a distance of forty-seven feet (47.00), which shall be called the true point of beginning; thence continuing due east along said line for a distance of eight hundred forty-two and nine-tenths feet (842.90); thence turning a deflection angle of ninety degrees and twenty-two minutes (90 degrees 22') to the right and traveling in a southerly direction to a point of intersection with the north fifty foot railroad right-of-way line; thence traveling in a westerly direction along said north fifty foot railroad right-of-way line to a point of intersection with the west boundary of said section two; thence traveling in a northerly direction along the west boundary of said section two for a distance of four hundred seventy-two and one-tenth feet (472.10); thence turning a right angle to the right in an easterly direction along a line which is parallel to the north boundary of said section two for a distance of forty-seven feet (47.00); thence traveling in a northerly direction along a line which is parallel to the west boundary of said section two for a distance of one hundred fifty feet (150.00) to the point of beginning. Including all of the property bounded by the above described line, subject to existing rights-of-way and easements.

The above described tract of land contains 11.77 acres, more or less.

2. The conveyance authorized by this Act is exempt from sections 54-01-05.2 and 54-01-05.5. The conveyance may only be made after the property has been appraised and the property must be sold at public auction unless no bid equals or exceeds the minimum appraised value. The appraisal must be dated no earlier than eighteen months before the auction. If at the public auction no bid equals or exceeds the minimum appraised value, the state water commission may negotiate a price for the land with a purchaser.
3. All proceeds from the sale, or so much of the sale proceeds as may be necessary, not otherwise appropriated, are appropriated on a continuing

basis to the state water commission for the purchase or lease of land and the construction of a building and associated appurtenances to be used as a new maintenance facility on new or the existing water commission property. The purchase authorized by this subsection may proceed only after completion of a certified appraisal of the property to be purchased and completion of a physical inspection of any building to be purchased demonstrating that the building is structurally sound and suitable for state water commission purposes.

4. The attorney general shall review and approve the form and legality of all legal documents required for the conveyance and purchase authorized by this Act, including title opinions.

SECTION 6. BUILDING SALE PROCEEDS. Proceeds of the sale of the state water commission maintenance shop located in east Bismarck, as provided in section 5 of this Act, must be used to purchase or lease land and construct a new maintenance shop building on new or the existing water commission property. If the proceeds from the sale are less than \$977,100, the state water commission may use other funds appropriated to the state water commission for the purpose of purchasing or leasing land and constructing a new maintenance shop building on new or the existing water commission property. If the proceeds from the sale are not available at the time the state water commission needs to purchase or lease land and construct the new building and associated appurtenances on new or the existing water commission property, the state water commission may use other funds appropriated to it provided that, upon receipt of the proceeds of the sale, the state water commission transfers to the funds from which moneys were taken an amount equal to any funds utilized for the purchase or lease of land and construction of the new maintenance building on new or the existing water commission property. If the state water commission uses other funds appropriated to it because the funds from the sale of the land and building are insufficient, the state water commission need not make a transfer of sale proceeds. No more than a total of \$977,100 may be expended from the amounts appropriated under this Act to purchase land and construct the new maintenance building and associated appurtenances on new or the existing water commission property.

SECTION 7. LINE OF CREDIT - CONTINGENT APPROPRIATION. If determined necessary by the state water commission, the Bank of North Dakota shall extend a line of credit, not to exceed \$25,000,000, which is appropriated to the state water commission for the purpose of interim financing until bonds are issued under chapters 61-02 and 61-02.1, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 8. REPAYMENT OF LINE OF CREDIT - CONTINGENT APPROPRIATION. If the line of credit authorized in section 7 of this Act is extended to the state water commission by the Bank of North Dakota, there is appropriated out of any moneys in the water development trust fund, not otherwise appropriated, or from bond proceeds, the sum of \$25,000,000, or so much of the sum as may be necessary, to the state water commission for the purpose of repaying the line of credit, for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 9. BOND ISSUANCE AUTHORIZATION - PURPOSES. Notwithstanding the authority of the state water commission to issue evidences of indebtedness under chapters 61-24.3 and 61-24.6, the state water commission may arrange for the funding of water-related projects or works in this state, including those identified in the statewide water development plan, which are authorized and declared to be in the public interest, through the issuance of evidences of

indebtedness under chapters 61-02 and 61-02.1 in an amount not to exceed \$60,000,000, plus the costs of issuance, capitalized interest, and required reserves, for the biennium beginning July 1, 2003, and ending June 30, 2005. Bonds issued pursuant to this section are not a general obligation of the state of North Dakota.

SECTION 10. RESOURCES TRUST FUND APPROPRIATION - ADJUSTMENT. If the resources trust fund 2003-05 revenues are in excess of \$13,650,000, any excess is appropriated, subject to emergency commission approval, from the resources trust fund to the state water commission for the biennium beginning July 1, 2003, and ending June 30, 2005.

SECTION 11. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under sections IX (payments) and XI (calculation and disbursement of payments) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778]. All moneys received by the state pursuant to the judgment and all moneys received by the state for enforcement of the judgment must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund must be allocated as follows:

1. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund.
2. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.
3. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

Notwithstanding the provisions of this section, during each biennium transfers that would be made to the common schools trust fund under subsection 2 must instead be transferred to the water development trust fund until the state water commission certifies to the state treasurer that deposits in the water development trust fund during that biennium are sufficient to pay the principal and interest for that biennium on bonds authorized under section 61-02.1-04. When that certification is received, the state treasurer shall determine the amount deposited in the water development trust fund during that biennium and transfers that would be made to the water development trust fund under subsection 3 must instead be transferred to the common schools trust fund until deposits in the common schools trust fund during that biennium are equal to the amount deposited in the water development trust fund during that biennium or until the end of the biennium, whichever occurs first.

Transfers to the funds under this section must be made within thirty days of receipt by the tobacco settlement trust fund.

SECTION 12. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Construction of the Devils Lake outlet - Authorization - Agreement. The state water commission may do all things reasonably necessary to construct an outlet from Devils Lake, including executing an agreement with the federal government wherein the state water commission agrees to hold the United States harmless and free from damages, except for damages due to the fault or negligence of the United States or its contractors.

SECTION 13. AMENDMENT. Section 61-02.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

61-02.1-02.1. Funding - Statewide water development projects - Bond issuance amount.

1. The priorities for the statewide water development program for the 2001-03 biennium include municipal, rural, and industrial projects; irrigation projects; general water management projects, including rural flood control, snagging and clearing, channel improvement, recreation, and planning studies; flood control projects; and weather modification projects. The state water commission may provide the funds necessary to construct these projects from money appropriated to the state water commission from the resources trust fund, the water development trust fund, or by issuing bonds in an amount not to exceed twenty million dollars plus the costs of issuance of the bonds, capitalized interest, and reasonably required reserves. ~~The commission may utilize up to five million five hundred thousand dollars from the water development trust fund, the resources trust fund, or from bond proceeds to provide cost share for a flood control channel and levy project designed to provide protection from overland flooding to a city with a population in excess of eighty thousand as of the 2000 federal decennial census. The amount provided may not exceed fifty percent of the city's share of the cost to construct the project. Bonds may be issued utilizing the procedures set forth in chapter 61-02. The proceeds of any bonds issued under the authority provided in this section are appropriated to the state water commission for the purposes set forth in this section.~~
2. If the state water commission determines it is appropriate to do so, it may, in lieu of issuing or in combination with the issuance of bonds pursuant to sections 61-02.1-01 and 61-02.1-02, for all or part of the state's cost share for the projects set forth in those provisions, use funds appropriated to it from the resources trust fund or the water development trust fund. ~~Regardless of the source, the amount of funds used may not exceed the limits set forth in section 61-02.1-02.~~

SECTION 14. CONTINUING APPROPRIATION - DEVILS LAKE OUTLET. There is appropriated to the state water commission on a continuing basis from the water development trust fund or the resources trust fund in the state treasury, or from bond proceeds from bonds issued by the state water commission, as determined by the state water commission, the amount of funds required by the agreement between the state and the federal government to construct an outlet from Devils Lake to meet

its cost-share obligations under the agreement and from any legally available funds to meet its indemnification obligations under the agreement.

SECTION 15. TRANSFER. Notwithstanding section 54-27-25, during the biennium beginning July 1, 2003, and ending June 30, 2005, the director of the office of management and budget shall transfer \$10,070,373 from the water development trust fund to the general fund.

Approved May 2, 2003

Filed May 2, 2003

CHAPTER 44**SENATE BILL NO. 2023**

(Appropriations Committee)
(At the request of the Governor)

WORKERS COMPENSATION BUREAU

AN ACT to provide an appropriation for defraying the expenses of the workers compensation bureau.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workers' compensation fund in the state treasury, not otherwise appropriated, to the workers compensation bureau for the purpose of defraying the expenses of the workers compensation bureau for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Total special funds appropriation	\$32,397,631
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Approved May 2, 2003

Filed May 2, 2003

CHAPTER 45

SENATE BILL NO. 2024
 (Appropriations Committee)
 (At the request of the Governor)

RETIREMENT AND INVESTMENT AGENCIES

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 2003, and ending June 30, 2005, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$1,774,885
Operating expenses	986,444
Contingencies	82,000
Contracted services	<u>2,000,000</u>
Total special funds appropriation	<u>\$4,843,329</u>

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$2,653,654
Operating expenses	1,484,504
Contingencies	<u>250,000</u>
Total special funds appropriation	<u>\$4,388,158</u>
Grand total special funds appropriation S.B. 2024	<u>\$9,231,487</u>

SECTION 2. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the respective boards, the retirement and investment office and the public employees retirement system may transfer from their respective contingencies line items in subdivisions 1 and 2 of section 1 of this Act to all other line items. The agencies shall notify the office of management and budget of each transfer made pursuant to this section.

Approved April 16, 2003
 Filed April 17, 2003

CHAPTER 46**SENATE BILL NO. 2025**

(Appropriations Committee)
 (At the request of the Governor)

ECONOMIC ASSISTANCE APPROPRIATION

AN ACT to provide an appropriation for defraying certain medical assistance expenses of the department of human services; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of special funds in the state treasury, not otherwise appropriated, to the department of human services for the purpose of defraying the expenses of that agency, for the period beginning January 1, 2003, and ending June 30, 2003, as follows:

ECONOMIC ASSISTANCE

Grants - Medical assistance	<u>\$15,450,000</u>
Total special funds appropriation	<u>\$15,450,000</u>

SECTION 2. SPECIAL FUNDS - HEALTH CARE TRUST FUND - PERMANENT OIL TAX TRUST FUND. The total special funds appropriation line item in section 1 of this Act includes \$7,506,238 from the health care trust fund and \$7,943,762 from the permanent oil tax trust fund.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 18, 2003
 Filed April 18, 2003

CHAPTER 47**SENATE BILL NO. 2032**

(Legislative Council)
(Education Committee)

DATA ENVELOPMENT ANALYSIS PROJECT

AN ACT to provide an appropriation for the data envelopment analysis project.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of completing the data envelopment analysis project, for the biennium beginning July 1, 2003, and ending June 30, 2005.

Approved April 9, 2003

Filed April 9, 2003