

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; to provide for a legislative council review; to provide for transfers; to provide an exception; to amend and reenact subdivision c of subsection 7 of section 54-03-20 and subsection 1 of section 54-35-10 of the North Dakota Century Code, relating to legislative leaders' monthly compensation and interim legislative council pay; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the legislative branch of state government in section 3 of this Act as follows:

Subdivision 1.

SIXTIETH AND SIXTY-FIRST LEGISLATIVE ASSEMBLIES AND BIENNIUM

Salaries and wages	\$6,084,617
Operating expenses	3,017,773
Capital assets	232,085
National conference of state legislatures	177,750
Total all funds - Base level	\$9,512,225
Less estimated income - Base level	<u>20,000</u>
Total general fund - Base level	\$9,492,225

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$5,205,205
Operating expenses	2,367,736
Capital assets	41,000
Higher education study	175,000
Total general fund - Base level	\$7,788,941
Total general fund - Section 1	\$17,281,166
Total other funds - Section 1	\$20,000
Total all funds - Section 1	\$17,301,166

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the legislative branch of state government which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

SIXTIETH AND SIXTY-FIRST LEGISLATIVE ASSEMBLIES AND BIENNIUM

Salaries and wages	\$770,940
Operating expenses	(19,342)
Capital assets	(26,085)
National conference of state legislatures	28,564
Legislative applications replacement	<u>3,910,827</u>
Total all funds - Adjustments/enhancements	\$4,664,904
Less estimated income - Adjustments/enhancements	(20,000)
Total general fund - Adjustments/enhancements	\$4,684,904

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$603,058
Operating expenses	270,731
Capital assets	16,000
Higher education study	(175,000)
Total general fund - Adjustments/enhancements	\$714,789
Total general fund - Section 2	\$5,349,693
Total other funds - Section 2	(\$20,000)
Total all funds - Section 3	\$5,379,693

SECTION 3. 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, 2009, as follows:

Subdivision 1.

SIXTIETH AND SIXTY-FIRST LEGISLATIVE ASSEMBLIES AND BIENNIUM

Salaries and wages	\$6,855,557
Operating expenses	2,998,431
Capital assets	206,000
National conference of state legislatures	206,314
Legislative applications replacements	<u>3,910,827</u>
Total general fund appropriation	\$14,177,129

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$5,808,263
Operating expenses	2,638,467
Capital assets	<u>57,000</u>
Total general fund appropriation	\$8,503,730
Grand total general fund appropriation H.B. 1001	\$22,680,859

SECTION 4. 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 sixtieth and

sixty-first 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 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in subdivision 1 of section 3 of this Act includes \$4,260,827 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The legislative assembly shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Legislative applications replacement system computer project	\$3,910,827
Computer equipment replacement	<u>350,000</u>
Total	\$4,260,827

SECTION 6. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in subdivision 2 of section 3 of this Act includes \$129,579 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The legislative council shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Computer equipment replacement	\$104,579
Office equipment replacement	<u>25,000</u>
Total	\$129,579

SECTION 7. COMMITTEE ROOM RENOVATION FUNDING - EXPENDITURE DETERMINATION. Any expenditure of funds relating to \$100,000 of the \$200,000 provided for committee room renovations in subdivision 1 of section 3 of this Act must be approved by a majority of the senate members of the legislative management committee. Any expenditures relating to the remaining \$100,000 for committee room renovations must be approved by a majority of the house of representatives members of the legislative management committee for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. LEGISLATIVE COUNCIL - REVIEW OF STAFF SERVICES - FUTURE STAFFING NEEDS. The legislative council shall review legislative council staff services during the 2007-08 interim for the purpose of determining future legislative staffing needs. The review must include the appropriateness of the current organizational structure as it relates to future staffing needs and address the potential effect of the information technology applications system and pending retirements on staffing needs, succession planning, and knowledge transfer. Recommendations for staffing and organizational changes must be reflected in the legislative council's 2009-11 budget request.

1 SECTION 9. AMENDMENT. Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~fifty~~ sixty dollars per month during the biennium for their execution of public duties.

2 SECTION 10. AMENDMENT. Subdivision c of subsection 7 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

- c. The majority and minority leaders of the house and senate and the chairman of the legislative council, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of two hundred ~~sixty~~ sixty seven dollars per month during the biennium for their execution of public duties.

3 SECTION 11. AMENDMENT. Subsection 1 of section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

1. The members of the council and the members of any committee of the council are entitled to be compensated for the time spent in attendance at sessions of the council and of its committees at the rate of one hundred thirty-five dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

SECTION 12. ADDITIONAL LODGING REIMBURSEMENT FOR APRIL 2007 - LEGISLATIVE ASSEMBLY. Notwithstanding the \$900 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 sixtieth legislative assembly is entitled to lodging reimbursement as provided in section 44-08-04 for state officers and employees for each calendar day the sixtieth legislative assembly is in session during the month of April 2007.

SECTION 13. EFFECTIVE DATE. Section 9 of this Act becomes effective on July 1, 2007, section 10 of this Act becomes effective on July 1, 2008, and section 11 of this Act becomes effective on July 1, 2009.

¹ Section 54-03-20 was also amended by section 10 of House Bill No. 1001, chapter 1, section 1 of House Bill No. 1106, chapter 453, section 2 of House Bill No. 1106, chapter 453, section 3 of House Bill No. 1106, chapter 453, and section 4 of House Bill No. 1106, chapter 453.

² Section 54-03-20 was also amended by section 9 of House Bill No. 1001, chapter 1, section 1 of House Bill No. 1106, chapter 453, section 2 of House Bill No. 1106, chapter 453, section 3 of House Bill No. 1106, chapter 453, and section 4 of House Bill No. 1106, chapter 453.

³ Section 54-35-10 was also amended by section 5 of House Bill No. 1106, chapter 453, and section 6 of House Bill No. 1106, chapter 453.

SECTION 14. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 30, 2007
Filed May 1, 2007

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; and to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the judicial branch in section 3 of this Act as follows:

Subdivision 1.

SUPREME COURT

Salaries and wages	\$6,522,911
Operating expenses	1,924,761
Capital assets	8,000
Judges retirement	134,931
Total general fund - Base level	<u>\$8,590,603</u>

Subdivision 2.

DISTRICT COURTS

Salaries and wages	\$36,952,288
Operating expenses	11,222,655
Capital assets	185,500
Judges retirement	706,771
UND central legal research	80,000
Alternative dispute resolution	<u>20,000</u>
Total all funds - Base level	\$49,167,214
Less estimated income - Base level	<u>1,219,957</u>
Total general fund - Base level	\$47,947,257

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	\$607,530
Total all funds - Base level	\$607,530
Less estimated income - Base level	<u>287,521</u>
Total general fund - Base level	\$320,009
Total general fund - Section 1	\$56,857,869
Total other funds - Section 1	\$1,507,478
Total all funds - Section 1	\$58,365,347

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the judicial branch which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

SUPREME COURT

Salaries and wages	\$556,341
Operating expenses	224,424
Capital assets	88,000
Judges retirement	(12,700)
Total all funds - Adjustments/enhancements	\$856,065
Total general fund - Adjustments/enhancements	\$856,065

Subdivision 2.

DISTRICT COURTS

Salaries and wages	\$5,196,049
Operating expenses	3,412,776
Capital assets	273,083
Judges retirement	(101,022)
UND central legal research	0
Alternative dispute resolution	0
Mediation	1,076,824
Total all funds - Adjustments/enhancements	\$9,857,710
Less estimated income - Adjustments/enhancements	681,721
Total general fund - Adjustments/enhancements	\$9,175,989

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	\$110,424
Total all funds - Adjustments/enhancements	\$110,424
Less estimated income - Adjustments/enhancements	11,835
Total general fund - Adjustments/enhancements	\$98,589
Total general fund - Section 2	\$10,130,643
Total other funds - Section 2	\$693,556
Total all funds - Section 2	\$10,824,199

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

SUPREME COURT

Salaries and wages	\$7,079,252
Operating expenses	2,149,185
Capital assets	96,000
Judges retirement	122,231
Total all funds	\$9,446,668
Total general fund appropriation	\$9,446,668

Subdivision 2.

DISTRICT COURTS

Salaries and wages	\$42,148,337
Operating expenses	14,635,431
Capital assets	458,583
Judges retirement	605,749
UND central legal research	80,000
Alternative dispute resolution	20,000

Mediation	<u>1,076,824</u>
Total all funds	\$59,024,924
Less estimated income	<u>1,901,678</u>
Total general fund appropriation	\$57,123,246

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	<u>\$717,954</u>
Total all funds	\$717,954
Less estimated income	<u>299,356</u>
Total general fund appropriation	\$418,598
Grand total general fund appropriation	\$66,988,512
Grand total other funds appropriation	\$2,201,034
Grand total all funds appropriation	\$69,189,546

SECTION 4. 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, 2007, and ending June 30, 2009.

SECTION 5. 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.

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

27-02-02. Salaries of justices of supreme court. The annual salary of each justice of the supreme court is one hundred ~~three~~ thirteen thousand ~~eighty-seven~~ five hundred ~~seventy-eight~~ seventy-eight dollars through June 30, ~~2006~~ 2008, and one hundred ~~seven~~ eighteen thousand ~~two~~ one hundred ~~ten~~ twenty-one dollars thereafter. The chief justice of the supreme court is entitled to receive an additional three thousand ~~fifteen~~ two hundred ~~sixty-two~~ sixty-two dollars per annum through June 30, ~~2006~~ 2008, and three thousand ~~one~~ three hundred ~~thirty-six~~ ninety-two dollars per annum thereafter.

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

27-05-03. Salaries and expenses of district judges. The annual salary of each district judge is ~~ninety-four~~ one hundred ~~four~~ thousand ~~two~~ hundred ~~ninety-eight~~ seventy-three dollars through June 30, ~~2006~~ 2008, and ~~ninety-eight~~ one hundred ~~eight~~ thousand ~~seventy~~ two hundred ~~thirty-six~~ thirty-six dollars thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional ~~two~~ three thousand ~~seven~~ hundred ~~seventy-nine~~ five dollars per annum through June 30, ~~2006~~ 2008, and ~~two~~ three thousand ~~eight~~ one hundred ~~ninety~~ twenty-six dollars thereafter.

SECTION 8. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$1,490,750 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The supreme court shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Enhanced records management system	\$115,750
Unified case management system	<u>1,375,000</u>
Total	\$1,490,750

Approved April 30, 2007

Filed May 1, 2007

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 provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to limit student tuition rates; to provide for a legislative council study; to amend and reenact section 15-10-43 of the North Dakota Century Code, relating to the contract with the Kansas state university veterinary medical education program; to repeal section 15-12-27 of the North Dakota Century Code, relating to North Dakota state university's eighteenth street development fund; to provide for retroactive application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education listed in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Capital assets	\$14,278,141
Competitive research	5,190,000
Board initiatives	1,885,000
System governance	5,568,422
Title II	695,600
Common information services	20,563,093
Operations pool	388,559
Equity pool	2,000,000
Contingency and capital emergency	436,923
Professional liability insurance	1,350,000
Student financial assistance grants	3,504,402
Professional student exchange program	2,127,280
Scholars program	862,077
Native American scholarships	251,988
Education incentive programs	1,227,902
Total all funds - Base level	\$60,329,387
Less estimated income - Base level	<u>2,599,776</u>
Total general fund - Base level	\$57,729,611

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$16,865,548
Capital assets	3,988,781
Total all funds - Base level	\$20,854,329
Less estimated income - Base level	<u>3,745,300</u>
Total general fund appropriation - Base level	\$17,109,029

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$5,389,989
Capital assets	<u>387,537</u>
Total general fund appropriation - Base level	\$5,777,526

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$5,752,997
Capital assets	<u>8,136,475</u>
Total all funds - Base level	\$13,889,472
Less estimated income - Base level	<u>7,960,000</u>
Total general fund appropriation - Base level	\$5,929,472

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$92,551,602
Capital assets	<u>100,132,099</u>
Total all funds - Base level	\$192,683,701
Less estimated income - Base level	<u>97,831,554</u>
Total general fund appropriation - Base level	\$94,852,147

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$75,804,650
Capital assets	<u>39,192,226</u>
Total all funds - Base level	\$114,996,876
Less estimated income - Base level	<u>37,500,000</u>
Total general fund appropriation - Base level	\$77,496,876

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$24,986,828
Capital assets	<u>3,558,252</u>
Total all funds - Base level	\$28,545,080
Less estimated income - Base level	<u>2,804,920</u>
Total general fund appropriation - Base level	\$25,740,160

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$14,711,627
Capital assets	<u>9,484,247</u>
Total all funds - Base level	\$24,195,874
Less estimated income - Base level	<u>9,100,557</u>
Total general fund appropriation - Base level	\$15,095,317

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$9,003,630
Capital assets	<u>1,858,994</u>
Total all funds - Base level	\$10,862,624
Less estimated income - Base level	<u>1,500,000</u>
Total general fund appropriation - Base level	\$9,362,624

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$27,215,849
Capital assets	<u>9,211,870</u>
Total all funds - Base level	\$36,427,719
Less estimated income - Base level	<u>8,535,000</u>
Total general fund appropriation - Base level	\$27,892,719

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$11,806,526
Capital assets	<u>508,416</u>
Total general fund appropriation - Base level	\$12,314,942

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,334,460
Capital assets	<u>6,109,725</u>
Total all funds - Base level	\$10,444,185
Less estimated income - Base level	<u>6,000,000</u>
Total general fund appropriation - Base level	\$4,444,185

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH
SCIENCES

Operations	<u>\$31,361,002</u>
Total general fund appropriation - Base level	\$31,361,002

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$2,925,646
Capital assets	<u>101,638</u>
Total all funds - Base level	\$3,027,284
Less estimated income - Base level	<u>975,001</u>
Total general fund appropriation - Base level	\$2,052,283
Total general fund appropriation - Section 1	\$387,157,893
Total estimated income appropriation - Section 1	\$178,552,108
Total all funds appropriation - Section 1	\$565,710,001

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$2,225,971
Competitive research program	460,000
Board initiatives	(1,486,500)
System governance	314,972
Common information services	10,914,000
Operations pool	(388,559)
Equity pool	(2,000,000)

Contingency and capital emergency	(436,923)
Professional liability insurance	(250,000)
Student financial assistance grants	2,483,095
Professional student exchange program	595,666
Scholars program	616,489
Native American scholarships	128,638
Education incentive programs	512,412
Total all funds - Adjustments/enhancements	\$13,689,261
Less estimated income - Adjustments/enhancements	<u>2,817,754</u>
Total general fund - Adjustments/enhancements	\$10,871,507

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$2,868,132
Capital assets	<u>2,707,161</u>
Total all funds - Adjustments/enhancements	\$5,575,293
Less estimated income - Adjustments/enhancements	<u>1,988,750</u>
Total general fund - Adjustments/enhancements	\$3,586,543

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$1,121,359
Capital assets	<u>2,745,667</u>
Total all funds - Adjustments/enhancements	\$3,867,026
Less estimated income - Adjustments/enhancements	<u>3,007,600</u>
Total general fund - Adjustments/enhancements	\$859,426

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$869,507
Capital assets	<u>(5,879,277)</u>
Total all funds - Adjustments/enhancements	(\$5,009,770)
Less estimated income - Adjustments/enhancements	<u>(5,660,000)</u>
Total general fund - Adjustments/enhancements	\$650,230

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$14,460,228
Capital assets	<u>(18,303,224)</u>
Total all funds - Adjustments/enhancements	(\$3,842,996)
Less estimated income - Adjustments/enhancements	<u>(23,911,554)</u>
Total general fund - Adjustments/enhancements	\$20,068,558

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$13,788,980
Capital assets	<u>4,016,935</u>
Total all funds - Adjustments/enhancements	\$17,805,915
Less estimated income - Adjustments/enhancements	<u>(3,000,000)</u>
Total general fund - Adjustments/enhancements	\$20,805,915

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$2,753,540
Capital assets	<u>1,198,613</u>
Total all funds - Adjustments/enhancements	\$3,952,153

Less estimated income - Adjustments/enhancements	<u>565,500</u>
Total general fund - Adjustments/enhancements	<u>\$3,386,653</u>

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$2,144,483
Capital assets	<u>(465,484)</u>
Total all funds - Adjustments/enhancements	<u>\$1,678,999</u>
Less estimated income - Adjustments/enhancements	<u>(1,100,557)</u>
Total general fund - Adjustments/enhancements	<u>\$2,779,556</u>

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$1,111,435
Capital assets	130,969
Total all funds - Adjustments/enhancements	<u>\$1,242,404</u>
Less estimated income - Adjustments/enhancements	<u>(600,000)</u>
Total general fund - Adjustments/enhancements	<u>\$1,842,404</u>

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$2,879,273
Capital assets	367,024
Total all funds - Adjustments/enhancements	<u>\$3,246,297</u>
Less estimated income - Adjustments/enhancements	<u>(7,128,385)</u>
Total general fund - Adjustments/enhancements	<u>\$10,374,682</u>

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$1,543,611
Capital assets	<u>2,487,819</u>
Total all funds - Adjustments/enhancements	<u>\$4,031,430</u>
Less estimated income - Adjustments/enhancements	<u>2,200,000</u>
Total general fund - Adjustments/enhancements	<u>\$1,831,430</u>

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$425,088
Capital assets	<u>(5,699,023)</u>
Total all funds - Adjustments/enhancements	<u>(\$5,273,935)</u>
Less estimated income - Adjustments/enhancements	<u>(5,748,000)</u>
Total general fund - Adjustments/enhancements	<u>\$474,065</u>

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	\$3,127,499
Total general fund - Adjustments/enhancements	<u>\$3,127,499</u>

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$427,182
Capital assets	78,566
Total all funds - Adjustments/enhancements	<u>\$505,748</u>
Less estimated income - Adjustments/enhancements	<u>22,485</u>
Total general fund - Adjustments/enhancements	<u>\$483,263</u>

Total general fund - Section 2	\$81,141,731
Total estimated income - Section 2	(\$36,546,407)
Total all funds - Section 2	\$44,595,324

SECTION 3. 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 university system office and the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of those entities and institutions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE AND INSTITUTIONS

Capital assets	\$16,504,112
Competitive research program	5,650,000
Board initiatives	398,500
System governance	5,883,394
Title II	695,600
Common information services	31,477,093
Professional liability insurance	1,100,000
Student financial assistance grants	5,987,497
Professional student exchange program	2,722,946
Scholars program	1,478,566
Native American scholarships	380,626
Education incentive programs	<u>1,740,314</u>
Total all funds	\$74,018,648
Less estimated income	<u>5,417,530</u>
Total general fund appropriation	\$68,601,118

Subdivision 2.

BISMARCK STATE COLLEGE

Operations	\$19,733,680
Capital assets	<u>6,695,942</u>
Total all funds	\$26,429,622
Less estimated income	<u>5,734,050</u>
Total general fund appropriation	\$20,695,572

Subdivision 3.

LAKE REGION STATE COLLEGE

Operations	\$6,511,348
Capital assets	<u>3,133,204</u>
Total all funds	\$9,644,552
Less estimated income	<u>3,007,600</u>
Total general fund appropriation	\$6,636,952

Subdivision 4.

WILLISTON STATE COLLEGE

Operations	\$6,622,504
Capital assets	<u>2,257,198</u>
Total all funds	\$8,879,702
Less estimated income	<u>2,300,000</u>
Total general fund appropriation	\$6,579,702

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

Operations	\$107,011,830
Capital assets	<u>81,828,875</u>
Total all funds	\$188,840,705
Less estimated income	<u>73,920,000</u>
Total general fund appropriation	\$114,920,705

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

Operations	\$89,593,630
Capital assets	<u>43,209,161</u>
Total all funds	\$132,802,791
Less estimated income	<u>34,500,000</u>
Total general fund appropriation	\$98,302,791

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Operations	\$27,740,368
Capital assets	<u>4,756,865</u>
Total all funds	\$32,497,233
Less estimated income	<u>3,370,420</u>
Total general fund appropriation	\$29,126,813

Subdivision 8.

DICKINSON STATE UNIVERSITY

Operations	\$16,856,110
Capital assets	<u>9,018,763</u>
Total all funds	\$25,874,873
Less estimated income	<u>8,000,000</u>
Total general fund appropriation	\$17,874,873

Subdivision 9.

MAYVILLE STATE UNIVERSITY

Operations	\$10,115,065
Capital assets	<u>1,989,963</u>
Total all funds	\$12,105,028
Less estimated income	<u>900,000</u>
Total general fund appropriation	\$11,205,028

Subdivision 10.

MINOT STATE UNIVERSITY

Operations	\$30,095,122
Capital assets	<u>9,578,894</u>
Total all funds	\$39,674,016
Less estimated income	<u>1,406,615</u>
Total general fund appropriation	\$38,267,401

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

Operations	\$13,350,137
Capital assets	<u>2,996,235</u>
Total all funds	\$16,346,372
Less estimated income	<u>2,200,000</u>
Total general fund appropriation	\$14,146,372

Subdivision 12.

MINOT STATE UNIVERSITY - BOTTINEAU

Operations	\$4,759,548
Capital assets	<u>410,702</u>
Total all funds	\$5,170,250
Less estimated income	<u>252,000</u>
Total general fund appropriation	\$4,918,250

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE
AND HEALTH SCIENCES

Operations	\$34,488,501
Total general fund appropriation	<u>\$34,488,501</u>

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Operations	\$3,352,828
Capital assets	<u>180,204</u>
Total all funds	\$3,533,032
Less estimated income	<u>997,486</u>
Total general fund appropriation	\$2,535,546
Total general fund appropriation - Section 3	\$468,299,624
Total estimated income appropriation - Section 3	\$142,005,701
Total all funds appropriation - Section 3	\$610,305,325
Grand total general fund appropriation - H.B. 1003	\$468,449,624
Grand total estimated income appropriation - H.B. 1003	\$164,719,701
Grand total all funds appropriation - H.B. 1003	\$633,169,325

SECTION 4. APPROPRIATION. There is appropriated out of any moneys in the general fund, not otherwise appropriated, the sum of \$150,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of providing one-time startup funding for establishing a Theodore Roosevelt center, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. BOARD INITIATIVES - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. The board initiatives line item in subdivision 1 of section 3 of this Act includes the sum of \$300,000 for a grant to the space grant consortium to match federal funds and the sum of \$98,500 for a recruiting initiative for Minot state university - Bottineau. The funding for the initiative is provided for a two-year pilot basis. Minot state university - Bottineau shall report on the effectiveness of the initiative to the appropriations committees of the sixty-first legislative assembly.

SECTION 6. CAPITAL ASSETS. The sum of \$15,754,112, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this Act, must be used by the state board of higher education to satisfy outstanding bond obligations.

SECTION 7. COMMON INFORMATION SERVICES. The sum of \$31,477,093, or so much of the sum as may be necessary, included in the common information services line item in subdivision 1 of section 3 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. Funding allocations are to be made based on the North Dakota university system information technology plan and technology priorities. 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, connectND, northern tier network, and other related technology initiatives as determined by the board.

SECTION 8. CAPITAL ASSETS - MAYVILLE STATE UNIVERSITY. The sum of \$750,000, or so much of the sum as may be necessary, included in the capital assets line item in subdivision 1 of section 3 of this Act, may be used for the development of a master capital plan and for deferred maintenance projects at Mayville state university as approved by the board.

SECTION 9. STUDENT LOAN TRUST FUND. Section 3 of this Act includes the sum of \$523,380, or so much of the sum as may be necessary, from the student loan trust fund for the professional student exchange program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. PERMANENT OIL TAX TRUST FUND. Section 3 of this Act includes the sum of \$7,783,315, or so much of the sum as may be necessary, from the permanent oil tax trust fund of which \$2,773,800 is for northern tier network infrastructure, \$4,109,515 is for streamline projects at the state college of science, Valley City state university, and Minot state university - Bottineau, and \$900,000 is for the service rig program at Williston state college, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 3 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, 2007, and ending June 30, 2009. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2007, and ending June 30, 2009, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 12. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2007, and ending June 30, 2009, the state board of higher education determines that funds allocated to campus operations in section 3 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 13. 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 2009-11 biennium budget request.

SECTION 14. EDUCATION INCENTIVE PROGRAMS. The funding appropriated for education incentive programs in subdivision 1 of section 3 of this Act 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 15. BISMARCK STATE COLLEGE NATIONAL ENERGY CENTER OF EXCELLENCE BUILDING. The state board of higher education may

enter into an agreement or agreements with the Bismarck state college foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a national energy center of excellence building on the Bismarck state college campus using state funds, federal funds, donations, gifts, or other private funds.

SECTION 16. BOND ISSUANCE AUTHORIZATION - PURPOSES - APPROPRIATION. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of 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, 2009. 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 indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated, for the biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of financing the following capital projects:

University of North Dakota - Wilkerson dining center	\$4,000,000
North Dakota state university - Living learning center west and Ceres hall	12,000,000
North Dakota state college of science - Robertson hall	6,000,000
North Dakota state college of science - Parking lot	<u>714,000</u>
Total special funds appropriation	\$22,714,000

SECTION 17. LEGISLATIVE INTENT - HIGHER EDUCATION ACCOUNTABILITY MEASURES. It is the intent of the legislative assembly that the state 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 examinations 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. 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 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. Per capita general fund appropriations for higher education.
 - e. State general fund appropriation levels for university system institutions compared to peer institutions general fund appropriation levels.
5. Financial operations, including:
 - a. Cost per student and percentage distribution by major function.
 - b. Ratio measuring the funding derived from operating and contributed income compared to total university system funding.
 - c. Ratio measuring the amount of expendable net assets as compared to the amount of long-term debt.
 - d. Research expenditures in proportion to the amount of revenue generated by research activity and funding received for research activity.
 - e. Ratio measuring the amount of expendable fund balances divided by total expenditures and mandatory transfers.
 - f. Ratio measuring net total revenues divided by total current revenues.

SECTION 18. TUITION RATE INCREASES - LIMIT - BUDGET SECTION APPROVAL. Notwithstanding any other provision of law, the state board of higher education shall limit any annual tuition increase for students attending institutions under its control for the 2007-08 and 2008-09 academic years to not more than five percent for each year unless the board receives prior budget section approval.

SECTION 19. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The grand total appropriation in section 3 of this Act includes \$28,382,068 from the general fund and \$7,583,315 from the permanent oil tax trust fund for one-time funding items identified

in this section. This amount is not part of the institutions' base budgets to be used in preparing the 2009-11 executive budget. The North Dakota university system shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Northern tier network infrastructure from permanent oil tax trust fund	\$2,773,800
ConnectND system support	2,300,000
Common information system pool parity funding	420,000
Deferred maintenance	10,893,033
Capital projects	13,808,235
Capital projects from permanent oil tax trust fund	4,809,515
Campus initiatives	<u>960,800</u>
Total	\$35,965,383

SECTION 20. USE OF UNSPENT 2005-07 GENERAL FUND APPROPRIATIONS. The state board of higher education shall use \$200,000 of the North Dakota university system office unspent 2005-07 general fund appropriation authorized to continue under section 54-44.1-11 for completing and furnishing the thatcher hall renovation and addition at Minot state university - Bottineau for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 21. LEGISLATIVE INTENT - NORTHERN TIER NETWORK. It is the intent of the sixtieth legislative assembly that higher education institutions utilizing the northern tier network be responsible for funding the related ongoing maintenance costs for the network.

SECTION 22. NORTH DAKOTA STATE UNIVERSITY - COLLEGE OF BUSINESS BUILDING. The state board of higher education may enter an agreement or agreements with the North Dakota state university foundation or other private entity and do all things necessary and proper to authorize construction by the foundation or other private entity of a college of business building off the North Dakota state university campus, using donations, gifts, or other private funds.

SECTION 23. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION.

1. The legislative council shall consider appointing a higher education committee for the 2007-08 interim. If appointed, the committee shall spend a majority of time studying the means by which the North Dakota university system can further contribute to developing and attracting the human capital to meet North Dakota's economic and workforce needs, and if time allows, the committee may visit select higher education institutions.
2. The study must focus on ways to increase postsecondary access, improve the quality of education, contain costs and other means, including productivity, to maximize the usage of the North Dakota university system in meeting the human capital needs of the state.
3. The study must include a review of policy recommendations, as appropriate, which address the postsecondary delivery system, including the mix of institutions, educational attainment gaps, degree production gaps, recruitment and retention of students, and workforce training needs.

4. The study must include a review of the impact of the state's changing demographics on the university system long-term financing plan.
5. The study must recommend goals for each of the higher education cornerstones.
6. The study may include the use of a higher education roundtable format.
7. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.
8. The state board of higher education also shall take the recommendations into account and make appropriate changes to practices, board policy, and budget needs and allocation.

SECTION 24. LEGISLATIVE COUNCIL STUDY - PROFESSIONAL STUDENT EXCHANGE PROGRAMS. The legislative council shall consider studying, during the 2007-08 interim, higher education professional student exchange programs. The study should include review of:

1. The amount of annual tuition and fees paid by students for health care-related professional education programs.
2. The amount of annual support fees paid by the state for health care-related professional education programs.
3. The number of state-supported slots funded and demand for state-supported slots, including the consideration of basing the number of slots on the estimated workforce needs to fill positions due to retirements, geographic, and professional specific service needs.
4. The present repayment provisions and loan forgiveness programs to determine cost-effectiveness, equality issues, and development of program enhancements that would aid in the recruitment of professional students to return to the state to practice their chosen profession.
5. Discontinuation of the contracts with the western interstate commission on higher education for access to veterinary medicine programs and consideration of negotiating contracts for veterinary medicine with Kansas, Iowa, and Minnesota.

The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 25. LEGISLATIVE INTENT - BISMARCK FAMILY PRACTICE CENTER. It is the intent of the sixtieth legislative assembly that the university of North Dakota school of medicine and health sciences may construct, renovate, remodel, purchase, or lease a building for the Bismarck family practice center.

4 SECTION 26. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

15-10-43. Veterinary medical education program - Kansas state university - Contract.

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.
2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine. The legislative council and the chairman of the admissions committee at the Kansas state university school of veterinary medicine may select an alternative for each of the designated positions to serve as necessary.
3. The admissions committee shall determine the criteria to be used in the selection of eligible students, with eligible students interested in large animal veterinary medicine receiving a priority.
4. As a condition of selection under this program, an eligible student shall agree to practice veterinary medicine in this state for a period of three years upon graduation. If a student fails to fulfill the commitment for practice in this state, the student shall repay to the state board of higher education all moneys forwarded to or for the student under this Act, on a proportionate basis.

5 SECTION 27. AMENDMENT. Section 15-10-43 of the North Dakota Century Code is amended and reenacted as follows:

15-10-43. Veterinary medical education program - Kansas state university - Contract.

1. In addition to any contracts under section 15-10-28.2, the state board of higher education may contract with Kansas state university to provide an opportunity for up to five eligible students to enroll in the veterinary medical education program at Kansas state university.
2. Eligible students must be residents of this state and must have been selected for enrollment by an admissions committee consisting of one faculty member from the department of veterinary and microbiological

⁴ Section 15-10-43 was also amended by section 27 of House Bill No. 1003, chapter 3.

⁵ Section 15-10-43 was also amended by section 26 of House Bill No. 1003, chapter 3.

sciences at North Dakota state university, one veterinarian practicing in this state, one member of the legislative assembly, and one livestock producer, all of whom must be appointed by the legislative council, and the chairman of the admissions committee at the Kansas state university school of veterinary medicine.

3. The admissions committee shall determine the criteria to be used in the selection of eligible students, with eligible students interested in large animal veterinary medicine receiving a priority.
4. ~~As a condition of selection under this program, an eligible student shall agree to practice veterinary medicine in this state for a period of three years upon graduation. If a student fails to fulfill the commitment for practice in this state, the student shall repay to the state board of higher education all moneys forwarded to or for the student under this Act, on a proportionate basis.~~

SECTION 28. REPEAL. Section 15-12-27 of the North Dakota Century Code is repealed.

SECTION 29. RETROACTIVE APPLICATION. Section 27 of this Act applies retroactively to students participating in the Kansas state university veterinary medicine program.

SECTION 30. EMERGENCY. The capital assets and professional student exchange program line items contained in section 3 of this Act and sections 4, 8, 15, 16, and 22 of this Act are declared to be an emergency measure.

Approved April 30, 2007

Filed May 1, 2007

CHAPTER 4

HOUSE BILL NO. 1004

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

STATE DEPARTMENT OF HEALTH

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 23-39 of the North Dakota Century Code, relating to collecting fees for tanning facility inspections; to amend and reenact section 23-01-05.3 of the North Dakota Century Code, relating to tracking immunizations; to provide legislative intent; to allow the acceptance and expenditure of certain moneys; to provide for a demonstration project; to provide for a legislative council study; to provide a continuing appropriation; to provide for a report to the legislative council; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state department of health in section 3 of this Act as follows:

Salaries and wages	\$32,342,513
Operating expenses	25,613,981
Capital assets	1,514,469
Grants	41,832,166
Tobacco prevention and control	8,685,995
WIC food payments	<u>15,750,000</u>
Total all funds - Base level	\$125,739,124
Less estimated income - Base level	<u>112,270,220</u>
Total general fund - Base level	\$13,468,904

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state department of health which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$5,405,392
Operating expenses	20,082,693
Capital assets	302,914
Grants	14,875,610
Tobacco prevention and control	233,351
WIC food payments	<u>1,800,000</u>
Total all funds - Adjustments/enhancements	\$42,699,960
Less estimated income - Adjustments/enhancements	<u>36,941,901</u>
Total general fund - Adjustments/enhancements	\$5,758,059

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$37,747,905
Operating expenses	45,696,674
Capital assets	1,817,383
Grants	56,707,776
Tobacco prevention and control	8,919,346
WIC food payments	17,550,000
Total all funds	\$168,439,084
Less estimated income	149,212,121
Total general fund appropriation	\$19,226,963

SECTION 4. ENVIRONMENT AND RANGELAND PROTECTION FUND.

The estimated income line item included in section 3 of this Act includes \$266,119, 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, 2007, and ending June 30, 2009. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 5. 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 6. AMENDMENT. Section 23-01-05.3 of the North Dakota Century Code is amended and reenacted as follows:

23-01-05.3. Immunization data.

1. The state department of health may establish an immunization information system and may require the childhood immunizations specified in subsection 1 of section 23-07-17.1 and other information be reported to the department. The state department of health may only require the reporting of childhood immunizations and other data upon completion of the immunization information reporting system. A health care provider who administers a childhood immunization shall report the patient's identifying information, the immunization that is administered, and other required information to the department. The report must be submitted using electronic media, and must contain the data content and use the format and codes specified by the department.
2. Notwithstanding any other provision of law, a health care provider, elementary or secondary school, early childhood facility, public or private postsecondary educational institution, city or county board of health, district health unit, and the state health officer may exchange immunization data in any manner with one another. Immunization data that may be exchanged under this section is limited to the date and type of immunization administered to a patient and may be exchanged regardless of the date of the immunization.

SECTION 7. A new section to chapter 23-39 of the North Dakota Century Code is created and enacted as follows:

License fees. The fees established by the department must be based on the cost of conducting routine and complaint inspections, enforcement action, and

preparing and sending license renewals. License fees collected pursuant to this chapter must be deposited in the department's operating fund in the state treasury and any expenditure from the fund is subject to appropriation by the legislative assembly. The department shall waive all or a portion of the license fee for any tanning facility that is subject to local jurisdiction.

The department shall accept city or county enforcement of this chapter if the department determines the city or county requirements meet or exceed the requirements of this chapter and any rules promulgated under this chapter.

SECTION 8. LEGISLATIVE COUNCIL STUDY - EMERGENCY MEDICAL SERVICES. The legislative council shall consider studying, during the 2007-08 interim, the emergency medical services system within the state, including the funding, demographics, and impact on rural areas. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 9. LEGISLATIVE INTENT - CHILDHOOD IMMUNIZATION PROGRAM FUNDING. It is the intent of the sixtieth legislative assembly that the funding appropriated in House Bill No. 1435 be used only for a childhood immunization program and is limited to the lesser of the total appropriation or the amount necessary for the childhood immunization program.

SECTION 10. ACCEPTANCE AND EXPENDITURE OF CERTAIN MONEYS. The sixtieth legislative assembly's action on House Bill No. 1004 does not preclude the university of North Dakota from receiving and spending federal and other funds pursuant to North Dakota Century Code sections 54-16-04.1 and 54-16-04.2.

SECTION 11. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$2,010,135 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state department of health shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

An antiviral stockpile in case of severe influenza outbreak \$2,010,135

SECTION 12. DEMONSTRATION PROJECT FOR VOLUNTARY SURVEYS DURING MAJOR CONSTRUCTION OR RENOVATION OF BASIC CARE AND LONG-TERM CARE FACILITIES - CONTINUING APPROPRIATION - REPORT TO LEGISLATIVE COUNCIL.

1. During the 2007-09 biennium, the state department of health shall design and implement a demonstration project through which the department offers a life safety survey process for basic care facilities and long-term care facilities to access voluntarily during and at the conclusion of a construction project, renovation project, or construction and renovation project that costs more than three million dollars.
2. The department may charge a reasonable fee for a life safety survey performed under this section to cover the food, lodging, and transportation expenses of surveyors performing the surveys. Revenues derived from the fees collected under this subsection must be

deposited in the state department of health's operating fund in the state treasury and are appropriated as a continuing appropriation to the state department of health for the purpose of funding the demonstration project under this section.

3. The department shall design and perform the demonstration project in a manner that will provide the surveyor who performs a life safety survey under this section does not violate the federal requirements associated with medicare certified life safety surveys. The department shall perform the demonstration project within the department's 2007-09 appropriation and staffing levels.
4. Before August 1, 2008, the department shall provide a report to the legislative council regarding the status of the demonstration project, including the feasibility and desirability of making the program permanent and whether the department will be recommending any legislation to make the program permanent.

SECTION 13. EXPIRATION DATE. Section 12 of this Act is effective through June 30, 2009, and after that date is ineffective.

Approved May 4, 2007
Filed May 4, 2007

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the Indian affairs commission in section 3 of this Act as follows:

Salaries and wages	\$343,402
Operating expenses	63,895
Total all funds - Base level	\$407,297
Less estimated income - Base level	20,000
Total general fund - Base level	<u>\$387,297</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the Indian affairs commission which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$142,457
Operating expenses	22,000
Total all funds - Adjustments/enhancements	\$164,457
Less estimated income - Adjustments/enhancements	(15,000)
Total general fund - Adjustments/enhancements	<u>\$179,457</u>

SECTION 3. 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 Indian affairs commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$485,859
Operating expenses	85,895
Total all funds	\$571,754
Less estimated income	5,000
Total general fund appropriation	<u>\$566,754</u>

SECTION 4. INTENT - INDIAN EDUCATION COORDINATOR POSITION. The Indian affairs commission shall report to the sixty-first legislative assembly on the progress of the Indian education coordination program.

Approved April 30, 2007
Filed May 1, 2007

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. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the aeronautics commission in section 3 of this Act as follows:

Salaries and wages	\$716,099
Operating expenses	1,892,706
Capital assets	134,000
Grants	<u>3,047,500</u>
Total all funds - Base level	\$5,790,305
Less estimated income - Base level	<u>5,240,118</u>
Total general fund - Base level	\$550,187

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the aeronautics commission which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$87,441
Operating expenses	67,598
Capital assets	600,000
Grants	<u>527,500</u>
Total all funds - Adjustments/enhancements	\$1,282,539
Less estimated income - Adjustments/enhancements	<u>1,282,726</u>
Total general fund - Adjustments/enhancements	(\$187)

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$803,540
Operating expenses	1,960,304
Capital assets	734,000
Grants	3,575,000
Total all funds	\$7,072,844
Less estimated income	<u>6,522,844</u>
Total general fund appropriation	<u>\$550,000</u>

Approved April 26, 2007

Filed April 27, 2007

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; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the veterans' home and department of veterans' affairs in section 3 of this Act as follows:

Subdivision 1.

VETERANS' HOME

Salaries and wages	\$7,778,541
Operating expenses	3,174,778
Capital assets	350,606
Total all funds - Base level	<u>\$11,303,925</u>
Less estimated income - Base level	6,974,833
Total general fund - Base level	<u>\$4,329,092</u>

Subdivision 2.

VETERANS' AFFAIRS

Veterans' affairs	\$653,668
Total general fund - Base level	<u>\$653,668</u>
Total general fund - Section 1	\$4,982,760
Total special funds - Section 1	\$6,974,833
Total all funds - Section 1	<u>\$11,957,593</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the veterans' home and department of veterans' affairs which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

VETERANS' HOME

Salaries and wages	\$1,061,980
Operating expenses	337,222
Capital assets	(20,259)
Life safety improvements	<u>265,700</u>
Total all funds - Adjustments/enhancements	<u>\$1,644,643</u>
Less estimated income - Adjustments/enhancements	1,846,257
Total general fund - Adjustments/enhancements	<u>(\$201,614)</u>

Subdivision 2.

VETERANS' AFFAIRS

Veterans' affairs	\$213,680
Total general fund - Adjustments/enhancements	<u>\$213,680</u>
Total general fund - Section 2	\$12,066
Total special funds - Section 2	\$1,846,257
Total all funds - Section 2	<u>\$1,858,323</u>

SECTION 3. 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 department of veterans' affairs for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

VETERANS' HOME

Salaries and wages	\$8,840,521
Operating expenses	3,512,000
Capital assets	330,347
Life safety improvements	<u>265,700</u>
Total all funds	\$12,948,568
Less estimated income	<u>8,821,090</u>
Total general fund appropriation	<u>\$4,127,478</u>

Subdivision 2.

VETERANS' AFFAIRS

Veterans' affairs	\$867,348
Total general fund appropriation	<u>\$867,348</u>
Grand total general fund appropriation - H.B. 1007	\$4,994,826
Grand total special funds appropriation - H.B. 1007	\$8,821,090
Grand total all funds appropriation - H.B. 1007	<u>\$13,815,916</u>

SECTION 4. PREPLANNING FUNDS - REIMBURSEMENT TO GENERAL FUND. The \$100,000 appropriated for preplanning costs for the new veterans' home in section 3 of this Act is to be included as part of the overall cost of the construction project and the veterans' home is to reimburse the general fund the \$100,000 prior to June 30, 2009, from federal matching funds available for this project.

SECTION 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation in section 3 of this Act includes \$265,700 for the veterans' home and \$59,606 for the department of veterans' affairs for the one-time funding items identified in this section. This amount is not a part of the agencies' base budgets to be used in preparing the 2009-11 executive budget. The veterans' home and department of veterans' affairs shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Life safety improvements and preplanning	\$265,700
Secure filing system	38,250
Electronic storing and retrieving system	<u>21,356</u>
Total	<u>\$325,306</u>

SECTION 6. EMERGENCY. The appropriation of \$265,700 included in subdivision 1 of section 3 of this Act for life safety improvements and preplanning is declared to be an emergency measure.

Approved April 30, 2007
Filed May 1, 2007

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. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of financial institutions in section 3 of this Act as follows:

Salaries and wages	\$3,412,279
Operating expenses	811,982
Capital assets	7,500
Contingency	20,000
Money transmitters	<u>193,742</u>
Total special funds - Base level	\$4,445,503

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of financial institutions which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$718,567
Operating expenses	219,032
Capital assets	(7,500)
Money transmitters	<u>(193,742)</u>
Total special funds - Adjustments/enhancements	\$736,357

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$4,130,846
Operating expenses	1,031,014
Contingency	<u>20,000</u>
Total special funds appropriation	\$5,181,860

Approved March 23, 2007

Filed March 23, 2007

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 provide for a report to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state fair association in section 3 of this Act as follows:

Capital assets	\$210,000
Premiums	<u>405,000</u>
Total general fund - Base level	\$615,000

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state fair association which are included in the appropriation in section 3 of this Act as follows:

Capital assets	\$515,000
Premiums	<u>37,150</u>
Total general fund appropriation - Adjustments/enhancements	\$552,150

SECTION 3. APPROPRIATION FOR THE STATE FAIR ASSOCIATION. 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 income of the state fair association to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Capital assets	\$725,000
Premiums	<u>442,150</u>
Total general fund appropriation	\$1,167,150

SECTION 4. REPORT TO THE BUDGET SECTION. The state fair association shall provide a report to the budget section prior to July 1, 2008, regarding the status of constructing a new grandstand on the state fairgrounds, including the status of developing a business plan and the progress of fundraising efforts.

Approved April 30, 2007
Filed May 1, 2007

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.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the council on the arts in section 3 of this Act as follows:

Salaries and wages	\$455,466
Operating expenses	227,986
Grants	1,476,257
Lewis and Clark bicentennial	108,300
Total all funds - Base level	<u>\$2,268,009</u>
Less estimated income - Base level	<u>1,268,318</u>
Total general fund - Base level	<u>\$999,691</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the council on the arts which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$137,019
Operating expenses	18,876
Grants	139,021
Lewis and Clark bicentennial	<u>(108,300)</u>
Total all funds - Adjustments/enhancements	<u>\$186,616</u>
Less estimated income - Adjustments/enhancements	<u>20,000</u>
Total general fund - Adjustments/enhancements	<u>\$166,616</u>

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$592,485
Operating expenses	246,862
Grants	<u>1,615,278</u>
Total all funds	<u>\$2,454,625</u>
Less estimated income	<u>1,288,318</u>
Total general fund appropriation	<u>\$1,166,307</u>

SECTION 4. 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, 2007, and ending June 30, 2009.

Approved April 11, 2007
Filed April 13, 2007

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 and to authorize line item transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the highway patrol in section 3 of this Act as follows:

Administration	\$2,361,511
Field operations	30,998,822
Law enforcement training academy	<u>1,459,275</u>
Total all funds - Base level	\$34,819,608
Less estimated income - Base level	<u>14,738,746</u>
Total general fund - Base level	\$20,080,862

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the highway patrol which are included in the appropriation in section 3 of this Act as follows:

Administration	\$206,505
Field operations	4,163,565
Law enforcement training academy	<u>(57,986)</u>
Total all funds - Adjustments/enhancements	\$4,312,084
Less estimated income - Adjustments/enhancements	<u>(3,518,326)</u>
Total general fund - Adjustments/enhancements	\$7,830,410

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Administration	\$2,568,016
Field operations	35,162,387
Law enforcement training academy	<u>1,401,289</u>
Total all funds	\$39,131,692
Less estimated income	<u>11,220,420</u>
Total general fund appropriation	\$27,911,272

SECTION 4. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 3 of this Act includes the sum of \$4,200,000, 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, 2007, and ending June 30, 2009.

SECTION 5. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 3 of this Act an amount not to exceed one hundred seventy dollars per month for the biennium beginning July 1, 2007, and ending June 30, 2009. 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.

SECTION 6. LINE ITEM TRANSFER - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the highway patrol may transfer up to \$100,000 from the field operations line item in section 3 of this Act to the law enforcement training academy line item in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009. The highway patrol shall notify the office of management and budget of any transfers made pursuant to this section.

SECTION 7. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$842,000 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The highway patrol shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

In-car video equipment	\$642,000
Capitol security software	50,000
Automatic external defibrillators	<u>150,000</u>
Total	<u>\$842,000</u>

Approved April 30, 2007
Filed May 1, 2007

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 department of transportation; to provide for legislative council studies; to provide for transfers; to provide a contingent continuation of the single state registration system; to create and enact a new section to chapter 8-11.1 and a new section to chapter 24-02 of the North Dakota Century Code, relating to midwest interstate passenger rail commission dues and authority of the director of the department of transportation to join the multistate highway transportation agreement; to amend and reenact sections 39-04.2-04 and 39-29-10, the new subsection to section 57-40.3-04 of the North Dakota Century Code as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, and section 57-40.3-10 of the North Dakota Century Code, relating to distribution of public transportation funds, the operation of off-highway vehicles, motor vehicle excise tax exemptions for tribal members, and motor vehicle excise tax collections; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of transportation in section 3 of this Act as follows:

Salaries and wages	\$112,244,313
Operating expenses	143,537,016
Capital assets	656,868,519
Grants	42,358,500
Total special funds - Base level	\$955,008,348

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of transportation which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$15,199,882
Operating expenses	31,160,647
Capital assets	(108,147,421)
Grants	10,054,000
Total special funds - Adjustments/enhancements	(\$51,732,892)

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$127,444,195
Operating expenses	174,697,663
Capital improvements	548,721,098
Grants	52,412,500
Total special funds appropriation	\$903,275,456

SECTION 4. FULL-TIME EQUIVALENT EMPLOYEES. The department of transportation is authorized to hire additional full-time equivalent positions for highway construction in addition to those authorized by the legislative assembly when it is cost-effective to hire additional positions for construction and maintenance of highways in lieu of entering into contracts for these purposes. The department of transportation shall notify the office of management and budget and report to the legislative council the additional full-time equivalent positions hired.

SECTION 5. LEGISLATIVE COUNCIL STUDY - TRAFFIC FINES. The legislative council shall consider studying, during the 2007-08 interim, the traffic fines imposed by state and local governments. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 6. LEGISLATIVE COUNCIL STUDY - HIGHWAY FUNDING AND INFRASTRUCTURE NEEDS. The legislative council shall study, during the 2007-08 interim, highway funding and transportation infrastructure needs, including those needs resulting from energy and economic development in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 7. Single state insurance registration system. If the Congress of the United States authorizes a continuation of state participation in the single state insurance registration system for motor carriers, the director of the department of transportation may continue to collect registration fees until the extension authorization expires.

SECTION 8. A new section to chapter 8-11.1 of the North Dakota Century Code is created and enacted as follows:

Amount of dues assessed by commission - Negotiation. North Dakota's commission members may negotiate a lower amount of any dues imposed by the commission based upon anticipated North Dakota commission-related activities. If the commission does not approve a lower amount of dues, the department of transportation may withhold the dues payment until the next legislative assembly addresses the issue.

SECTION 9. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Multistate highway transportation agreement. The director may join the multistate highway transportation agreement to promote uniformity among participating jurisdictions in vehicle size and weight standards. The legislative council shall review the guidelines for eligible voting members of the cooperating committee formed by the agreement and appoint a member of the house standing transportation committee and a member of the senate standing transportation committee or their designees as the legislative members representing this state to the cooperating committee formed by the agreement.

SECTION 10. AMENDMENT. Section 39-04.2-04 of the North Dakota Century Code is amended and reenacted as follows:

39-04.2-04. Distribution of funds.

1. Moneys appropriated by the legislative assembly to the public transportation fund must be disbursed under guidelines issued by the director. The funds must be used by transportation providers to establish and maintain public transportation, especially for the elderly and handicapped, and may be used to contract to provide public transportation, as matching funds to procure money from other sources for public transportation and for other expenditures authorized by the director.
2. ~~Following authorization of the director, the state treasurer shall pay the public transportation funds to transportation providers in each county. Each county shall receive eighteen thousand three hundred dollars a base amount of four-tenths of one percent of the appropriation for the program plus one dollar and fifty cents per capita of population in the county, based upon the latest regular or special official federal census. Each year the director shall increase or decrease the one dollar and fifty cents per capita amount in order to distribute all funds appropriated for the biennium. If there are multiple transportation providers in one county, then the base amount of eighteen thousand three hundred dollars must be divided equally among the providers and the additional per capita amount must be based upon the percentage of elderly and handicapped ridership provided by each transportation provider within the county.~~
3. ~~Unless otherwise provided by law, any moneys remaining in the fund at the end of each biennium must be retained in the public transportation fund for redistribution.~~

SECTION 11. AMENDMENT. Section 39-29-10 of the North Dakota Century Code is amended and reenacted as follows:

39-29-10. Operation by persons under age sixteen. Except as otherwise provided in this section, ~~a person~~ an individual under sixteen years of age who is not in possession of a valid operator's license or permit to operate an ~~all-terrain off-highway~~ vehicle may not, except upon the lands of the ~~person's individual's~~ parent or guardian or as a participant in an organized sporting event that involves the use of off-highway vehicles, operate an ~~all-terrain off-highway~~ vehicle. ~~A person~~ An individual at least twelve years of age may operate an ~~all-terrain off-highway~~ vehicle if the ~~person~~ individual has completed an ~~all-terrain off-highway~~ vehicle safety training course prescribed by the director of the parks and recreation department ~~and~~, has received the appropriate ~~all-terrain off-highway~~ vehicle safety certificate issued by the director of the department of transportation. The failure of an operator to exhibit an ~~all-terrain off-highway~~ vehicle safety certificate on demand to any official authorized to enforce this chapter is presumptive evidence that that person does not hold ~~such~~ a certificate. Fees collected from each ~~person~~ individual receiving certification must be deposited in the ~~all-terrain off-highway~~ vehicle trail tax fund for ~~all-terrain off-highway~~ vehicle safety education and training programs.

SECTION 12. The new subsection to section 57-40.3-04 of the North Dakota Century Code, as created by section 4 of House Bill No. 1393, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

A motor vehicle acquired at any location within this state by an individual who ~~resides within the boundaries of any reservation in this state and who~~ is an enrolled member of a federally recognized Indian tribe.

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

57-40.3-10. Transfer of revenue. All moneys collected and received under this chapter after moneys are deposited in the state aid distribution fund under section 57-39.2-26.1 must be transmitted monthly by the director of the department of transportation to the state treasurer to be transferred and credited ~~to the general fund~~ as follows:

1. Ten percent to the highway fund.
2. Ninety percent to the state general fund.

SECTION 14. TRANSFER. The director of the department of transportation shall transfer the sum of \$1,000,000 from the highway fund to the public transportation fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 15. EXPIRATION DATE. Section 13 of this Act is effective through June 30, 2009, and after that date is ineffective.

SECTION 16. EMERGENCY. Of the funds appropriated in the capital improvements line item in section 3 of this Act, \$25,098,000 relating to fleet services motor vehicle purchases is declared to be an emergency measure.

Approved May 9, 2007
Filed May 9, 2007

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; and to provide for distribution amounts from permanent funds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the commissioner of university and school lands in section 3 of this Act as follows:

Salaries and wages	\$2,229,222
Operating expenses	648,700
Capital assets	10,000
Grants	4,888,100
Contingencies	<u>50,000</u>
Total special funds - Base level	\$7,826,022

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the commissioner of university and school lands which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$273,666
Operating expenses	27,000
Grants	<u>1,000,000</u>
Total special funds - Adjustments/enhancements	\$1,300,666

SECTION 3. 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, 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$2,502,888
Operating expenses	675,700
Capital assets	10,000
Grants	5,888,100
Contingencies	<u>50,000</u>
Total special funds	\$9,126,688

SECTION 4. OIL AND GAS IMPACT GRANT FUND. The amount of \$6,000,000, or so much of the amount as may be necessary, included in the total

special funds appropriated in section 3 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, 2007, and ending June 30, 2009.

SECTION 5. GRANTS. Section 54-44.1-11 does not apply to appropriations made for oil impact grants in section 3 of this Act.

SECTION 6. 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 3 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 7. DISTRIBUTIONS TO STATE INSTITUTIONS. Notwithstanding section 15-03-05.2, during the biennium beginning July 1, 2007, and ending June 30, 2009, 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	\$1,070,000
University of North Dakota	974,000
Youth correctional center	378,000
School for the deaf	310,000
State college of science	362,000
State hospital	414,000
Veterans' home	238,000
Valley City state university	226,000
North Dakota vision services - school for the blind	200,000
Mayville state university	156,000
Minot state university - Bottineau	24,000
Dickinson state university	24,000
Minot state university	<u>24,000</u>
Total	\$4,400,000

Approved March 23, 2007

Filed March 23, 2007

CHAPTER 14

HOUSE BILL NO. 1014

(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 authorize transfers; to provide an exemption; to provide for prioritization of carbon sequestration and storage projects; to create and enact a new section to chapter 6-09.17 of the North Dakota Century Code, relating to partnership in assisting community expansion fund incentive limitations; to amend and reenact subsection 6 of section 6-09-15, section 6-09.17-02, and subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code, relating to the powers of the Bank of North Dakota, the biodiesel partnership in assisting community expansion fund, and sourcing rules for sales and use tax purposes; to provide legislative intent; to provide an appropriation; to provide a contingent appropriation; to provide an appropriation reduction; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state industrial commission and agencies under its control in section 3 of this Act as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

Salaries and wages	\$6,111,034
Operating expenses	1,907,850
Capital assets	45,500
Grants - Lignite research and development	15,200,000
Oil and gas division contingency	225,000
Bond payments	<u>27,292,412</u>
Total all funds - Base level	\$50,781,796
Less estimated income - Base level	43,903,138
Total general fund - Base level	\$6,878,658

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$18,302,410
Operating expenses	10,925,665
Capital assets	11,272,000
Contingencies	<u>1,700,000</u>
Total from Bank of North Dakota fund - Base level	\$42,200,075

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 revolving loan fund	950,000

Biodiesel partnership in assisting community expansion fund	<u>1,200,000</u>
Total all funds - Base level	<u>\$9,275,000</u>
Less beginning farmer revolving loan fund - Base level	<u>2,375,000</u>
Total general fund - Base level	<u>\$6,900,000</u>

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$17,332,391
Operating expenses	14,959,013
Contingencies	300,000
Agriculture promotion	<u>250,000</u>
Total from mill and elevator fund - Base level	<u>\$32,841,404</u>

Subdivision 5.

HOUSING FINANCE AGENCY

Salaries and wages	\$4,413,156
Operating expenses	2,805,578
Grants	26,591,280
Housing finance agency contingencies	<u>100,000</u>
Total from housing finance agency fund - Base level	<u>\$33,910,014</u>
Grand total general fund - Section 1	<u>\$13,778,658</u>
Grand total special funds - Section 1	<u>\$155,229,631</u>
Grand total all funds - Section 1	<u>\$169,008,289</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state industrial commission and agencies under its control which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

Salaries and wages	\$1,104,082
Operating expenses	347,840
Capital assets	219,000
Grants - Lignite research and development	4,210,600
Grants - Fossil excavation and restoration fund	250,000
Bond payments	2,182,604
Oil and gas division contingency	<u>60,000</u>
Total all funds - Adjustments/enhancements	<u>\$8,374,126</u>
Less estimated income - Adjustments/enhancements	<u>6,489,994</u>
Total general fund - Adjustments/enhancements	<u>\$1,884,132</u>

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$1,992,949
Operating expenses	2,371,335
Capital assets	<u>(9,372,000)</u>
Total from Bank of North Dakota fund - Adjustments/enhancements	<u>(\$5,007,716)</u>

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

Partnership in assisting community expansion fund	\$2,300,000
Agriculture partnership in assisting community expansion fund	(25,000)
Biodiesel partnership in assisting community expansion fund	(1,200,000)
Biofuels partnership in assisting community expansion fund	<u>4,200,000</u>

Total all funds - Adjustments/enhancements	\$5,275,000
Less beginning farmer revolving loan fund - Adjustments/enhancements	<u>(1,425,000)</u>
Total general fund - Adjustments/enhancements	\$6,700,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$2,735,874
Operating expenses	1,303,559
Agriculture promotion	<u>(100,000)</u>
Total from mill and elevator fund - Adjustments/enhancements	\$3,939,433

Subdivision 5.

HOUSING FINANCE AGENCY

Salaries and wages	\$288,368
Operating expenses	6,607,200
Grants	<u>728,520</u>
Total from housing finance agency fund - Adjustments/enhancements	\$7,624,088
Grand total general fund - Section 2	\$8,869,132
Grand total special funds - Section 2	\$11,620,799
Grand total all funds - Section 2	\$20,489,931

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

Salaries and wages	\$7,215,116
Operating expenses	2,255,690
Capital assets	264,500
Grants - Lignite research and development	19,410,600
Grants - Fossil excavation and restoration fund	250,000
Grants - Bond payments	29,475,016
Oil and gas division contingency	<u>285,000</u>
Total all funds	\$59,155,922
Less estimated income	<u>50,393,132</u>
Total general fund appropriation	\$8,762,790

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$20,295,359
Operating expenses	13,297,000
Capital assets	1,900,000
Contingencies	<u>1,700,000</u>
Total appropriation from Bank of North Dakota fund	\$37,192,359

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

Partnership in assisting community expansion fund	\$8,000,000
Agriculture partnership in assisting community expansion fund	1,400,000
Beginning farmer revolving loan fund	950,000
Biofuels partnership in assisting community expansion fund	<u>4,200,000</u>
Total all funds	\$14,550,000
Less beginning farmer revolving loan fund	950,000
Total general fund	\$13,600,000

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$20,068,265
Operating expenses	16,262,572
Contingencies	300,000
Agriculture promotion	<u>150,000</u>
Total appropriation from mill and elevator fund	\$36,780,837

Subdivision 5.

HOUSING FINANCE AGENCY

Salaries and wages	\$4,701,524
Operating expenses	9,412,778
Grants	27,319,800
Housing finance agency contingencies	<u>100,000</u>
Total appropriation from housing finance agency fund	\$41,534,102
Total general fund appropriation - H.B. 1014	\$22,144,184
Total special funds appropriation - H.B. 1014	\$171,667,931
Total all funds appropriation - H.B. 1014	\$193,812,115

SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$4,680,000 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The industrial commission shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Biofuels PACE	\$4,200,000
Fossil restoration fund	250,000
Core and sample library repairs	<u>230,000</u>
Total	\$4,680,000

SECTION 5. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 3 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, 2007, and ending June 30, 2009.

SECTION 6. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 3 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 state industrial

commission under chapters 4-36 and 54-17.2 and section 54-17-25, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET. There is appropriated out of any moneys in the permanent oil tax trust fund, not otherwise appropriated, the sum of \$5,300,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of repaying the Bank of North Dakota for loans and accrued interest relating to funds borrowed during the 2005-07 biennium for centers of excellence, for the period beginning with the effective date of this Act and ending June 30, 2009.

SECTION 8. EXEMPTION. The amount appropriated to the Bank of North Dakota in the capital assets line item in sections 3 and 6 of 2005 Senate Bill No. 2014 is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for construction of a new building during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER. The sum of \$80,195, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of this Act, is from the North Dakota mill and elevator association. The moneys must be transferred during the biennium beginning July 1, 2007, and ending June 30, 2009, upon order of the state industrial commission.

SECTION 10. TRANSFER. The sum of \$102,066, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 3 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, 2007, and ending June 30, 2009, upon order of the state industrial commission.

SECTION 11. TRANSFER. The sum of \$69,259, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of this Act, is from the housing finance agency fund. The moneys must be transferred during the biennium beginning July 1, 2007, and ending June 30, 2009, upon order of the state industrial commission.

SECTION 12. TRANSFER. The sum of \$21,872, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 3 of this Act, is from the revenues of the public finance authority. The available moneys must be transferred during the biennium beginning July 1, 2007, and ending June 30, 2009, upon order of the state industrial commission.

SECTION 13. LANDS AND MINERALS TRUST FUND TRANSFER TO THE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the director of the office of management and budget may transfer special funds from the lands and minerals trust fund to the general fund in the amount of \$15,000,000.

SECTION 14. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium beginning July 1, 2007, and ending June 30, 2009, the industrial commission shall transfer to the state general fund \$60,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget. A transfer

authorized may be made only to the extent the transfer does not reduce the Bank's capital structure below \$175,000,000.

SECTION 15. STUDENT LOAN TRUST FUND TRANSFER TO THE GENERAL FUND. The industrial commission shall transfer to the general fund in the state treasury the sum of \$3,100,000 of earnings from the North Dakota student loan trust fund. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget during the biennium beginning July 1, 2007, and ending June 30, 2009, 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 16. TRANSFER. The state 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, 2007, and ending June 30, 2009.

SECTION 17. INCOME AUTHORIZATION - STUDENT LOAN TRUST. There is authorized the receipt of fees by the state industrial commission in the sum of \$91,131, or so much of the sum as is owed, included in the special funds appropriation line item in subdivision 1 of section 3 of this Act, from the student loan trust for administrative services rendered by the state 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, 2007, and ending June 30, 2009, upon order of the state industrial commission.

SECTION 18. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$1,500,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line item in subdivision 1 of section 3 of this Act, is appropriated from the lignite research fund for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys 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 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 19. LEGISLATIVE INTENT - BANK PROPERTY. It is the intent of the sixtieth legislative assembly that real estate property owned by the Bank of North Dakota at 1205-1215 west main street in Bismarck not be sold by the Bank of North Dakota during the 2007-09 biennium.

SECTION 20. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$29,475,016 included in subdivision 1 of section 3 of this Act in the grants - bond

payments line item must be paid from the following funding sources during the biennium beginning July 1, 2007, and ending June 30, 2009:

North Dakota university system	\$15,822,002
North Dakota university system - Energy conservation projects	1,491,242
Department of corrections - State penitentiary	3,090,022
Department of corrections - Energy conservation projects	17,958
State department of health	692,242
Job service North Dakota	743,905
Department of human services - Southeast human service center	56,431
Department of human services - State hospital	466,391
Department of human services - Developmental center at Grafton	534,505
Adjutant general	70,667
Veterans' home improvement fund	256,114
Information technology department - ConnectND	5,407,075
Office of management and budget	158,519
Office of the attorney general	182,485
State historical society	331,762
Parks and recreation	17,544
Research and extension service	<u>136,152</u>
Total	\$29,475,016

SECTION 21. APPROPRIATION - TRANSFER. The funds appropriated in subdivision 3 of section 3 of this Act must be transferred by the Bank of North Dakota to the partnership in assisting community expansion fund; the agriculture partnership in assisting community expansion fund; and the biofuels partnership in assisting community expansion fund. 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 3 of this Act.

SECTION 22. TRANSFER AUTHORITY. Notwithstanding any other provision of law, the Bank of North Dakota may transfer any unobligated funds between funds that have been appropriated by the legislative assembly for partnership in assisting community expansion fund and the biofuels partnership in assisting community expansion fund.

⁶ SECTION 23. AMENDMENT. Subsection 6 of section 6-09-15 of the North Dakota Century Code is amended and reenacted as follows:

6. Lease, assign, sell, exchange, transfer, convey, grant, pledge, or mortgage all real and personal property, title to which has been acquired in any manner.

⁷ SECTION 24. AMENDMENT. Section 6-09.17-02 of the North Dakota Century Code is amended and reenacted as follows:

⁶ Section 6-09-15 was also amended by section 1 of House Bill No. 1088, chapter 87, section 4 of Senate Bill No. 2214, chapter 293, and section 5 of Senate Bill No. 2214, chapter 293.

⁷ Section 6-09.17-02 was also amended by section 3 of Senate Bill No. 2180, chapter 98.

6-09.17-02. Biodiesel partnership in assisting community expansion fund - Continuing appropriation - Administration. A biodiesel partnership in assisting community expansion fund is hereby established. All moneys transferred into the fund, interest on fund moneys, and payments to the fund are hereby appropriated for the purposes of this chapter. This fund is not subject to section 54-44.1-11 and any unexpended and unobligated balance in the fund at the end of the biennium must be transferred to the state general fund biofuels partnership in assisting community expansion fund. The Bank of North Dakota shall administer the fund.

SECTION 25. A new section to chapter 6-09.17 of the North Dakota Century Code is created and enacted as follows:

Partnership in assisting community expansion fund incentive limitation.

A biodiesel production facility or ethanol production facility that receives interest buydown from the biofuels partnership in assisting community expansion fund is not eligible to receive interest buydown from the partnership in assisting community expansion fund for the same project during the same biennium.

⁸ **SECTION 26. AMENDMENT.** Subdivision d of subsection 2 of section 57-39.4-10 of the North Dakota Century Code as amended by Senate Bill No. 2380, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

- d. Until December 31, ~~2007~~ 2009, florist sales as defined by each member state. Prior to this date, these items must be sourced according to the requirements of each member state.

SECTION 27. Carbon sequestration and storage projects - Priority.

Notwithstanding any other provision of law, the industrial commission, department of mineral resources, public service commission, or any other state entity that approves a carbon sequestration or storage project shall give priority to an operation located in this state for the expected life of the operation.

SECTION 28. CONTINGENT OIL AND GAS DIVISION FUNDING - EMERGENCY COMMISSION APPROVAL. The funds appropriated in the oil and gas division contingency line item in subdivision 1 of section 3 of this Act are from the land and minerals trust fund. If funds are required due to the average drilling rig count exceeding forty-five active rigs for each month in any consecutive three-month period, the oil and gas division may spend moneys from this line item upon emergency commission approval. The oil and gas division may hire up to two full-time equivalent positions with the contingency funds.

SECTION 29. APPROPRIATION - STATE CONTINGENCY FUND. In addition to the amount appropriated to the office of management and budget in House Bill No. 1522, there is appropriated from the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for state contingencies for the biennium beginning July 1, 2007, and ending June 30, 2009.

⁸ Section 57-39.4-10 was also amended by section 12 of Senate Bill No. 2380, chapter 528.

SECTION 30. APPROPRIATIONS REDUCTIONS. The amounts listed reduce the general fund and special funds appropriation authority enacted by the sixtieth legislative assembly of the state of North Dakota for the various agencies and institutions for the biennium beginning July 1, 2007, and ending June 30, 2009:

AGENCY OR INSTITUTION	GENERAL FUND REDUCTION	SPECIAL FUNDS REDUCTION	TOTAL REDUCTION
Governor's office	\$2,694		\$2,694
Secretary of state	2,522	\$108	2,630
Office of management and budget	5,133	1,245	6,378
Information technology department	2,743	40,947	43,690
State auditor	5,291	2,333	7,624
State treasurer	722		722
Attorney general	18,953	3,853	22,806
Tax commissioner	14,845		14,845
Office of administrative hearings		1,228	1,228
Legislative council	5,288		5,288
Judicial branch	52,634	1,394	54,028
Commission on legal council for indigents	2,820		2,820
Retirement and investment office		2,396	2,396
Public employees retirement		3,562	3,562
Department of public instruction	3,451	8,069	11,520
Land department		2,564	2,564
State library	2,199	347	2,546
School for the deaf	2,824	144	2,968
North Dakota vision services - School for the blind	864	260	1,124
Department of career and technical education	1,057	83	1,140
Department of health	11,930	26,844	38,774
Veterans' home	2,212	5,194	7,406
Indian affairs commission	496		496
Department of veterans affairs	576		576
Department of human services	132,310	77,339	209,649
Protection and advocacy project	623	2,549	3,172
Job service North Dakota	125	27,920	28,045
Insurance commissioner		5,855	5,855
Industrial commission	6,786	786	7,572
Labor commissioner	893	357	1,250
Public service commission	3,981	2,073	6,054
Aeronautics commission		808	808
Department of financial institutions		4,438	4,438
Securities department	1,278		1,278
Bank of North Dakota		20,492	20,492
Housing finance agency		4,812	4,812
Mill and elevator association		15,228	15,228
Workforce safety and insurance		32,577	32,577
Highway patrol	15,949	8,215	24,164
Department of corrections and rehabilitation	65,693	3,843	69,536
Adjutant general	9,033	18,719	27,752
Department of commerce	7,579	2,777	10,356
Agriculture commissioner	4,129	3,645	7,774
State seed department		3,284	3,284
Upper great plains transportation institute	115	955	1,070
Branch research centers	2,576	920	3,496
North Dakota state university extension service	2,518	1,902	4,420
Northern crops institute	80	62	142
Main research center	4,167	1,933	6,100
Agronomy seed farm		184	184
Racing commission	48	226	274
State historical society	5,576	696	6,272
Council on the arts	508		508
Game and fish department		20,072	20,072
Parks and recreation department	5,126	272	5,398
State water commission	10,259	1,033	11,292
Department of transportation		117,956	117,956
Total	\$418,606	\$482,499	\$901,105

SECTION 31. EMERGENCY. The appropriation in subdivision 3 of section 3 of this Act for the partnership in assisting community expansion fund; the appropriation in section 7 of this Act for the office of management and budget; the transfer in section 21 of this Act for the partnership in assisting community expansion fund; the transfer in section 22 of this Act between the partnership in assisting community expansion fund and the biofuels partnership in assisting community expansion fund; and section 23 of this Act are declared to be emergency measures.

Approved April 30, 2007

Filed May 1, 2007

CHAPTER 15

HOUSE BILL NO. 1015

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

DEPARTMENT OF CORRECTIONS AND REHABILITATION

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 1 of section 12-65-08, subsection 2 of section 12.1-32-07, and section 19-03.1-45 of the North Dakota Century Code, relating to fees for the interstate transfer or travel of probationers, supervision fees, and drug treatment; to provide an exemption; to provide legislative intent; to provide for budget section approval; to provide for a transfer; to provide an appropriation; to provide for a correctional facility review committee; to provide for a report to the budget section; and to provide for a legislative council study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of corrections and rehabilitation in section 3 of this Act as follows:

Field services	\$27,075,150
Prisons division	79,551,714
Juvenile community services	7,930,658
Youth correctional center	12,843,309
Equity pool	1,500,000
Total all funds - Base level	\$128,900,831
Less estimated income - Base level	<u>27,765,147</u>
Total general fund - Base level	\$101,135,684

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of corrections and rehabilitation which are included in the appropriation in section 3 of this Act as follows:

Field services	(\$27,075,150)
Prisons division	(79,551,714)
Juvenile community services	(7,930,658)
Youth correctional center	(12,843,309)
Adult services	131,143,936
Youth services	23,450,865
Equity pool	<u>(1,500,000)</u>
Total all funds - Adjustments/enhancements	\$25,693,970
Less estimated income - Adjustments/enhancements	<u>(3,835,654)</u>
Total general fund - Adjustments/enhancements	\$29,529,624

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the

general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Adult services	\$131,143,936
Youth services	23,450,865
Total all funds	\$154,594,801
Less estimated income	23,929,493
Total general fund appropriation	\$130,665,308

SECTION 4. AMENDMENT. Subsection 1 of section 12-65-08 of the North Dakota Century Code is amended and reenacted as follows:

1. Upon the approval by the department of corrections and rehabilitation of a request of a probationer who is under the supervision of the department of corrections and rehabilitation to transfer residence to another state under the interstate compact for adult offender supervision, the probationer shall pay to the department an application fee of one hundred fifty dollars. The department may waive the offender's application fee. If the department waives the offender's payment of the fee, the department shall pay the offender's application fee. In addition to the application fee paid by the probationer or the department, the county having jurisdiction over the probationer, upon approval of the application for transfer, shall pay to the department a fee of one hundred fifty dollars. However, if the balance in the fund created pursuant to subsection 3 exceeds seventy-five thousand dollars on June thirtieth of the immediately preceding fiscal year, the department shall waive the entire fee otherwise required to be paid by the county.

⁹ **SECTION 5. AMENDMENT.** Subsection 2 of section 12.1-32-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The conditions of probation must be such as the court in its discretion deems reasonably necessary to ensure that the defendant will lead a law-abiding life or to assist the defendant to do so. The court shall provide as an explicit condition of every probation that the defendant not commit another offense during the period for which the probation remains subject to revocation. The court shall order supervision costs and fees of not less than ~~forty~~ forty-five dollars per month unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship. If the offender has not paid the full amount of supervision fees and costs before completion or termination of probation, the court may issue an order, after opportunity for hearing, to determine the amount of supervision fees and costs that are unpaid. The order may be filed, transcribed, and enforced by the department of corrections and rehabilitation in the same manner as civil judgments rendered by a district court of this state.

⁹ Section 12.1-32-07 was also amended by section 3 of House Bill No. 1122, chapter 119, and section 1 of Senate Bill No. 2241, chapter 135.

SECTION 6. AMENDMENT. Section 19-03.1-45 of the North Dakota Century Code is amended and reenacted as follows:

19-03.1-45. Mandatory drug ~~Drug~~ abuse assessment and treatment - Presentence investigation - Certified drug abuse treatment programs.

1. ~~When~~ If a person located in Walsh, Pembina, or Grand Forks Counties has pled guilty or has been found guilty of a felony violation of subsection 6 of section 19-03.1-23 ~~and, if that person has not previously pled guilty or been found guilty of any offense involving the use, possession, manufacture, or delivery of a controlled substance or of any other felony offense of this or another state or the federal government, and if the court imposes probation, the court shall impose a period of probation of not less than eighteen months in conjunction with a suspended execution of a sentence of imprisonment, a sentence to probation, or an order deferring imposition of sentence.~~
2. Upon a plea or finding of guilt of a person subject to the provisions of subsection 1, the court shall order a presentence investigation to be conducted by the department. The presentence investigation shall include a drug and alcohol evaluation conducted by a licensed addiction counselor.
3. If the licensed addiction counselor recommends treatment, the court shall require the person to participate in an addiction program licensed by the department of human services as a condition of the probation. The court shall commit the person to treatment through a licensed addiction program until determined suitable for discharge by the court. The term of treatment shall not exceed eighteen months and may include an aftercare plan. During the commitment and while subject to probation, the person shall be supervised by the department.
4. If the person fails to participate in, or has a pattern of intentional conduct that demonstrates the person's refusal to comply with or participate in the treatment program, as established by judicial finding, the person shall be subject to revocation of the probation. Notwithstanding subsection 2 of section 12.1-32-02, the amount of time participating in the treatment program under this section is not "time spent in custody" and will not be a credit against any sentence to term of imprisonment.
5. ~~The cost for all drug abuse assessments and certified drug abuse treatment programs shall be initially paid by the department. The court shall order the person to reimburse the department for the assessment and treatment expenses in accordance with the procedures of section 12.1-32-08. The department shall handle the collection of costs from the offenders in the same manner as it collects court costs, fees, and supervision fees.~~
6. In this section:
 - a. "Department" means the department of corrections and rehabilitation; and
 - b. "Licensed addiction counselor" is a person licensed pursuant to section 43-45-05.1.

7. The provisions of this section shall be implemented as a pilot project in Pembina, Walsh, and Grand Forks Counties effective three months from the date of receipt of a federal grant for methamphetamine treatment being applied for by the department of human services. The department shall collaborate management of the pilot project with the department of human services to ensure services under the federal grant program for one-half of the offenders mandated by the court to submit to mandatory treatment, not to exceed twenty-three individuals. The department shall hire a program manager to manage the pilot project, collect statistics regarding the operation of the program, track participants in the program, and provide a report to the attorney general, the legislative council for distribution during the November 2006 legislative council meeting, and the sixtieth legislative assembly detailing the number of participants in the program, the cost of the program, relapse statistics, and other data concerning the effectiveness of the program.

SECTION 7. NORTH CENTRAL CORRECTIONAL AND REHABILITATION CENTER. The department of corrections and rehabilitation shall distribute in twenty-four equal payments \$1,631,044 from the general fund included in the prisons division line item in section 3 of this Act for treatment services at the north central correctional and rehabilitation center for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. TRANSFER TO THE STATE PENITENTIARY LAND FUND - CONTINGENT APPROPRIATION. The director of the office of management and budget shall transfer on July 1, 2007, \$41,000,000 from the general fund to the state penitentiary land fund established in North Dakota Century Code section 54-23.3-04 to be used for correctional facilities. The funds are appropriated to the department of corrections and rehabilitation for a project authorized and approved under section 10 of this Act and are available for construction, for the biennium beginning July 1, 2007, and ending June 30, 2009. All income earned on the fund must be deposited in the state penitentiary land fund.

SECTION 9. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, or so much of the sum as may be necessary, to the legislative council for prison facility alternative concepts and preliminary design development, as provided for in section 10 of this Act for the period beginning with the effective date of this Act and ending June 30, 2009.

SECTION 10. CORRECTIONAL FACILITY REVIEW COMMITTEE - MEMBERSHIP - DUTIES - RECOMMENDATIONS.

1. During the 2007-08 interim, the legislative council shall appoint a correctional facility review committee to address the immediate and future needs of the state penitentiary. The membership of the committee must include six members of the legislative assembly selected by the legislative council. The membership of the committee must include:
 - a. Three members of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and

- b. Three members of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.
2. The legislative council chairman shall designate the committee chairman and vice chairman.
3. The committee shall operate according to the statutes and procedures governing the operation of other legislative council interim committees.
4. The committee shall engage consultant and architectural services, subject to legislative council approval, for the development of the following three correctional facility concepts:
 - a. The construction of a new correctional facility on the existing state penitentiary site;
 - b. The construction of a new correctional facility at a site other than the state penitentiary site; and
 - c. The remodeling of the existing state penitentiary facility.
5. Each of the three correctional facility concepts developed by the consultant and architect must:
 - a. Include a master plan, staffing plan, a cost-benefit analysis, and project cost estimate;
 - b. Be based upon housing a population of approximately nine hundred to one thousand inmates;
 - c. Include options for expansion;
 - d. Take into consideration the transfer of the inmates at the Missouri River correctional center to the new or remodeled facility; and
 - e. Take into consideration the facility and staffing needs of the James River correctional center.
6. In developing the concepts, the committee shall seek the input of the department of corrections and rehabilitation.
7. Before June 1, 2008, the committee shall forward the three concepts along with a recommendation for one of the three concepts to the emergency commission for the commission's consideration and authorization.
8. If the emergency commission authorizes one of the three concepts, the emergency commission shall forward the authorized concept to the budget section of the legislative council. The budget section may approve or reject the concept as authorized by the emergency commission.

SECTION 11. EXEMPTION. The amount appropriated to the department of corrections and rehabilitation in section 5 of 2005 Senate Bill No. 2341 is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this

appropriation are available for crime victims compensation during the period beginning with passage of this Act and ending June 30, 2009.

SECTION 12. INMATE MEDICAL SYSTEM - BUDGET SECTION APPROVAL. The department of corrections and rehabilitation shall, during the 2007-08 interim, develop a plan for and implement an inmate medical system. The department shall provide reports to the legislative information technology committee as required by chapters 54-35 and 54-59 of the North Dakota Century Code and information technology department standards. At the completion of the planning phase and prior to the implementation stage, the department shall provide an update to the information technology committee and the budget section in the form of a project startup report identifying benefits to be achieved, estimated costs for implementation, a milestone schedule, and project risks. Budget section approval is required before the department of corrections and rehabilitation proceeds with implementation.

SECTION 13. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$3,559,391 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Youth correctional center security lighting	\$70,000
Deferred maintenance	1,725,391
Medical information system, equipment, and radios	1,764,000
Total	\$3,559,391

SECTION 14. INTENT - REPORTING LEVELS. The office of management and budget shall change the reporting levels on the budget analysis and reporting system to allow for a separation of food and clothing items for the 2009-11 biennium.

SECTION 15. INTENT - TEMPORARY SALARIES - FIELD SERVICES. It is the intent of the sixtieth legislative assembly that the department of corrections and rehabilitation may use \$250,000 of its 2007-09 biennium appropriation for temporary salaries for the field services division for supervision of offenders.

SECTION 16. LEGISLATIVE COUNCIL STUDY - RETIREMENT CRITERIA FOR STATE CORRECTIONAL OFFICERS AND PEACE OFFICERS. The legislative council shall consider studying, during the 2007-08 interim, retirement program criteria and benefits for correctional officers and peace officers employed by state agencies, including the feasibility and desirability of allowing these employees to retire with full retirement benefits at age fifty-five or the "rule of 85". The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 17. SPACE, OPERATIONAL, AND STAFFING PLAN - BUDGET SECTION REPORT. The department of corrections and rehabilitation shall prepare a space, operational, and staffing plan for the state penitentiary and James River correctional center. The plan must be based on the state penitentiary building project authorized by the sixtieth legislative assembly and the current facilities at the James River correctional center and the Missouri River correctional center. The plan must be presented at the first budget section meeting after March 1, 2008.

SECTION 18. LEGISLATIVE INTENT - CORRECTIONAL FACILITIES. It is the intent of the sixtieth legislative assembly that the correctional facility concepts to be developed pursuant to this Act not include any consideration of closure of the James River correctional center or the Dakota women's correctional and rehabilitation center in New England.

Approved May 2, 2007

Filed May 3, 2007

CHAPTER 16

HOUSE BILL NO. 1016

(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; and to amend and reenact section 52-02.1-02 of the North Dakota Century Code, relating to job service North Dakota program services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to job service North Dakota in section 3 of this Act as follows:

Salaries and wages	\$34,960,037
Operating expenses	13,278,913
Capital assets	225,000
Grants	9,047,165
Workforce 20/20	1,480,231
Reed Act - Work first	254,925
Reed Act - Unemployment insurance computer modernization	525,000
Total all funds - Base level	<u>\$59,771,271</u>
Less estimated income - Base level	<u>58,270,259</u>
Total general fund - Base level	\$1,501,012

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for job service North Dakota which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	(\$1,931,562)
Operating expenses	(126,432)
Capital assets	(205,000)
Grants	(608,945)
Workforce 20/20	19,769
Reed Act - Work first	(254,925)
Reed Act - Unemployment insurance computer modernization	6,775,000
Total all funds - Adjustments/enhancements	\$3,667,905
Less estimated income - Adjustments/enhancements	<u>3,421,832</u>
Total general fund - Adjustments/enhancements	\$246,073

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota, for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$33,028,475
Operating expenses	13,152,481

Capital assets	20,000
Grants	8,438,220
Workforce 20/20	1,500,000
Reed Act - Unemployment insurance computer modernization	<u>7,300,000</u>
Total all funds	\$63,439,176
Less estimated income	<u>61,692,091</u>
Total general fund appropriation	\$1,747,085

SECTION 4. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special appropriation of \$7,300,000 in section 3 of this Act is from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 3 of this Act are appropriated, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. WORKFORCE 20/20 FUNDING. Fifty percent of the workforce 20/20 funding in section 3 of this Act must be used for projects for new or expanding businesses in North Dakota.

SECTION 7. AMENDMENT. Section 52-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

52-02.1-02. Job service North Dakota - Agreements. Program services developed and coordinated by job service North Dakota must be provided to primary sector businesses found eligible for loans or grants under this chapter. Job service North Dakota may enter into an agreement to establish a project with an employer which meets the following conditions:

1. Sets a date of commencement of the project.
2. Identifies program costs, including deferred costs, which are to be paid from available sources including new jobs credit from withholding to be received or derived from new jobs resulting from the project.
3. Provides for a guarantee by the employer of payment for program costs.
4. Provides that any deferral of program cost payments may not exceed ten years from the date of commencement of the project.
5. Provides that on-the-job training costs for employees may not exceed fifty percent of the annual gross payroll costs of the new jobs in the first full year after the date of commencement of the project. For purposes of this subsection, "gross payroll" is the gross wages and salaries for the new jobs.
6. Provides the maximum amount of new jobs credit from withholding or tuition and fee payments allowed for a project.
7. Provides that every employee participating in the new jobs training program must be paid an income of at least ~~seven~~ ten dollars ~~and fifty~~

cents per hour, plus benefits, by the end of the first year of employment under the project and for the remaining life of the loan.

A project requiring a loan from the department or a community may not be approved, and an agreement may not be executed by job service North Dakota, until notification from the department or community that the employer has qualified for a loan. Upon execution of the agreement, job service North Dakota shall notify the state tax commissioner of the agreement and the identity of the employer. Job service North Dakota may adopt rules to implement this chapter. Job service North Dakota shall prepare an annual report for the governor and the legislative assembly with respect to the new jobs training program.

Approved April 30, 2007
Filed May 1, 2007

CHAPTER 17

HOUSE BILL NO. 1017

(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. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the office of administrative hearings in section 3 of this Act as follows:

Salaries and wages	\$1,042,927
Operating expenses	266,917
Total special funds appropriation - Base level	\$1,309,844

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the office of administrative hearings which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$226,747
Operating expenses	107,500
Total special funds appropriation - Adjustments/enhancements	\$334,247

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income to the office of administrative hearings for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$1,269,674
Operating expenses	374,417
Total special funds appropriation	\$1,644,091

Approved May 1, 2007

Filed May 2, 2007

CHAPTER 18

HOUSE BILL NO. 1018

(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 an appropriation to the department of career and technical education; to provide an appropriation to the office of management and budget; to authorize the office of management and budget to borrow funds from the Bank of North Dakota; to provide for a contingent loan from the Bank of North Dakota; to provide a contingent appropriation to the secretary of state; to provide a continuing appropriation; to provide for reports to the sixty-first legislative assembly; to provide for reports to the legislative council; to provide for legislative council studies; to provide exemptions; to create and enact a new section to chapter 15-20.1, four new sections to chapter 54-60, a new section to chapter 55-10, a new section to chapter 57-38, a new subdivision to subsection 1 of section 57-38-01.2, and sections 57-38-01.24 and 57-38-01.25 of the North Dakota Century Code, relating to a program to provide grants for innovation, department of commerce division of workforce development programs and duties, naming the missile silo historic site, angel fund investments, tax credits for internships, tax exemptions for workforce recruitment, tax credits for research and experimental expenditures, and to create a beginning again North Dakota pilot program; to amend and reenact sections 15-69-02, 15-69-03, 15-69-04, and 15-69-05, subsections 4 and 6 of section 54-17-07.3, sections 54-60-02 and 54-60-09, subdivision 1 of subsection 2 of section 54-60.1-01, the new section to chapter 57-06 as created by section 2 of House Bill No. 1072, and as amended by section 2 of House Bill No. 1317, as approved by the sixtieth legislative assembly, and sections 57-38-30.3, 57-38-30.5, 57-38.5-05, and 57-38.6-01 of the North Dakota Century Code and section 17 of chapter 151 of the 2005 Session Laws, relating to the centers of excellence program, housing finance agency programs, updating department of commerce law, department of commerce division of workforce development duties, the definition of business incentive, tax forms, wind energy taxable valuation, tax credits for workforce recruitment, research and experimental expenditures tax credits, seed capital investment tax credits, agricultural business investment tax credits, and a legislative council study; to repeal sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the North Dakota Century Code, relating to beginning entrepreneur income tax incentives; to provide effective dates; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of commerce in section 3 of this Act as follows:

Salaries and wages	\$7,761,428
Operating expenses	9,531,968
Capital assets	25,000
Grants	50,102,870

Agricultural products utilization	3,016,000
Discretionary funds	1,450,127
Economic development initiatives	644,568
Lewis and Clark bicentennial	3,933,103
Economic development grants	<u>150,000</u>
Total all funds - Base level	\$76,615,064
Less estimated income - Base level	<u>57,434,283</u>
Total general fund - Base level	\$19,180,781

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of commerce which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$1,075,807
Operating expenses	4,865,720
Grants	(1,628,122)
North Dakota development fund	3,000,000
Agricultural products utilization	(7,807)
Economic development initiatives	652,278
Economic development grants	(100,000)
Lewis and Clark bicentennial	(3,933,103)
North Dakota trade office	<u>1,500,000</u>
Total all funds - Adjustments/enhancements	\$5,424,773
Less estimated income - Adjustments/enhancements	<u>(1,672,990)</u>
Total general fund - Adjustments/enhancements	\$7,097,763

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$8,837,235
Operating expenses	14,397,688
Capital assets	25,000
Grants	48,474,748
North Dakota development fund	3,000,000
Discretionary funds	1,450,127
Economic development initiatives	1,296,846
Agricultural products utilization	3,008,193
Economic development grants	50,000
North Dakota trade office	<u>1,500,000</u>
Total all funds	\$82,039,837
Less estimated income	<u>55,761,293</u>
Total general fund appropriation	\$26,278,544

SECTION 4. AGRICULTURE FUEL TAX REFUNDS. The estimated income line item in section 3 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, 2007, and ending June 30, 2009.

SECTION 5. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 3 of chapter 46 of the 2005 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for

grants are available for grants during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. EXEMPTION. The amount appropriated for the discretionary funds line item in section 3 of chapter 46 of the 2005 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. TAX COMMISSIONER - AUDIT OF ETHANOL PRODUCTION INCENTIVE PROGRAM. The tax commissioner shall conduct an audit of the ethanol production incentive program during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. EXEMPTION - STATE EMPLOYEE COMPENSATION ADJUSTMENT GUIDELINES - REPORT. Notwithstanding the provisions of Senate Bill No. 2189, as approved by the sixtieth legislative assembly, the department of commerce shall develop and implement a system for providing compensation adjustments to its employees for the biennium beginning July 1, 2007, and ending June 30, 2009. The system must provide for the determination of each employee's compensation adjustments to be based on performance, merit, and equity. Of the funds appropriated in section 3 of this Act, the department may utilize up to \$428,542 for these compensation adjustments. The department shall provide a report on its compensation system to the human resource management services division of the office of management and budget by December 31, 2007.

SECTION 9. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$3,000,000 for transfer to the development fund and \$100,000 for tax expenditure and business incentive expenditure reports which are one-time funding items. These amounts are not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of commerce shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total general fund appropriation in section 3 of this Act includes \$1,500,000 of funding relating to the North Dakota trade office. The department of commerce may spend fifty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2007, and ending June 30, 2009. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 11. TRANSFER AUTHORIZATION - PACE FUND TO DEVELOPMENT FUND. The state industrial commission, upon the request of the commissioner of commerce, may transfer up to \$1,000,000 from the partnership in assisting community expansion fund to the North Dakota development fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. INTERNSHIP PROGRAM - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The department of commerce shall report to the appropriations committees of the sixty-first legislative assembly regarding the

internship program. The report must include information on the program's activities, statistics, and accomplishments to date during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 13. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much of the sum as may be necessary, to the department of career and technical education for the purpose of funding grants for innovation, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 14. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - CENTERS OF EXCELLENCE. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing funding to centers of excellence as directed by the centers of excellence commission, for the biennium beginning July 1, 2007, and ending June 30, 2009. Of this amount, up to \$10,000,000 is available for budget section approval at its first meeting after September 1, 2007, and up to \$5,000,000 and any unawarded funds remaining from the \$10,000,000 allocation is available for budget section approval at its first meeting after September 1, 2008.

SECTION 15. CENTERS OF EXCELLENCE - OFFICE OF MANAGEMENT AND BUDGET - CONTINGENT BORROWING AUTHORITY - APPROPRIATION. As requested by the centers of excellence commission and subject to emergency commission and budget section approval, the office of management and budget shall borrow the sum of \$5,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing funding to centers of excellence as directed by the centers of excellence commission, for the biennium beginning July 1, 2007, and ending June 30, 2009. The office of management and budget shall request funding from the sixty-first legislative assembly to repay any loan obtained pursuant to provisions of this section, including accrued interest. The borrowing authority and appropriation provided for in this section are available only if all other funding provided by the sixtieth legislative assembly for centers of excellence has been obligated.

SECTION 16. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - PRAIRIE PUBLIC BROADCASTING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,023,138, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing funding to prairie public broadcasting, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 17. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The general fund appropriation in section 16 of this Act includes \$686,000 for an analog to digital conversion project which is a one-time funding item. These amounts are not a part of the office of management and budget's base budget to be used in preparing the 2009-11 executive budget. The office of management and budget shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 18. SECRETARY OF STATE LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - BUDGET SECTION APPROVAL. Subject to budget section approval, the secretary of state may borrow up to \$2,920,000 from the

Bank of North Dakota which is appropriated to the secretary of state for the purpose of implementing the North Dakota business development engine information technology project during the biennium beginning July 1, 2007, and ending June 30, 2009. The secretary of state may request budget section approval only if the revenues projected by the secretary of state and the office of management and budget to be generated as a result of provisions of House Bill No. 1340 over the term of the proposed loan based on the trend of actual corporate charters granted are anticipated to exceed the revenues projected by the sixtieth legislative assembly relating to this bill by an amount sufficient to repay the proposed loan, including interest over the term of the loan.

SECTION 19. RENAISSANCE ZONE CONFERENCE - LEGISLATIVE COUNCIL PARTICIPATION - REPORT TO LEGISLATIVE COUNCIL. The department of commerce, during the 2007-08 interim, shall organize, host, and facilitate a renaissance zone conference. The department shall extend invitations to participate in the conference to representatives of each of the state's renaissance zone communities, other community representatives interested in this concept, and to legislators who are members of the legislative council interim committee studying economic development-related issues. Legislators who are members of the interim committee studying economic development-related issues shall attend the conference as part of their interim committee responsibilities. The purpose of the conference is to provide a forum at which the department, legislators, and renaissance zone and other community members may review the list of projects in the state which have been undertaken under the renaissance zone program, evaluate whether the projects have positively impacted the renaissance zone communities, consider options for smaller communities to become involved in the renaissance zone program or a similar program, and make recommendations regarding how the program could be improved to further meet the needs of the state and local communities. Before July 1, 2008, the department of commerce shall report to the legislative council on the conference activities and the department's legislative and administrative recommendations resulting from the conference.

SECTION 20. LEGISLATIVE COUNCIL STUDY - NORTH DAKOTA WORKFORCE SYSTEM INITIATIVE.

1. During the 2007-08 interim, the legislative council shall study the state's system for addressing workforce needs through a workforce system initiative. The workforce system initiative must include receipt of agency reports regarding implementation of workforce legislation enacted during the 2007 legislative session, active participation in focus groups across the state, and active participation in a workforce congress.
2. The focus groups shall discuss ways to enhance the state's system for addressing workforce needs, including consideration of workforce availability, skilled workforce needs, future workforce needs, and alignment of the state's higher education curriculum with the state's current and future workforce needs. The workforce congress shall receive a report on the activities of the focus groups, identify methods to enhance the state's workforce system in order to be well-positioned to participate in a knowledge-driven economy and to be globally competitive, and evaluate the impact and effectiveness of the state's existing workforce system.
3. The department of commerce shall organize the focus groups and the workforce congress. Before the workforce congress, which must be held before June 1, 2008, the department shall convene a minimum of

four focus groups. The department shall consult with the legislative council in compiling focus group and workforce congress participant invitation lists and drafting and distributing invitations, establishing focus group and workforce congress dates and locations, and preparing agendas for focus groups and the workforce congress. The focus groups and the workforce congress schedules and activities must take into consideration workforce study activities of the department.

4. The legislative council and the department of commerce shall enter a joint contract with a third party to provide the legislative council and the department with professional services to plan, facilitate, report on, and coordinate followup for the focus groups and workforce congress. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 21. LEGISLATIVE COUNCIL STUDY - DEPARTMENT OF COMMERCE.

1. The legislative council shall consider studying, during the 2007-08 interim, the organization, powers, duties, and effectiveness of the department of commerce. The study must include:
 - a. A review of the legislative history leading to the creation of the department of commerce, including the 1999-2000 interim activities of the legislative council's interim commerce and labor committee;
 - b. A review of the legislative and executive branch expectations in the creation of the department of commerce and whether those expectations are being met;
 - c. Evaluation of the effectiveness of the North Dakota economic development foundation in providing a nonpartisan, private sector perspective to the department's approach to the department's duties;
 - d. Evaluation of the organizational structure of the department of commerce, including whether the department should include a division of science and technology; and
 - e. Evaluation of the strategic planning process of the department of commerce and its effectiveness.
2. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 22. LEGISLATIVE COUNCIL STUDY - HIGHER EDUCATION PROMISE GRANT PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the desirability and feasibility of implementing a grant program for North Dakota students who are attending North Dakota institutions of higher education and who have excelled academically. The study shall include consideration of desirable eligibility criteria for students under such a grant program, funding options for such a grant program, and a cost-benefit analysis of such a grant program. The legislative council shall report its findings and recommendations,

together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 23. STATE BOARD OF HIGHER EDUCATION REPORT ON CCBENEFITS - LEGISLATIVE COUNCIL REPORT. During the 2007-08 interim, the state board of higher education shall monitor the implementation of the services of ccbenefits, incorporated, by the institutions under the control of the state board of higher education. Before July 1, 2008, the state board of higher education shall report to the legislative council on the status of the implementation of the ccbenefits, incorporated, services, including the status of the implementation at each institution using the services, the level of utilization of the services at the institutional level and at the system level, the feasibility and desirability of expanding the use of the services from use by the community colleges to use by all institutions in order to improve responsiveness of institutions and to improve forecasting efforts of institutions, and recommendations relating to the use of the ccbenefits, incorporated, services. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 24. TAX EXPENDITURE REPORT PILOT PROJECT - REPORT.

1. During the 2007-09 biennium, the commissioner of commerce, in consultation with the tax commissioner, shall select three tax expenditures for the purposes of conducting a tax expenditure report pilot project.
2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president pro tempore of the senate and the speaker of the house a tax expenditure report. This report must be based upon information available to the tax commissioner and information available to the department of commerce, and must include an analysis of the selected tax expenditures which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The tax commissioner shall compile tax expenditure data and provide this data to the department of commerce. Notwithstanding section 57-38-57 and other confidentiality statutes, the tax commissioner shall provide the department of commerce the information necessary to accomplish and effectuate the intent of this section. The tax commissioner may request the assistance of the office of management and budget as necessary to compile this tax expenditure data.
4. The tax commissioner may establish the procedure by which the tax commissioner will compile the tax expenditure data and the format in which the tax commissioner will provide this data to the department of commerce. The department of commerce may establish the manner in which the tax expenditure data will be analyzed, organized, and presented in the report.
5. Confidential tax information the department of commerce receives from the tax commissioner may not be divulged by the department of commerce unless the information is in the aggregate and in a manner that will not divulge information specific to any taxpayer.

6. For purposes of this section, the term tax expenditure means a provision in the state tax laws, including an exclusion, a deduction, a tax preference, a credit, and a deferral designed to encourage certain activities or to aid a taxpayer in special circumstances.

SECTION 25. STATE BUSINESS INCENTIVE EXPENDITURE REPORT PILOT PROJECT - REPORT.

1. During the 2007-09 biennium, the commissioner of commerce shall select a state business incentive for the purposes of conducting a state business incentive expenditure report pilot project.
2. Before the tenth legislative day of the sixty-first legislative assembly, the commissioner of commerce shall submit to the president pro tem of the senate and the speaker of the house a state business incentive expenditure report. This report must be based upon information available to the department and must include an analysis of the selected state business incentive which includes a description of the annual state revenue losses and benefits and a cyclical analysis of these losses and benefits.
3. The administering agency for the selected state business incentive shall compile state business incentive expenditure data and provide this data to the department. The department shall determine the data appropriate to measure the losses and benefits for the selected state business incentive and shall inform the administering agency of the specific data required and the format in which the administering agency shall provide this data to the department.
4. For purposes of this section, the term business incentive does not include a tax expenditure as defined under section 20 of this Act.

SECTION 26. TAX CREDIT TRANSFER STUDY - REPORT. During the 2007-09 biennium the tax commissioner shall monitor the implementation and use of transferable tax credits. Before the tenth legislative day of the sixty-first legislative assembly, the tax commissioner shall submit to the president pro tempore of the senate and the speaker of the house a tax credit transfer report. This report must be based upon information available to the tax commissioner and must include an analysis of the transferred tax credits, a description of the annual state revenue losses and benefits, and the impact on the sellers and purchasers of the tax credits.

SECTION 27. LEGISLATIVE COUNCIL STUDY - HOUSING NEEDS. During the 2007-08 interim, the legislative council shall consider studying the state's housing needs and how unmet housing needs may affect economic development in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 28. LEGISLATIVE COUNCIL STUDY - WIRELESS SERVICE PROVIDERS. During the 2007-08 interim, the legislative council shall consider studying issues relating to wireless service providers in the state and how wireless service impacts the business climate in the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 29. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

Grants for innovation. The department shall design and implement a program to provide a dollar-for-dollar match to elementary or secondary teachers or schools and to institutions of higher education for the purpose of funding innovative science, technology, or innovation programs for students in kindergarten through grade twelve. The department shall award the grants on a competitive basis. A grant awarded under this section to an elementary or secondary teacher or school may not exceed seven thousand five hundred dollars and a grant awarded to an institution of higher education may not exceed twenty-five thousand dollars. The matching funds of a grant recipient may come from a public source, a private source, or any combination of public and private sources. The department shall consult with the department of commerce in making award determinations.

SECTION 30. AMENDMENT. Section 15-69-02 of the North Dakota Century Code is amended and reenacted as follows:

15-69-02. (Effective through July 31, 2011) Centers of excellence.

1. The board shall establish a centers of excellence program relating to economic development. The program must distinguish among center designations for awards designated to address commercialization and infrastructure needs. Workforce may not be the primary need addressed by a center. Through the program the commission shall make funding award recommendations for commission-approved applications to the board, the foundation, the emergency commission, and the budget section of the legislative council. A center must be an institution of higher education under the control of the board or a nonprofit university-related or college-related foundation of an institution of higher education under the control of the board. In order to be considered for center designation, the institution of higher education or nonprofit foundation must be working in partnership with the private sector. For an application that includes infrastructure to be considered for center designation, the application must provide detailed information regarding how the future operational costs and maintenance costs related to the infrastructure will be provided and how the costs will not be provided from the general fund. In addition to any center designated under this chapter, the North Dakota state university center for technology enterprise and the university of North Dakota center for innovation are centers.
2. A commission funding award recommendation must be for a specified amount. Designation of a center occurs upon board, foundation, and budget section approval of a commission funding award recommendation. In considering whether to designate a center, the board, foundation, and budget section may not modify the commission recommendation. The budget section may not ~~make a determination of whether to approve or reject a~~ take action on an original commission funding award recommendation until the emergency commission reviews the commission recommendation and makes a recommendation to the budget section. Upon receipt of a commission funding award recommendation, the budget section shall approve the recommendation, reject the recommendation, or rerefer the recommendation to the commission with recommended modifications. If the commission receives a rereferred recommendation from the budget

section, the commission shall determine whether to modify the recommendation or whether to retain the recommendation and provide additional information with the recommendation.

- a. If within thirty days of the budget section rereferring a recommendation the commission makes a determination of whether to modify the recommendation or to retain the recommendation and within the same thirty days the emergency commission meets to review the modified recommendation or the retained recommendation accompanied by additional information, the emergency commission shall approve or reject the recommendation. If within the thirty days following the budget section rereferral the emergency commission acts under this subdivision, the determination of the emergency commission is final and the recommendation is approved or rejected.
 - b. If thirty days expire following the budget section's rereferral and the process under subdivision a is not completed timely, the commission shall submit to the budget section the modified recommendation or the retained recommendation. Upon receipt of the recommendation under this subdivision, the budget section shall approve or reject the recommendation. The budget section may not rerefer a recommendation received under this subdivision.
3. A center that receives funds distributed under this chapter is not qualified to receive subsequent designations as a center until the biennium following the center's most recent designation.
 4. The board rules adopted under subsection 9 of section 15-10-17, relating to ownership of intellectual property, inventions, and discoveries, must address activities and issues unique to centers.

SECTION 31. AMENDMENT. Section 15-69-03 of the North Dakota Century Code is amended and reenacted as follows:

15-69-03. (Effective through July 31, 2011) Centers of excellence commission. The centers of excellence commission consists of six members. The foundation shall appoint three of the foundation's members to serve on the commission and the board shall appoint three of the board's members to serve on the commission. The commission members shall designate a chairman and a vice chairman of the commission. Each member of the commission shall serve for a term of three years, beginning July first; may be reappointed for additional terms; and serves at the pleasure of the appointing entity. If a commission member ceases to serve as a member of the appointing entity, that member's membership on the commission ceases immediately and the appointing entity shall appoint a new member for the remainder of the term. Terms of ~~initial~~ commission members ~~begin on July 1, 2005, and~~ must be staggered. On a meeting-by-meeting basis, an appointing entity may substitute a member of that appointing entity to serve in place of one of the regular members appointed by that entity. If the commission chairman and vice chairman are not present at a meeting, the commission members present at that meeting shall select a commission member to serve as chairman for that meeting. A commission member may receive compensation and travel and expense reimbursement from the appointing entity. The ~~board~~ department of commerce shall provide the commission with appropriate staff services as may be requested by the commission.

SECTION 32. AMENDMENT. Section 15-69-04 of the North Dakota Century Code is amended and reenacted as follows:

15-69-04. (Effective through July 31, 2011) Application - Eligibility requirements.

1. The board department of commerce shall provide center application forms, accept applications, review applications for completeness and compliance with board and commission policy, ~~and~~ forward complete applications to the commission in accordance with guidelines established by the commission, and assist with preaward reviews and postaward monitoring as may be requested by the commission.
2. The commission shall meet as necessary to review all complete applications; consider the potential need for independent, expert review of complete applications; approve or disapprove complete applications; make funding award recommendations for commission-approved proposed centers; direct the office of management and budget to distribute funds to the centers; monitor centers for compliance with award requirements; ~~and~~ review changes in assertions made in center applications; and conduct postaward monitoring of centers.
3. In considering whether to approve or disapprove an application, the commission shall determine whether the applicant has conducted the due diligence necessary to put together a viable proposal, the commission shall determine whether the applicant has provided information in the application which clearly outlines how the matching fund requirement will be met, and the commission shall consider whether the center will:
 - a. Use university or college research to promote private sector job growth and expansion of knowledge-based industries or use university or college research to promote the development of new products, high-tech companies, or skilled jobs in this state;
 - b. Create high-value private sector employment opportunities in this state;
 - c. Provide for public-private sector involvement and partnerships;
 - d. Leverage other funding;
 - e. Increase research and development activities that may involve federal funding from the national science foundation experimental program to stimulate competitive research;
 - f. Foster and practice entrepreneurship;
 - g. Promote the commercialization of new products and services in industry clusters;
 - h. Become financially self-sustaining; and
 - i. Establish and meet a deadline for acquiring and expending all public and private funds specified in the application.

4. In considering whether to approve an application, the commission may provide for an independent, expert review of the application to determine whether the proposed center is viable and whether the proposed center is likely to have the desired economic impact. As necessary, the commission may contract for additional technical review of applications. The commission may not approve an application unless the commission determines the proposed center has a high likelihood of viability and success in positively impacting economic development in the state.
5. For no fewer than six years and no more than ten years following center designation, the commission shall monitor the center's activities in order to determine whether the center is having the desired economic impact.

SECTION 33. AMENDMENT. Section 15-69-05 of the North Dakota Century Code is amended and reenacted as follows:

15-69-05. (Effective through July 31, 2011) Use of funds - Terms of funds - Distribution of funds.

1. A center shall use funds awarded under this chapter to enhance capacity; enhance infrastructure; and leverage state, federal, and private sources of funding. A center awarded funds under this chapter may not use the funds to supplant funding for current operations or academic instructions or to pay indirect costs.
2. As a condition for receipt of funds under this chapter, a center shall agree to provide the board, foundation, and budget section of the legislative council with annual audits on all funds distributed to the center under this chapter. The annual audits must be provided until the completion of ~~four years following the final distribution of funds under this chapter~~ the commission's postaward monitoring of the center. As a condition for receipt of funds under this chapter, a center shall agree to provide the commission with the information necessary to monitor the postaward activities of the center.
3. Before the commission directs the office of management and budget to distribute funds awarded under this chapter, the center shall provide the commission with detailed documentation of private sector participation and the availability of two dollars of matching funds for each dollar of state funds to be distributed under this chapter. The matching funds may include funds facilitated through the collaboration of the private sector participants with other funding entities. The matching funds may include a combination of cash and in-kind assets with itemized value. Private sector participation may be established through equity investments or through contracts for services with private sector entities. In making funding recommendations and designation determinations, the commission, board, foundation, and budget section shall give major consideration to the portion of the matching funds provided in cash by the private sector.
4. The commission shall direct the office of management and budget to distribute the funds awarded under this chapter in disbursements consistent with the center's budget and timeframe outlined in the approved award. The commission may not direct distribution of funds

under this chapter if there are no private sector partners participating or if the statutorily required matching funds are not available.

5. If, before funds are distributed by the office of management and budget, a center undergoes a change in the terms of or assertions made in its application, the commission may direct that the office of management and budget withhold all or a portion of any undistributed funds pending commission review of the changes.
6. The commission may use funds appropriated for the centers of excellence program to pay for the commission's administrative expenses, which may include contracting for independent, expert reviews of complete applications and centers of excellence forums. The amount of funds the commission uses each biennium for administrative expenses may not exceed two and one-half percent of the funds appropriated for the program that biennium.

SECTION 34. AMENDMENT. Subsections 4 and 6 of section 54-17-07.3 of the North Dakota Century Code are amended and reenacted as follows:

4. Mortgage loan financing program. A program or programs to provide for the purchase or guaranty of a temporary or permanent mortgage loan ~~loans~~ originated by lenders a lender on residential real property or on land to be developed into residential real property, in addition to such a mortgage loans loan ~~loan~~ acquired or to be acquired under subsections 1 through 3. A program authorized under this subsection may provide assistance in the development of low to moderate income housing or to otherwise assist a developing community in the state address an unmet housing need or alleviate a housing shortage.
6. Housing grant program. A program or programs to provide grants a grant ~~grants~~ other than those authorized by section 54-17-07.6 to encourage and promote housing availability for persons of low or moderate income or to otherwise assist a developing community in this state address an unmet housing need or alleviate a housing shortage.

SECTION 35. AMENDMENT. Section 54-60-02 of the North Dakota Century Code is amended and reenacted as follows:

54-60-02. Department of commerce - Divisions. The North Dakota department of commerce is created. All records, materials, supplies, and equipment used by the division of community services, department of economic development and finance, and the department of tourism are transferred to the department.

1. The department must consist of:
 - a. A division of community services;
 - b. A division of economic development and finance;
 - c. A division of tourism;
 - d. A division of workforce development; and
 - e. Any division the commissioner determines necessary to carry out this chapter.

2. The commissioner shall appoint the director of ~~any each~~ division created by the commissioner under subsection 1. ~~Effective August 1, 2003, the commissioner shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development. Effective August 1, 2005, the commissioner shall appoint the director of the division of tourism of the department.~~ Each director appointed by the commissioner serves at the pleasure of the commissioner and is entitled to receive a salary set by the commissioner within the limits of legislative appropriations. ~~Until August 1, 2003, the governor shall appoint the directors of the division of community services, division of economic development and finance, and division of workforce development and until August 1, 2005, the governor shall appoint the director of the division of tourism. The individuals appointed by the governor shall serve at the pleasure of the governor and are entitled to receive a salary set by the governor within the limits of legislative appropriations.~~

SECTION 36. AMENDMENT. Section 54-60-09 of the North Dakota Century Code is amended and reenacted as follows:

54-60-09. Division of workforce development - Duties. The division of workforce development shall ~~actively~~:

1. Actively monitor local, regional, and national private and public workforce development initiatives.
2. Develop and implement the state's talent strategy.
3. Develop and implement a statewide intelligence coordination strategy.

SECTION 37. Three new sections to chapter 54-60 of the North Dakota Century Code are created and enacted as follows:

Division of workforce development - Higher education internships and work experience opportunities. The division of workforce development shall administer a program to increase use of higher education internships and work experience opportunities for higher education students. The primary focus of this program must be higher education internships in target industries. This program shall provide services to employers, communities, and business organizations to increase higher education internship and work experience opportunities.

Division of workforce development - Career specialist. The division of workforce development, in consultation with the department of career and technical education, job service North Dakota, and the superintendent of public instruction, shall develop and implement a program to assist public schools in promoting North Dakota career opportunities to students in grades nine through twelve.

Division of workforce development - Talent strategy - Performance and accountability.

1. The division of workforce development, in developing and implementing the state's talent strategy, shall:
 - a. Consult with partners in the state's system for workforce development, workforce training, and talent attraction, including job service North Dakota, the department of career and technical

education, the superintendent of public instruction, the state board of higher education, the department of human services, and other divisions of the department of commerce.

- b. Develop a comprehensive, consolidated biennial statewide strategic plan for the state's system for workforce development, workforce training, and talent attraction.
 - c. Continuously review, identify how to improve, and implement improvements to the state's system for workforce development, workforce training, and talent attraction.
 - d. Develop linkages between partners of the state's system for workforce development, workforce training, and talent attraction, to assure coordination and nonduplication of programs and services provided in the state.
2. The division of workforce development shall develop and implement a system of performance and accountability measures for the state's system for workforce development, workforce training, and talent attraction. Each partner of the state's system for workforce development, workforce training, and talent attraction shall cooperate in providing the division the data necessary to implement these measures.

SECTION 38. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Beginning again North Dakota pilot program - Continuing appropriation - Report to legislative council.

1. The department shall implement and administer a beginning again North Dakota pilot program. The purpose of the program is to develop a data base of skills and other assets of communities and residents to be used to advance the internal and external attitude and image of this state and the communities in this state. The department shall implement this program in one city with a population of not more than one thousand five hundred and one city with a population of more than one thousand five hundred but not more than three thousand five hundred.
2. The department shall assemble state and local asset data from a broad range of sources. The sources for data may include the department, Bank of North Dakota, game and fish department, state historical society, Indian affairs commission, job service North Dakota, parks and recreation department, superintendent of public instruction, North Dakota university system, workforce safety and insurance, and state and local public and private entities. The nature of the data regarding skills and other assets may cover a broad range of information that may be valuable to advance the attitude or image of the state and communities in the state. The data may include natural resources, real estate, educational resources, cultural resources, vocational resources, financial resources, and infrastructure resources.
3. The department shall use the information assembled in the data base to assist in strategic plans for development. Additionally, the department

may use the information in the data base to assist local developers in strategic plans for development.

4. The department may contract with a public or private third party to provide any or all of the services necessary to implement and administer the program. The department may solicit support and contributions from public and private sources for the purpose of furthering the program. The department may charge a fee for the services provided to the community. The department shall deposit in a special account in the state treasury all funds collected under this subsection. All funds deposited under this section are appropriated to the department on a continuing basis for the purpose of furthering the program.
5. The two cities shall be willing to participate and provide significant financial resources to provide for the costs of the pilot program.
6. During the 2007-08 interim, the commissioner shall provide a report to the legislative council regarding the implementation of the program, successes and failures of the program, and whether the program should be continued or be continued and expanded to additional communities.

¹⁰ **SECTION 39. AMENDMENT.** Subdivision 1 of subsection 2 of section 54-60.1-01 of the North Dakota Century Code is amended and reenacted as follows:

- l. ~~Except for a center of excellence award under chapter 15-69, assistance~~ Assistance for a collaboration between a North Dakota institution of higher education and a business.

SECTION 40. A new section to chapter 55-10 of the North Dakota Century Code is created and enacted as follows:

Ronald Reagan historic site. If the state historical society acquires a missile silo historic site, the site is named the Ronald Reagan historic site.

¹¹ **SECTION 41. AMENDMENT.** The new section to chapter 57-06 of the North Dakota Century Code as created by section 2 of House Bill No. 1072, and as amended by section 2 of House Bill No. 1317, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

Taxable valuation of centrally assessed wind turbine electric generators.

A centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more on which construction is completed before ~~July 4, 2007~~ January 1, 2011, must be valued at ~~the current three percent of~~ assessed value to determine taxable valuation of the property. ~~A centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more, on which construction is completed after June 30, 2007, and before January 1, 2011, must be valued at one and one-half percent of~~

¹⁰ Section 54-60.1-01 was also amended by section 1 of House Bill No. 1095, chapter 494, and section 4 of House Bill No. 1128, chapter 464.

¹¹ Section 57-06-14.1 was created by section 2 of House Bill No. 1072, chapter 504; was also amended by section 2 of House Bill No. 1317, chapter 505.

assessed value to determine taxable valuation of the property. However, a centrally assessed wind turbine electric generation unit with nameplate generation capacity of one hundred kilowatts or more, for which construction is begun after July 1, 2007, and before January 1, 2011, must be valued at one and one-half percent of assessed value to determine taxable valuation of the property, except:

1. A centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more, for which a purchased power agreement has been executed after April 30, 2005, and before January 1, 2006, and construction is completed after April 30, 2005, and before July 1, 2006, must be valued at one and one-half percent of assessed value to determine taxable valuation of the property for the duration of the initial purchased power agreement for the generation unit; and
2. A centrally assessed wind turbine electric generation unit with a nameplate generation capacity of one hundred kilowatts or more, on which construction is completed after June 30, 2006, and before January 1, 2011, must be valued at one and one-half percent of assessed value to determine taxable valuation of the property.

SECTION 42. A new section to chapter 57-38 of the North Dakota Century Code is created and enacted as follows:

Angel fund investment tax credit. A taxpayer is entitled to a credit against state income tax liability under sections 57-38-29, 57-38-30, or 57-38-30.3 for an investment made in an angel fund that is incorporated in this state. The angel fund must be in compliance with the securities laws of this state for the investment to qualify for the tax credit under this section. The amount of the credit to which a taxpayer is entitled is forty-five percent of the amount invested by the taxpayer in an angel fund during the taxable year. The aggregate annual credit for which a taxpayer may obtain a tax credit is not more than forty-five thousand dollars. To be eligible for the credit, the investment must be at risk in the angel fund for at least three years. Investments placed in escrow do not qualify for the credit. The credit must be claimed in the taxable year in which the investment in the angel fund was received by the angel fund. The credit allowed may not exceed the liability for tax under this chapter. If the amount of credit determined under this section exceeds the liability for tax under this chapter, the excess may be carried forward to each of the four succeeding taxable years. A taxpayer claiming a credit under this section may not claim any credit available to the taxpayer as a result of an investment made by the angel fund in a qualified business under chapter 57-38.5 or 57-38.6.

¹² **SECTION 43.** A new subdivision to subsection 1 of section 57-38-01.2 of the North Dakota Century Code is created and enacted as follows:

Reduced by the amount received by a taxpayer that was paid by an employer under paragraph 4 of subdivision a of subsection 2 of section 57-38-01.25 to hire the taxpayer for a hard-to-fill position under section 57-38-01.25, but only to the extent the amount received by the taxpayer is included in federal taxable income.

¹² Section 57-38-01.2 was also amended by section 2 of House Bill No. 1091, chapter 89, and section 1 of House Bill No. 1393, chapter 513.

The reduction applies only if the employer is entitled to the tax credit under section 57-38-01.25. The taxpayer must attach a statement from the employer certifying that the employer is entitled to the credit under section 57-38-01.25 and identifying the type and the amount of the payment to the employee.

SECTION 44. Section 57-38-01.24 of the North Dakota Century Code is created and enacted as follows:

57-38-01.24. Internship employment tax credit.

1. A taxpayer that is an employer within this state is entitled to a credit as determined under this section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3 for qualified compensation paid to an intern employed in this state by the taxpayer. To qualify for the credit under this section, the internship program must meet the following qualifications:
 - a. The intern must be an enrolled student in an institution of higher education or vocational technical education program who is seeking a degree or a certification of completion in a major field of study closely related to the work experience performed for the taxpayer;
 - b. The internship must be taken for academic credit or count toward the completion of a vocational technical education program;
 - c. The intern must be supervised and evaluated by the taxpayer; and
 - d. The internship position must be located in this state.
2. The amount of the credit to which a taxpayer is entitled is ten percent of the stipend or salary paid to a college intern employed by the taxpayer. A taxpayer may not receive more than three thousand dollars in total credits under this section for all taxable years combined.
 - a. The tax credit under this section applies to a stipend or salary for not more than five interns employed at the same time.
 - b. A partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section must be considered to be the taxpayer for purposes of calculating the credit. The amount of the allowable credit must be determined at the passthrough entity level. The total credit determined at the entity level must be passed through to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity.

SECTION 45. Section 57-38-01.25 of the North Dakota Century Code is created and enacted as follows:

57-38-01.25. Workforce recruitment credit for hard-to-fill employment positions. A taxpayer that is an employer in this state is entitled to a credit as determined under this section against state income tax liability under section 57-38-29, 57-38-30, or 57-38-30.3 for costs the taxpayer incurred during the tax year

to recruit and hire employees for hard-to-fill employment positions within this state for which the annual salary for the position meets or exceeds the state average wage.

1. The amount of the credit to which a taxpayer is entitled is five percent of the salary paid for the first twelve consecutive months to the employee hired for the hard-to-fill employment position. To qualify for the credit under this section, the employee must be employed by the taxpayer in the hard-to-fill employment position for twelve consecutive months.
2. For purposes of this section:
 - a. "Extraordinary recruitment methods" means using all of the following:
 - (1) A person with the exclusive business purpose of recruiting employees and for which a fee is charged by that recruiter.
 - (2) An advertisement in a professional trade journal, magazine, or other publication, the main emphasis of which is providing information to a particular trade or profession.
 - (3) A web site, the sole purpose of which is to recruit employees and for which a fee is charged by the web site.
 - (4) Payment of a signing bonus, moving expenses, or nontypical fringe benefits.
 - b. "Hard-to-fill employment position" means a job that requires the employer to use extraordinary recruitment methods and for which the employer's recruitment efforts for the specific position have been unsuccessful for six consecutive calendar months.
 - c. "State average wage" means one hundred twenty-five percent of the state average wage published annually by job service North Dakota and which is in effect at the time the employee is hired.
3. The taxpayer may claim the credit in the first tax year beginning after the employee hired for the hard-to-fill position has completed the employee's first twelve consecutive months of employment in the hard-to-fill position with the taxpayer.
4. The credit under this section may not exceed a taxpayer's liability for the taxable year as determined under this chapter. Any amount of unused credit may be carried forward for up to four taxable years after the taxable year in which the credit could initially be claimed.
5. A partnership, subchapter S corporation, or limited liability company that for tax purposes is treated like a partnership that is entitled to the credit under this section must be considered to be the taxpayer for purposes of this section and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the passthrough entity level must be allowed to the members in proportion to their respective interests in the passthrough entity.

13 **SECTION 46. AMENDMENT.** Section 57-38-30.3 of the North Dakota Century Code is amended and reenacted as follows:

57-38-30.3. Simplified method of computing tax.

1. A tax is hereby imposed for each taxable year upon income earned or received in that taxable year by every resident and nonresident individual, estate, and trust. A taxpayer computing the tax under this section is only eligible for those adjustments or credits that are specifically provided for in this section. Provided, that for purposes of this section, any person required to file a state income tax return under this chapter, but who has not computed a federal taxable income figure, shall compute a federal taxable income figure using a pro forma return in order to determine a federal taxable income figure to be used as a starting point in computing state income tax under this section. The tax for individuals is equal to North Dakota taxable income multiplied by the rates in the applicable rate schedule in subdivisions a through d corresponding to an individual's filing status used for federal income tax purposes. For an estate or trust, the schedule in subdivision e must be used for purposes of this subsection.

a. Single, other than head of household or surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over \$27,050	2.10%
Over \$27,050 but not over \$65,550	\$568.05 plus 3.92% of amount over \$27,050
Over \$65,550 but not over \$136,750	\$2,077.25 plus 4.34% of amount over \$65,550
Over \$136,750 but not over \$297,350	\$5,167.33 plus 5.04% of amount over \$136,750
Over \$297,350	\$13,261.57 plus 5.54% of amount over \$297,350

b. Married filing jointly and surviving spouse.

If North Dakota taxable income is:	The tax is equal to:
Not over \$45,200	2.10%
Over \$45,200 but not over \$109,250	\$949.20 plus 3.92% of amount over \$45,200
Over \$109,250 but not over \$166,500	\$3,459.96 plus 4.34% of amount over \$109,250
Over \$166,500 but not over \$297,350	\$5,944.61 plus 5.04% of amount over \$166,500
Over \$297,350	\$12,539.45 plus 5.54% of amount over \$297,350

c. Married filing separately.

If North Dakota taxable income is:	The tax is equal to:
Not over \$22,600	2.10%
Over \$22,600 but not over \$54,625	\$474.60 plus 3.92% of amount over \$22,600
Over \$54,625 but not over \$83,250	\$1,729.98 plus 4.34% of amount over \$54,625
Over \$83,250 but not over \$148,675	\$2,972.31 plus 5.04% of amount over \$83,250
Over \$148,675	\$6,269.73 plus 5.54% of amount over \$148,675

d. Head of household.

13 Section 57-38-30.3 was also amended by section 3 of House Bill No. 1091, chapter 89, section 2 of House Bill No. 1393, chapter 513, section 2 of House Bill No. 1403, chapter 519, section 1 of House Bill No. 1412, chapter 523, section 8 of Senate Bill No. 2032, chapter 520, section 1 of Senate Bill No. 2079, chapter 522, and section 2 of Senate Bill No. 2082, chapter 521.

If North Dakota taxable income is:	The tax is equal to:
Not over \$36,250	2.10%
Over \$36,250 but not over \$93,650	\$761.25 plus 3.92% of amount over \$36,250
Over \$93,650 but not over \$151,650	\$3,011.33 plus 4.34% of amount over \$93,650
Over \$151,650 but not over \$297,350	\$5,528.53 plus 5.04% of amount over \$151,650
Over \$297,350	\$12,871.81 plus 5.54% of amount over \$297,350

e. Estates and trusts.

If North Dakota taxable income is:	The tax is equal to:
Not over \$1,800	2.10%
Over \$1,800 but not over \$4,250	\$37.80 plus 3.92% of amount over \$1,800
Over \$4,250 but not over \$6,500	\$133.84 plus 4.34% of amount over \$4,250
Over \$6,500 but not over \$8,900	\$231.49 plus 5.04% of amount over \$6,500
Over \$8,900	\$352.45 plus 5.54% of amount over \$8,900

- f. For an individual who is not a resident of this state for the entire year, or for a nonresident estate or trust, the tax is equal to the tax otherwise computed under this subsection multiplied by a fraction in which:
- (1) The numerator is the federal adjusted gross income allocable and apportionable to this state; and
 - (2) The denominator is the federal adjusted gross income from all sources reduced by the net income from the amounts specified in subdivisions a and b of subsection 2.

In the case of married individuals filing a joint return, if one spouse is a resident of this state for the entire year and the other spouse is a nonresident for part or all of the tax year, the tax on the joint return must be computed under this subdivision.

- g. For taxable years beginning after December 31, 2001, the tax commissioner shall prescribe new rate schedules that apply in lieu of the schedules set forth in subdivisions a through e. The new schedules must be determined by increasing the minimum and maximum dollar amounts for each income bracket for which a tax is imposed by the cost-of-living adjustment for the taxable year as determined by the secretary of the United States treasury for purposes of section 1(f) of the United States Internal Revenue Code of 1954, as amended. For this purpose, the rate applicable to each income bracket may not be changed, and the manner of applying the cost-of-living adjustment must be the same as that used for adjusting the income brackets for federal income tax purposes.
2. For purposes of this section, "North Dakota taxable income" means the federal taxable income of an individual, estate, or trust as computed under the Internal Revenue Code of 1986, as amended, adjusted as follows:
- a. Reduced by interest income from obligations of the United States and income exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.
 - b. Reduced by the portion of a distribution from a qualified investment fund described in section 57-38-01 which is attributable to investments by the qualified investment fund in obligations of the United States, obligations of North Dakota or its political

subdivisions, and any other obligation the interest from which is exempt from state income tax under federal statute or United States or North Dakota constitutional provisions.

- c. Reduced by the amount equal to the earnings that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3.
- d. Reduced by thirty percent of the excess of the taxpayer's net long-term capital gain for the taxable year over the net short-term capital loss for that year, as computed for purposes of the Internal Revenue Code of 1986, as amended. The adjustment provided by this subdivision is allowed only to the extent the net long-term capital gain is allocated to this state.
- e. Increased by the amount of a lump sum distribution for which income averaging was elected under section 402 of the Internal Revenue Code of 1986 [26 U.S.C. 402], as amended. This adjustment does not apply if the taxpayer received the lump sum distribution while a nonresident of this state and the distribution is exempt from taxation by this state under federal law.
- f. Increased by an amount equal to the losses that are passed through to a taxpayer in connection with an allocation and apportionment to North Dakota under chapter 57-35.3.
- g. Reduced by the amount received by the taxpayer as payment for services performed when mobilized under title 10 United States Code federal service as a member of the national guard or reserve member of the armed forces of the United States. This subdivision does not apply to federal service while attending annual training, basic military training, or professional military education.
- h. Reduced by income from a new and expanding business exempt from state income tax under section 40-57.1-04.
- i. Reduced by interest and income from bonds issued under chapter 11-37.
- j. Reduced by up to ten thousand dollars of qualified expenses that are related to a donation by a taxpayer or a taxpayer's dependent, while living, of one or more human organs to another human being for human organ transplantation. A taxpayer may claim the reduction in this subdivision only once for each instance of organ donation during the taxable year in which the human organ donation and the human organ transplantation occurs but if qualified expenses are incurred in more than one taxable year, the reduction for those expenses must be claimed in the year in which the expenses are incurred. For purposes of this subdivision:
 - (1) "Human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person.
 - (2) "Organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow.

- (3) "Qualified expenses" means lost wages not compensated by sick pay and unreimbursed medical expenses as defined for federal income tax purposes, to the extent not deducted in computing federal taxable income, whether or not the taxpayer itemizes federal income tax deductions.
- k. Increased by the amount of the contribution upon which the credit under section 57-38-01.21 is computed, but only to the extent that the contribution reduced federal taxable income.
 - l. Reduced by the amount of any payment received by a veteran or beneficiary of a veteran under section 37-28-03 or 37-28-04.
 - m. Reduced by the amount received by a taxpayer that was paid by an employer under paragraph 4 of subdivision a of subsection 2 of section 57-38-01.25 to hire the taxpayer for a hard-to-fill position under section 57-38-01.25, but only to the extent the amount received by the taxpayer is included in federal taxable income. The reduction applies only if the employer is entitled to the credit under section 57-38-01.25. The taxpayer must attach a statement from the employer in which the employer certifies that the employer is entitled to the credit under section 57-38-01.25 and which specifically identified the type of payment and the amount of the exemption under this section.
3. Married individuals filing a joint federal income tax return shall file a joint state income tax return if the return is filed under this section. If separate federal income tax returns are filed, one spouse's state income tax return may be filed under this section and the other spouse's income tax return may be filed under the other provisions of this chapter.
4. a. A resident individual, estate, or trust must be allowed a credit against the tax otherwise due under this section for the amount of any income tax imposed on the taxpayer for the taxable year by another state or territory of the United States or the District of Columbia on income derived from sources therein and which is also subject to tax under this section.
- b. The credit provided under this subsection may not exceed the proportion of the tax otherwise due under this section that the amount of the taxpayer's adjusted gross income derived from sources in the other taxing jurisdiction bears to the taxpayer's federal adjusted gross income as reported on the taxpayer's federal income tax return.
- c. The tax commissioner may require written proof of the tax paid to another state. The required proof must be provided in a form and manner as determined by the tax commissioner.
5. Individuals, estates, or trusts that file an amended federal income tax return changing their federal taxable income figure for a year for which an election to file state income tax returns has been made under this section shall file an amended state income tax return to reflect the changes on the federal income tax return.

6. The tax commissioner may prescribe procedures and guidelines to prevent requiring income that had been previously taxed under this chapter from becoming taxed again because of the provisions of this section and may prescribe procedures and guidelines to prevent any income from becoming exempt from taxation because of the provisions of this section if it would otherwise have been subject to taxation under the provisions of this chapter.
7. A taxpayer filing a return under this section is entitled to the credit provided under section 57-38-01.20.
8. A taxpayer filing a return under this section is entitled to the exemptions or credits provided under sections 40-63-04, 40-63-06, and 40-63-07.
9.
 - a. A taxpayer is entitled to a credit against the tax imposed by this section for any unused federal credit for prior year minimum tax. "Unused federal credit for prior year minimum tax" means the amount of the federal credit for prior year minimum tax attributable to federal alternative minimum tax included in the taxpayer's federal income tax liability for purposes of this section for taxable years beginning before January 1, 2001, reduced by the total amount of the federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return for all taxable years beginning after December 31, 2000.
 - b. The credit under this subsection is equal to fourteen percent of the portion of the unused federal credit for prior year minimum tax claimed on the taxpayer's federal income tax return and may not exceed the taxpayer's tax liability under this section for the taxable year. For a nonresident taxpayer, the credit determined under this subsection must be multiplied by the percentage that the nonresident taxpayer's North Dakota adjusted gross income is of the nonresident's federal adjusted gross income.
 - c. The credit under this subsection is not allowed for taxable years beginning after December 31, 2004.
10.
 - a. If an individual taxpayer engaged in a farming business elects to average farm income under section 1301 of the Internal Revenue Code [26 U.S.C. 1301], the taxpayer may elect to compute tax under this subsection. If an election to compute tax under this subsection is made, the tax imposed by subsection 1 for the taxable year must be equal to the sum of the following:
 - (1) The tax computed under subsection 1 on North Dakota taxable income reduced by elected farm income.
 - (2) The increase in tax imposed by subsection 1 which would result if North Dakota taxable income for each of the three prior taxable years were increased by an amount equal to one-third of the elected farm income. However, if other provisions of this chapter other than this section were used to compute the tax for any of the three prior years, the same provisions in effect for that prior tax year must be used to compute the increase in tax under this paragraph. For purposes of applying this paragraph to taxable years

beginning before January 1, 2001, the increase in tax must be determined by recomputing the tax in the manner prescribed by the tax commissioner.

- b. For purposes of this subsection, "elected farm income" means that portion of North Dakota taxable income for the taxable year which is elected farm income as defined in section 1301 of the Internal Revenue Code of 1986 [26 U.S.C. 1301], as amended, reduced by the portion of an exclusion claimed under subdivision d of subsection 2 that is attributable to a net long-term capital gain included in elected farm income.
 - c. The reduction in North Dakota taxable income under this subsection must be taken into account for purposes of making an election under this subsection for any subsequent taxable year.
 - d. The tax commissioner may prescribe rules, procedures, or guidelines necessary to administer this subsection.
11. The tax commissioner may prescribe tax tables, to be used in computing the tax according to subsection 1, if the amounts of the tax tables are based on the tax rates set forth in subsection 1. If prescribed by the tax commissioner, the tables must be followed by every individual, estate, or trust determining a tax under this section.
 12. An individual, estate, or trust is entitled to a credit against the tax determined under this section as calculated under section 57-38.6-03.
 13. A taxpayer filing a return under this section is entitled to the credit provided under section 57-38.5-03.
 14. An individual taxpayer filing a return under this section is entitled to the credit provided under section 57-38-01.21.
 15. A taxpayer filing a return under this section is entitled to the credits provided under sections 57-38-01.22 and 57-38-01.23.
 16. A taxpayer filing a return under this section is entitled to the credits provided under section 42 of this Act and sections 57-38-01.24, 57-38-01.25, and 57-38-30.5.

¹⁴ **SECTION 47. AMENDMENT.** Section 57-38-30.5 of the North Dakota Century Code is amended and reenacted as follows:

57-38-30.5. Corporate income tax credit for research and experimental expenditures. ~~Any corporation~~ A taxpayer is allowed a credit against the tax imposed under this chapter for the taxable year equal to ~~eight percent of the first one and one-half million dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to four percent of all qualified research expenses for the taxable year more than one and~~

¹⁴ Section 57-38-30.5 was also amended by section 2 of House Bill No. 1412, chapter 523.

one-half million dollars in excess of the base period research expenses section 57-38-29, 57-38-30, or 57-38-30.3 for conducting qualified research in this state.

1. The amount of the credit for taxpayers that earned or claimed a credit under this section in taxable years beginning before January 1, 2007, is calculated as follows:
 - a. For the first taxable year beginning after December 31, 2006, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to seven and one-half percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
 - b. For the second taxable year beginning after December 31, 2006, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to eleven percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
 - c. For the third taxable year beginning after December 31, 2006, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to fourteen and one-half percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
 - d. For the fourth through the tenth taxable years beginning after December 31, 2006, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to eighteen percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
 - e. For the eleventh taxable year beginning after December 31, 2006, and for each subsequent taxable year in which the taxpayer conducts qualified research in this state, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to eight percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
 - f. The maximum annual credit a taxpayer may obtain under this section is two million dollars. Any credit amount earned in the taxable year in excess of two million dollars may not be carried back or forward as provided in subsection 7.
2. For taxpayers that have not earned or claimed a credit under this section in taxable years beginning before January 1, 2007, and which

- begin conducting qualified research in North Dakota in any of the first four taxable years beginning after December 31, 2006, the amount of the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to twenty percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
- a. This rate applies through the tenth taxable year beginning after December 31, 2006.
 - b. For the eleventh taxable year beginning after December 31, 2006, and for each subsequent taxable year in which the taxpayer conducts qualified research in this state, the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to eight percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
3. For taxpayers that have not earned or claimed a credit under this section in taxable years beginning before January 1, 2007, and which begin conducting qualified research in North Dakota in any taxable year following the fourth taxable year beginning after December 31, 2006, the amount of the credit is equal to twenty-five percent of the first one hundred thousand dollars of the qualified research expenses for the taxable year in excess of the base period research expenses and equal to eight percent of all qualified research expenses for the taxable year more than one hundred thousand dollars in excess of the base period research expenses.
4. For purposes of this section:
- a. "Base period research expenses" means base period research expenses as defined in section 41(c) of the Internal Revenue Code [26 U.S.C. 41(c)], except it does not include research conducted outside the state of North Dakota.
 - b. "Director" means the director of the department of commerce division of economic development and finance.
 - c. "Primary sector business" means a qualified business that through the employment of knowledge or labor adds value to a product, process, or service.
 - d. "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code [26 U.S.C. 41(d)], except it does not include research conducted outside the state of North Dakota.
 - e. "Qualified research and development company" means a taxpayer that is a primary sector business with annual gross revenues of less than seven hundred fifty thousand dollars and which has not conducted new research and development in North Dakota.

- f. "Qualified research expenses" means qualified research expenses as defined in section 41(b) of the Internal Revenue Code [26 U.S.C. 41(b)], except it does not include expenses incurred for basic research conducted outside the state of North Dakota.
2. 5. The credit allowed under this section for the taxable year may not exceed the liability for tax under this chapter.
3. 6. In the case of a ~~corporation which taxpayer~~ that is a partner in a partnership or a member in a limited liability company, the credit allowed for the taxable year may not exceed an amount separately computed with respect to the ~~corporation's taxpayer's~~ interest in the trade, business, or entity equal to the amount of tax attributable to that portion of the ~~corporation's taxpayer's~~ taxable income which is allocable or apportionable to the ~~corporation's taxpayer's~~ interest in the trade, business, or entity.
4. 7. If Except as provided in subsection 1, if the amount of the credit determined under this section for any taxable year exceeds the limitation under subsection 2 5, the excess may be used as a research credit carryback to each of the three preceding taxable years and a research credit carryover to each of the fifteen succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The and the amount of the unused credit which may be added under this subsection may not exceed the taxpayer's liability for tax less the research credit for the taxable year.
8. A taxpayer that is certified as a qualified research and development company by the director may elect to sell, transfer, or assign all or part of the unused tax credit earned under this section. The director shall certify whether a taxpayer that has requested to become a qualified research and development company meets the requirements of subsection 4. The director shall establish the necessary forms and procedures for certifying qualifying research and development companies. The director shall issue a certification letter to the taxpayer and the tax commissioner. A tax credit can be sold, transferred, or assigned subject to the following:
- a. A taxpayer's total credit assignment under this section may not exceed one hundred thousand dollars over any combination of taxable years.
- b. If the taxpayer elects to assign or transfer an excess credit under this subsection, the tax credit transferor and the tax credit purchaser jointly shall file with the tax commissioner a copy of the purchase agreement and a statement containing the names, addresses, and taxpayer identification numbers of the parties to the transfer, the amount of the credit being transferred, the gross proceeds received by the transferor, and the taxable year or years for which the credit may be claimed. The taxpayer and the purchaser also shall file a document allowing the tax commissioner to disclose tax information to either party for the purpose of verifying the correctness of the transferred tax credit. The purchase agreement, supporting statement, and waiver must be

filed within thirty days after the date the purchase agreement is fully executed.

- c. The purchaser of the tax credit shall claim the credit beginning with the taxable year in which the credit purchase agreement was fully executed by the parties. A purchaser of a tax credit under this section has only such rights to claim and use the credit under the terms that would have applied to the tax credit transferor, except the credit purchaser may not carry back the credit as otherwise provided in this section. This subsection does not limit the ability of the tax credit purchaser to reduce the tax liability of the purchaser, regardless of the actual tax liability of the tax credit transferor.
 - d. The original purchaser of the tax credit may not sell, assign, or otherwise transfer the credit purchased under this section.
 - e. If the amount of the credit available under this section is changed as a result of an amended return filed by the transferor, or as the result of an audit conducted by the internal revenue service or the tax commissioner, the transferor shall report to the purchaser the adjusted credit amount within thirty days of the amended return or within thirty days of the final determination made by the internal revenue service or the tax commissioner. The tax credit purchaser shall file amended returns reporting the additional tax due or claiming a refund as provided in section 57-38-38 or 57-38-40, and the tax commissioner may audit these returns and assess or issue refunds, even though other time periods prescribed in these sections may have expired for the purchaser.
 - f. Gross proceeds received by the tax credit transferor must be assigned to North Dakota. The amount assigned under this subsection cannot be reduced by the taxpayer's income apportioned to North Dakota or any North Dakota net operating loss of the taxpayer.
 - g. The tax commissioner has four years after the date of the credit assignment to audit the returns of the credit transferor and the purchaser to verify the correctness of the amount of the transferred credit and if necessary assess the credit purchaser if additional tax is found due. This subdivision does not limit or restrict any other time period prescribed in this chapter for the assessment of tax.
 - h. The tax commissioner may adopt rules to permit verification of the validity and timeliness of the transferred tax credit.
- 5- 9. If a taxpayer acquires or disposes of the major portion of a trade or business or the major portion of a separate unit of a trade or business in a transaction with another taxpayer, the taxpayer's qualified research expenses and base period must be adjusted in the manner provided by section 41(f)(3) of the Internal Revenue Code [26 U.S.C. 41(f)(3)].
10. If a taxpayer entitled to the credit provided by this section is a member of a group of corporations filing a North Dakota consolidated tax return using the combined reporting method, the credit may be claimed against the aggregate North Dakota tax liability of all the corporations included

in the North Dakota consolidated return. This section does not apply to tax credits received or purchased under subsection 8.

11. An individual, estate, or trust that purchases a credit under this section is entitled to claim the credit against state income tax liability under section 57-38-29 or 57-38-30.3.

SECTION 48. AMENDMENT. Section 57-38.5-05 of the North Dakota Century Code is amended and reenacted as follows:

57-38.5-05. Seed capital investment tax credit limits. The aggregate amount of seed capital investment tax credit allowed for investments under this chapter is limited to ~~two~~ three million five hundred thousand dollars for each calendar year. If investments in qualified businesses reported to the commissioner under section 57-38.5-07 exceed the limits on tax credits for investments imposed by this section, the credit must be allowed to taxpayers in the chronological order of their investments in qualified businesses as determined from the forms filed under section 57-38.5-07.

¹⁵ **SECTION 49. AMENDMENT.** Section 57-38.6-01 of the North Dakota Century Code is amended and reenacted as follows:

57-38.6-01. Definitions. As used in this chapter, unless the context otherwise requires:

1. "Agricultural commodity processing facility" means a:
 - a. A facility that through processing involving the employment of knowledge and labor adds value to an agricultural commodity capable of being raised in this state; or
 - b. A livestock feeding, handling, milking, or holding operation that uses as part of its operation a byproduct produced at a biofuels production facility.
2. "Biofuels production facility" means a corporation, limited liability company, partnership, individual, or association in this state:
 - a. Involved in production of diesel fuel containing at least five percent biodiesel meeting the specifications adopted by the American society for testing and materials;
 - b. Involved in the production of corn-based ethanol or cellulose-based ethanol; or
 - c. Involved in a soybean or canola crushing facility.
3. "Director" means the director of the department of commerce division of economic development and finance.

¹⁵ Section 57-38.6-01 was also amended by section 1 of Senate Bill No. 2081, chapter 527.

- 3- 4. "Qualified business" means a cooperative, corporation, partnership, or limited liability company that:
- a. Is incorporated or organized in this state after December 31, 2000, for the primary purpose of ~~processing and marketing being an agricultural commodities capable of being raised in this state~~ commodity processing facility;
 - b. Has been certified by the securities commissioner to be in compliance under the securities laws of this state;
 - c. Has an agricultural commodity processing facility, or intends to locate one, in this state; and
 - d. Is among the first ten businesses that meets the requirements of this subsection, but not a business that was previously certified as a qualified business under chapter 57-38.5.
- 4- 5. "Taxpayer" means an individual, estate, trust, corporation, partnership, or limited liability company.

SECTION 50. AMENDMENT. Section 17 of chapter 151 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 17. NORTH DAKOTA BUSINESS CLIMATE INITIATIVE - LEGISLATIVE COUNCIL STUDY. During the 2005-06 ~~and 2007-08 interims~~ interim, the legislative council shall study the state's business climate through a business climate initiative. The business climate initiative must include receipt of agency reports regarding economic development legislation introduced by the legislative council during previous legislative sessions, active participation in business climate focus groups across the state, and active participation in a biennial business ~~congresses~~ congress. The focus groups shall discuss ways to enhance the state's business climate to stimulate job growth and enhance economic prosperity for employers and employees by encouraging the growth of existing businesses in the state, creating new businesses in the state, and encouraging expansion or relocation of businesses to this state. ~~Each~~ The business congress must receive a report on the activities of the focus group discussions, shall identify methods to enhance the state's business climate to stimulate job growth and enhance economic prosperity, shall identify methods to prepare the state for the high-growth and high-demand jobs of the future, and shall evaluate the impact of existing state economic development programs. The department of commerce shall organize the business climate focus groups and the business ~~congresses~~ congress. Before ~~each~~ the business congress, which must be held before June 1, 2006, ~~and before June 4, 2008~~, the department shall hold a minimum of six focus group discussions, two of which specifically focus on local economic developers and four of which specifically focus on private business needs. The department shall consult with the legislative council in compiling focus group and business congress participant invitation lists and drafting and distributing invitations, establishing focus group and business congress dates and locations, and preparing agendas for focus groups and the business ~~congresses~~ congress. The legislative council shall contract with a third party to provide professional services to plan, facilitate, report on, and coordinate followup for the focus groups and business ~~congresses~~ congress. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixtieth ~~and sixty-first~~ legislative ~~assemblies~~ assembly.

SECTION 51. REPEAL. Sections 57-38-71, 57-38-72, 57-38-73, and 57-38-74 of the North Dakota Century Code are repealed.

SECTION 52. EFFECTIVE DATE. Sections 42, 43, 44, 45, 46, 47, 48, 49, 50, and 51 of this Act are effective for taxable years beginning after December 31, 2006. Section 47 of this Act is effective for tax credits earned and assigned after December 31, 2006. However, rentals under a lease entered before January 1, 2007, and eligible for the exemption under section 57-38-73 when the lease was entered continue to be eligible for the exemption for taxable years after 2006 on the same terms and conditions for the duration of the lease.

SECTION 53. EXPIRATION DATE. Section 38 of this Act is effective through June 30, 2009, and after that date is ineffective.

SECTION 54. EMERGENCY. Section 34 of this Act is declared to be an emergency measure.

Approved May 1, 2007
Filed May 2, 2007

CHAPTER 19

HOUSE BILL NO. 1019

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

BOARD FOR CAREER AND TECHNICAL EDUCATION

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education; to create and enact a new section to chapter 15-20.1 and three new sections to chapter 54-60 of the North Dakota Century Code, relating to an elementary student entrepreneurship grant program and a workforce enhancement grant program; to amend and reenact section 43-18-24 of the North Dakota Century Code, relating to a penalty for violating the state plumbing code; to provide a transfer; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state board for career and technical education in section 3 of this Act as follows:

Salaries and wages	\$3,173,797
Operating expenses	1,024,858
Grants	21,500,116
Adult farm management	725,760
Workforce training	1,350,000
Postsecondary education vocational grants	<u>357,452</u>
Total all funds - Base level	\$28,131,983
Less estimated income - Base level	11,291,197
Total general fund - Base level	\$16,840,786

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state board for career and technical education which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$403,035
Operating expenses	(38,252)
Grants	2,800,000
Adult farm management	(175,958)
Workforce training	<u>1,650,000</u>
Total all funds - Adjustments/enhancements	\$4,638,825
Less estimated income - Adjustments/enhancements	(255,482)
Total general fund - Adjustments/enhancements	\$4,894,307

SECTION 3. 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 career and technical education for the purpose of defraying the expenses of the various

divisions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$3,576,832
Operating expenses	986,606
Grants	24,300,116
Adult farm management	549,802
Workforce training	3,000,000
Postsecondary education vocational grants	<u>357,452</u>
Total all funds	\$32,770,808
Less estimated income	11,035,715
Total general fund appropriation	\$21,735,093

SECTION 4. GRANTS - AREA CAREER AND TECHNOLOGY CENTERS.

1. The state board for career and technical education shall use \$1,200,000 of the grants line item in section 3 of this Act, for the development, during the second year of the biennium, of at least two new area career and technology centers in areas of the state that currently are not served. The board shall award the grants on a competitive basis and shall require a twenty-five percent match by a recipient. In awarding the grants, the board shall give consideration to the number of students who will be served and to alignments of the proposed area career and technology centers with existing educational associations governed by joint powers agreements.
2. The board shall use \$800,000 of the grants line item in section 3 of this Act, to increase cost-share incentives for cooperative delivery efforts of career and technical education programs.

SECTION 5. WORKFORCE TRAINING GRANTS. The workforce training line item in section 3 of this Act includes the sum of \$1,650,000, or so much of the sum as may be necessary, for the purpose of providing supplemental workforce training grants to the institutions of higher education assigned primary responsibility for workforce training in this state, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. A new section to chapter 15-20.1 of the North Dakota Century Code is created and enacted as follows:

North Dakota elementary student entrepreneurship program. There is created a North Dakota elementary student entrepreneurship program under the authority of the state board. The state board shall adopt policies to create a program of grants to support entrepreneurship education that is coordinated with classroom curriculum, standards, and activities encouraging and showcasing entrepreneurial activities at the elementary education level. The grants must be administered through local school districts and require matching funds of up to fifty percent of the curriculum and activity costs.

¹⁶ **SECTION 7. AMENDMENT.** Section 43-18-24 of the North Dakota Century Code as amended in section 2 of Senate Bill No. 2060, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

43-18-24. Violation of chapter - Penalty. Any person that violates the state plumbing code adopted under section 43-18-09; violates section 43-18-10, 43-18-11, 43-18-11.4, 43-18-17.2, or 43-18-23; or works under the license of another person in a manner that is in violation of section 43-18-13 is guilty of a class B misdemeanor.

SECTION 8. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement council. The workforce enhancement council consists of the private sector members of the workforce development council, the director of the department of career and technical education, and the director of the division of workforce development, who shall serve as chairman.

SECTION 9. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

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

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

SECTION 10. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Workforce enhancement fund - Continuing appropriation. The workforce enhancement fund is a special fund in the state treasury. All funds in the workforce enhancement fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering sections 8 and 9 of this Act. Interest earned by the fund must be credited to the fund.

SECTION 11. TRANSFER - APPROPRIATION. The office of management and budget shall transfer \$2,000,000 from the general fund to the workforce

¹⁶ Section 43-18-24 was also amended by section 2 of Senate Bill No. 2060, chapter 369.

enhancement fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the legislative assembly that the state board for career and technical education use \$250,000, or so much of the sum as may be necessary, from the grants line item in section 3 of this Act, for the purpose of providing grants to support the North Dakota elementary student entrepreneurship program.

Approved May 2, 2007

Filed May 3, 2007

CHAPTER 20

HOUSE BILL NO. 1020

(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 amend and reenact sections 4-41-02 and 24-02-03.3 of the North Dakota Century Code, relating to industrial hemp licenses and the central motor pool; to provide for transfer of funds; to provide legislative intent; to provide for a report to the sixty-first legislative assembly; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated 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 in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$37,542,499
Soil conservation committee	<u>837,238</u>
Total all funds - Base level	\$38,379,737
Less estimated income - Base level	<u>23,021,591</u>
Total general fund - Base level	\$15,358,146

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds - Base level	\$1,902,683
Less estimated income - Base level	<u>991,922</u>
Total general fund - Base level	\$910,761

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds - Base level	\$16,452,937
Less estimated income - Base level	<u>15,290,033</u>
Total general fund - Base level	\$1,162,904

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds - Base level	\$75,456,713
Less estimated income - Base level	<u>44,662,646</u>
Total general fund - Base level	<u>\$30,794,067</u>

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$5,563,870
Central grasslands research center	2,335,297
Hettinger research center	1,809,657
Langdon research center	1,336,094
North central research center	3,930,540
Williston research center	2,271,878
Carrington research center	<u>4,258,340</u>
Total all funds - Base level	\$21,505,676
Less estimated income - Base level	<u>13,119,367</u>
Total general fund - Base level	<u>\$8,386,309</u>

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	\$1,201,008
Total special funds - Base level	\$1,201,008
Total general fund - Section 1	\$56,612,187
Total special funds - Section 1	\$98,286,567
Total all funds - Section 1	<u>\$154,898,754</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for 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 which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$3,989,956
Soil conservation committee	<u>(99,438)</u>
Total all funds - Adjustments/enhancements	\$3,890,518
Less estimated income - Adjustments/enhancements	<u>844,033</u>
Total general fund - Adjustments/enhancements	<u>\$3,046,485</u>

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds - Adjustments/enhancements	\$720,428
Less estimated income - Adjustments/enhancements	<u>487,797</u>
Total general fund - Adjustments/enhancements	<u>\$232,631</u>

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds - Adjustments/enhancements	\$11,119,654
Less estimated income - Adjustments/enhancements	<u>11,072,603</u>
Total general fund - Adjustments/enhancements	\$47,051

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds - Adjustments/enhancements	\$11,885,735
Less estimated income - Adjustments/enhancements	<u>(1,559,949)</u>
Total general fund - Adjustments/enhancements	\$13,445,684

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$513,359
Central grasslands research center	(67,791)
Hettinger research center	631,555
Langdon research center	361,199
North central research center	(105,724)
Williston research center	862,491
Carrington research center	<u>1,319,750</u>
Total all funds - Adjustments/enhancements	\$3,514,839
Less estimated income - Adjustments/enhancements	<u>597,064</u>
Total general fund - Adjustments/enhancements	\$2,917,775

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm - Adjustments/enhancements	\$29,338
Total special funds - Adjustments/enhancements	<u>\$29,338</u>
Total general fund - Section 2	\$19,689,626
Total special funds - Section 2	\$11,470,886
Total all funds - Section 2	\$31,160,512

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Extension service	\$41,532,455
Soil conservation committee	<u>737,800</u>
Total all funds	\$42,270,255
Less estimated income	<u>23,865,624</u>
Total general fund appropriation	\$18,404,631

Subdivision 2.

NORTHERN CROPS INSTITUTE

Total all funds	\$2,623,111
Less estimated income	<u>1,479,719</u>
Total general fund appropriation	\$1,143,392

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Total all funds	\$27,572,591
Less estimated income	<u>26,362,636</u>
Total general fund appropriation	\$1,209,955

Subdivision 4.

MAIN RESEARCH CENTER

Total all funds	\$87,342,448
Less estimated income	<u>43,102,697</u>
Total general fund appropriation	\$44,239,751

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$6,077,229
Central grasslands research center	2,267,506
Hettinger research center	2,441,212
Langdon research center	1,697,293
North central research center	3,824,816
Williston research center	3,134,369
Carrington research center	5,578,090
Total all funds	\$25,020,515
Less estimated income	<u>13,716,431</u>
Total general fund appropriation	\$11,304,084

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	<u>\$1,230,346</u>
Total special funds appropriation	\$1,230,346
Grand total general fund appropriation - H.B. 1020	\$76,301,813
Grand total special funds appropriation - H.B. 1020	\$109,757,453
Grand total all funds appropriation - H.B. 1020	\$186,059,266

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 3 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, 2007, and ending June 30, 2009.

SECTION 5. 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 3 of this Act and shall notify the office of management and budget within ten days following the transfer.

SECTION 6. 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 3 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 2009-11 budget request.

¹⁷ **SECTION 7. AMENDMENT.** Section 4-41-02 of the North Dakota Century Code is amended and reenacted as follows:

4-41-02. Industrial hemp - Licensure - Reporting requirements - Continuing appropriation.

1. Any person desiring to grow industrial hemp for commercial purposes shall apply to the agriculture commissioner for a license on a form prescribed by the commissioner. The application for a license must include the name and address of the applicant and the legal description of the land area to be used to produce industrial hemp. Except for employees of the agricultural experiment station or the North Dakota state university extension service involved in research and extension related activities, the commissioner shall require each applicant for initial licensure to submit to a statewide and nationwide criminal history check. The nationwide criminal history check must be conducted in the manner provided in section 12-60-24. All costs associated with the background check are the responsibility of the applicant. Criminal history records provided to the commissioner under this section are confidential. The commissioner may use the records only in determining an applicant's eligibility for licensure. Any person with a prior criminal conviction is not eligible for licensure. If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner shall issue the license, which is valid for a period of one year. Any person licensed under this section is presumed to be growing industrial hemp for commercial purposes. A license required by this section is not conditioned on or subject to review or approval by the United States drug enforcement agency.
2. Each licensee must file with the commissioner documentation indicating that the seeds planted were of a type and variety certified to have no more than three-tenths of one percent tetrahydrocannabinol and a copy of any contract to grow industrial hemp. Each licensee shall notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, and the names of the persons to whom the hemp was sold or distributed.
3. The commissioner shall adopt rules to allow the industrial hemp to be tested during growth for tetrahydrocannabinol levels and to allow for supervision of the industrial hemp during its growth and harvest. To

¹⁷ Section 4-41-02 was also amended by section 1 of Senate Bill No. 2099, chapter 69.

provide sufficient funds to pay costs associated with monitoring and testing industrial hemp in the state, the commissioner shall assess each applicant a fee of five dollars per acre. The minimum fee assessed must be one hundred fifty dollars per applicant. Collections from this fee must be deposited in the attorney general's operating fund and are hereby appropriated to the attorney general to be used to enforce this chapter.

SECTION 8. AMENDMENT. Section 24-02-03.3 of the North Dakota Century Code is amended and reenacted as follows:

24-02-03.3. Central management system for all state-owned licensed motor vehicles.

1. The director shall establish within the department a central vehicle management system to regulate the operation, maintenance, and management of all motor vehicles owned or leased by the state subject to registration under chapters 39-04 and 39-05. Upon the request of a state agency and an agreement between the agency and director for the use of the motor vehicle-related equipment, the director may purchase or lease motor vehicle-related equipment and include that equipment within the system. The director shall provide a uniform method of documenting the use and cost of operation of motor vehicles and motor vehicle-related equipment in the system. The director shall advise the director of the office of management and budget as to the need to acquire or dispose of system motor vehicles. The specifications for highway patrol vehicles to be acquired may be set by the highway patrol superintendent. Every state agency, institution, department, board, bureau, and commission unless exempted by the director must use the system. At the request of the director of the North Dakota agricultural experiment station, certain vehicles used in farming operations at the agronomy seed farm and branch research centers shall be exempt from the requirements of this section. However, an agency, institution, department, board, bureau, or commission may authorize the use of an employee's personal motor vehicle pursuant to subsection 4 of section 54-06-09.
2. The director may enter into an agreement with a state employee who has a disability requiring a specially-equipped vehicle to pay a mileage rate greater than the rate established in section 54-06-09 for the employee's use of the employee's specially-equipped motor vehicle while conducting state business. The rate must be based on the rate provided in section 54-06-09, increased by the actual cost per mile caused by the special equipment, and may not exceed the cost associated with the special equipment expressed as the new value plus the depreciated fair market value in eight years divided by two, divided by twenty thousand miles.
3. Each entity required to use the system shall submit records of the operation of each vehicle as directed by the director.

SECTION 9. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 3 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, 2009, and ending June 30, 2011.

SECTION 10. LEGISLATIVE INTENT - BEEF RESEARCH FACILITY. It is the intent of the sixtieth legislative assembly that before proceeding with a beef research facility, a documented agreement as to the location of the facility must be provided to the main research center from applicable city and county government officials.

SECTION 11. LEGISLATIVE INTENT - OPERATING POOL FUNDING. It is the intent of the sixtieth legislative assembly that the appropriation for the permanent oil tax trust fund as provided in subdivision 4 of section 3 of this Act is to be available only for providing funding for operations of the Dickinson research center and the amount provided is to be limited to the lesser of \$750,000 or the amount actual oil revenues are less than budgeted for the research center for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. LEGISLATIVE INTENT - USE OF LIVESTOCK FACILITIES. It is the intent of the sixtieth legislative assembly that the agricultural experiment station consider options to ensure that the use of the livestock facilities at Dickinson, Hettinger, Carrington, and Streeter are being maximized.

SECTION 13. NATIONAL CATTLEMEN'S BEEF ASSOCIATION FUNDING - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The agricultural experiment station shall provide a report to the sixty-first legislative assembly regarding the funding received during the biennium beginning July 1, 2007, and ending June 30, 2009, from the national cattlemen's beef association.

SECTION 14. EXEMPTION. The amounts appropriated for the research greenhouse complex project, as contained in subdivision 4 of section 3 of chapter 48 of the 2005 Session Laws and for the north central research center laboratory and greenhouse project, as contained in subdivision 5 of section 3 of chapter 48 of the 2005 Session Laws are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009. The main research center may use any funding available within the total appropriation authority for the main research center greenhouse project to begin construction of the greenhouses.

SECTION 15. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total appropriation in section 3 of this Act includes \$8,732,750 from the general fund and \$750,000 from the permanent oil tax trust fund for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agricultural experiment station shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

North central research center laboratory and greenhouse project	\$400,000
North central research center equipment storage facility	300,000
Main research center greenhouse project	7,000,000
Deferred maintenance pool	100,000
Carrington, Hettinger, and north central research centers office addition projects	907,750
Operating pool from permanent oil tax trust fund	750,000
Extraordinary repairs at northern crops institute	<u>25,000</u>
Total	\$9,482,750

SECTION 16. EMERGENCY. The appropriation for capital projects of \$5,500,000 in subdivision 3 of section 3, \$7,907,750 in subdivision 4 of section 3, and \$1,101,000 in subdivision 5 of section 3 and section 7 of this Act are declared to be an emergency measure.

Approved April 27, 2007
Filed April 30, 2007

CHAPTER 21

HOUSE BILL NO. 1021

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

INFORMATION TECHNOLOGY DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 15.1-02, a new section to chapter 23-01, a new subsection to section 54-35-15.2, and a new section to chapter 54-59 of the North Dakota Century Code, relating to the superintendent of public instruction, creation of a health information technology steering committee, the powers and duties of the information technology committee, and the borrowing authority of the information technology department; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the information technology department in section 3 of this Act as follows:

Salaries and wages	\$29,327,174
Operating expenses	48,908,146
Capital assets	10,361,163
Division of independent study	6,016,779
Educational technology council	886,597
EduTech	2,652,348
Wide area network	7,542,950
Geographic information system	686,980
Criminal justice information sharing	<u>2,525,090</u>
Total all funds - Base level	\$108,907,227
Less estimated income - Base level	<u>98,934,390</u>
Total general fund - Base level	\$9,972,837

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the information technology department which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$8,396,245
Operating expenses	8,154,766
Capital assets	1,784,087
Division of independent study	449,226
Educational technology council	249,977
EduTech	70,000
Wide area network	(3,476,024)
Geographic information system	111,333
Criminal justice information sharing	(172,642)
Statewide longitudinal data system	<u>228,116</u>
Total all funds - Adjustments/enhancements	\$15,795,084

Less estimated income - Adjustments/enhancements	14,105,767
Total general fund - Adjustments/enhancements	\$1,689,317

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$37,723,419
Operating expenses	57,062,912
Capital assets	12,145,250
Division of independent study	6,466,005
Educational technology council	1,136,574
EduTech	2,722,348
Wide area network	4,066,926
Geographic information system	798,313
Criminal justice information sharing	2,352,448
Statewide longitudinal data system	<u>228,116</u>
Total all funds	\$124,702,311
Less estimated income	<u>113,040,157</u>
Total general fund appropriation	\$11,662,154

SECTION 4. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between the salaries and wages, operating expenses, and capital assets line items in section 3 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects.

SECTION 5. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$1,611,490 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The information technology department shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Criminal justice information sharing initiative	\$1,151,490
Geographic information system data acquisition	100,000
Kindergarten through grade 12 video grants	190,000
Online North Dakota studies resources and curriculum	<u>170,000</u>
Total	\$1,611,490

SECTION 6. LEGISLATIVE INTENT - FTE POSITIONS. It is the intent of the sixtieth legislative assembly that the twenty-eight new full-time equivalent positions identified as project-specific and funded in section 3 of this Act may be filled while the project is being developed and funding is available for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. VIDEO SUPPORT SERVICES - NORTH DAKOTA UNIVERSITY SYSTEM ASSISTANCE. Section 3 of this Act includes the sum of \$300,110 to be provided by the North Dakota university system for the cost of two

full-time equivalent positions and related operating expenses to provide support for video services in school districts.

SECTION 8. A new section to chapter 15.1-02 of the North Dakota Century Code is created and enacted as follows:

Statewide longitudinal data system committee - Report to interim committee.

1. The statewide longitudinal data system committee consists of the chancellor of the board of higher education or chancellor's designee, the superintendent of public instruction or superintendent of public instruction's designee, the chief information officer or chief information officer's designee, the director of the department of career and technical education or the director's designee, the director of job service North Dakota or the director's designee, the director of the department of commerce or the director's designee, the director of the department of human services or the director's designee, and one person appointed by the governor. The governor shall appoint the chair of the committee. The committee may appoint advisory committees that would serve in an advisory capacity to the committee.
2. The committee shall plan and propose a longitudinal data system which:
 - a. Provides for dissemination of management information to stakeholders and partners of state education, training, and employment systems; and
 - b. Uses data from educational and workforce systems as central sources of longitudinal data.
3. The committee shall recommend policies, procedures, and guidelines to protect the privacy and security of personal information as provided by state and federal law.
4. The committee shall provide a report to the information technology committee, interim committee on education issues, and interim committee on economic development prior to the sixty-first legislative assembly on the status of the statewide longitudinal data system plan. The report shall include recommendations for further development, cost proposals, proposals for legislation, and data sharing governance, including recommendations concerning the long-term role and administration of the followup information in North Dakota for education and training program.

SECTION 9. A new section to chapter 23-01 of the North Dakota Century Code is created and enacted as follows:

North Dakota health information technology steering committee. The North Dakota health information technology steering committee consists of the state health officer or the state health officer's designee, the governor or the governor's designee, the executive director of the department of human services or the executive director's designee, individuals appointed by the governor to represent state government interests, and individuals appointed by the state health officer to represent health information technology stakeholders.

¹⁸ **SECTION 10.** A new subsection to section 54-35-15.2 of the North Dakota Century Code is created and enacted as follows:

Receive and review information, including a project startup report summarizing the project description, project objectives, business need or problem, cost-benefit analysis, and project risks and a project closeout report summarizing the project objectives achieved, project budget and schedule variances, and lessons learned, from the affected legislative or judicial branch agency regarding any information technology project of the legislative or judicial branch with a total cost of two hundred fifty thousand dollars or more.

SECTION 11. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Borrowing authority - E-rate funding - Emergency commission approval.

Notwithstanding the limitations provided in section 54-59-05 and upon the approval of the emergency commission, the department may borrow from the Bank of North Dakota an amount necessary to pay telecommunications costs for connecting approved schools and libraries in the event e-rate funding is not received by the department from the schools and libraries division of the universal service administrative company. In addition to the principal repayment, the Bank of North Dakota is entitled to receive interest on the loan at a rate equal to other state agency borrowings. If at the end of the biennium a balance exists on any loan obtained pursuant to this section and funds are not anticipated to be available from the schools and libraries division of the universal service administrative company to repay the loan, the department shall request a deficiency appropriation from the legislative assembly to repay to loan.

SECTION 12. EMERGENCY. Funding of \$2,279,136 in the salaries and wages line item, \$10,291,628 in the operating expenses line item, and \$993,575 in the capital assets line item in section 3 of this Act relating to the department of human services' medicaid management information system rewrite project is declared to be an emergency measure.

Approved May 2, 2007
Filed May 3, 2007

¹⁸ Section 54-35-15.2 was also amended by section 3 of House Bill No. 1461, chapter 154, section 2 of Senate Bill No. 2037, chapter 491, and section 1 of Senate Bill No. 2038, chapter 490.

CHAPTER 22**HOUSE BILL NO. 1022**

(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. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state seed department in section 3 of this Act as follows:

Total seed department fund - Base level	\$5,933,391
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SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state seed department which are included in the appropriation in section 3 of this Act as follows:

Total seed department fund - Adjustments/enhancements	\$236,111
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SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from the special funds derived from income, to the state seed department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Total special funds appropriation	\$6,169,502
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Approved March 7, 2007
Filed March 8, 2007

CHAPTER 23

HOUSE BILL NO. 1023

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

COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amount identified in this section represents the base level funding component appropriated to the commission on legal counsel for indigents in section 3 of this Act as follows:

Commission on legal counsel for indigents	\$9,780,569
Less estimated income - Base level	1,220,000
Total general fund - Base level	\$8,560,569

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amount identified in this section represents the funding adjustments or enhancements to the base funding level for the commission on legal counsel for indigents which are included in the appropriation in section 3 of this Act as follows:

Commission on legal counsel for indigents	\$1,432,947
Less estimated income - Adjustments/enhancements	480,705
Total general fund - Adjustments/enhancements	\$952,242

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Commission on legal counsel for indigents	\$11,213,516
Less estimated income	1,700,705
Total general fund appropriation	\$9,512,811

Approved March 13, 2007
Filed March 14, 2007

CHAPTER 24

HOUSE BILL NO. 1024

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

RACING COMMISSION

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the racing commission in section 3 of this Act as follows:

Racing commission	\$367,145
Less estimated income - Base level	<u>249,666</u>
Total general fund - Base level	\$117,479

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the racing commission which are included in the appropriation in section 3 of this Act as follows:

Racing commission	\$40,419
Less estimated income - Adjustments/enhancements	<u>37,258</u>
Total general fund - Adjustments/enhancements	\$3,161

SECTION 3. 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 racing commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Racing commission	\$407,564
Less estimated income	<u>286,924</u>
Total general fund appropriation	\$120,640

Approved March 23, 2007

Filed March 23, 2007

CHAPTER 25

HOUSE BILL NO. 1246

(Representatives R. Kelsch, Kroeber, Price)
(Senators Flakoll, Grindberg, Mathern)

DENTAL MEDICAL ASSISTANCE

AN ACT to provide for a report to the legislative council relating to dental medical assistance reimbursement; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. DEPARTMENT OF HUMAN SERVICES REPORT ON MEDICAL ASSISTANCE DENTAL SERVICES - REPORT TO LEGISLATIVE COUNCIL. Before August 1, 2008, the department of human services shall report to the legislative council on the status of medical assistance recipients' access to dental services.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000, or so much of the sum as may be necessary, and from special funds derived from federal funds, the sum of \$284,198, or so much of the sum as may be necessary, to the department of human services for the purpose of increasing funding of children's dental services through the medical assistance program, for the biennium beginning July 1, 2007, and ending June 30, 2009.

Approved May 1, 2007
Filed May 2, 2007

CHAPTER 26

HOUSE BILL NO. 1429 (Appropriations Committee)

BUDGET STABILIZATION FUND TRANSFER AND APPROPRIATION

AN ACT to provide a transfer and appropriation from the general fund; to amend and reenact section 54-27.2-01 of the North Dakota Century Code, relating to the budget stabilization fund; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. TRANSFER - APPROPRIATION. Notwithstanding the provisions of sections 54-27.2-01 and 54-27.2-02, there is appropriated out of any moneys in the general fund the sum of \$100,527,369 which the state treasurer shall transfer to the budget stabilization fund on July 1, 2007, based on the end-of-biennium balance in the general fund on June 30, 2007. This transfer will provide for a total of \$200,000,000 in the budget stabilization fund for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. AMENDMENT. Section 54-27.2-01 of the North Dakota Century Code is amended and reenacted as follows:

54-27.2-01. Budget stabilization fund. The budget stabilization fund is a special fund in the state treasury. The state investment board shall supervise investment of the budget stabilization fund in accordance with chapter 21-10. Any interest or other budget stabilization fund earnings must be deposited in the fund. Any amounts provided by law for deposit in the fund and any interest or earnings of the fund which would bring the balance in the fund to an amount greater than five ten percent of the current biennial state general fund budget, as finally approved by the most recently adjourned special or regular session of the legislative assembly, may not be deposited or retained in the fund but must be deposited instead in the state general fund.

SECTION 3. EFFECTIVE DATE. Section 2 of this Act becomes effective July 1, 2009.

Approved April 12, 2007
Filed April 13, 2007

CHAPTER 27

HOUSE BILL NO. 1522

(Representatives Berg, Boucher)

(Senators Stenehjem, O'Connell)

(Approved by the Delayed Bills Committee)

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 an exemption; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the office of management and budget in section 3 of this Act as follows:

Salaries and wages	\$13,595,086
Operating expenses	11,341,106
Capital assets	3,999,000
Grants	389,000
Prairie public broadcasting	1,337,138
Procurement assistance study	150,000
Centers of excellence	36,000,000
Total all funds - Base level	<u>\$66,811,330</u>
Less estimated income - Base level	<u>46,655,319</u>
Total general fund - Base level	\$20,156,011

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the office of management and budget which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$1,625,058
Operating expenses	151,030
Capital assets	646,019
Grants	(335,000)
Prairie public broadcasting	(1,337,138)
Procurement assistance study	(150,000)
Centers of excellence	<u>(36,000,000)</u>
Total all funds - Adjustments/enhancements	(\$35,400,031)
Less estimated income - Adjustments/enhancements	<u>(38,224,959)</u>
Total general fund - Adjustments/enhancements	\$2,824,928

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$15,220,144
Operating expenses	11,492,136
Capital assets	4,645,019
Grants	<u>54,000</u>
Total all funds	\$31,411,299
Less estimated income	<u>8,430,360</u>
Total general fund appropriation	\$22,980,939

SECTION 4. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 3 of chapter 15 of the 2005 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, 2007, and ending June 30, 2009.

SECTION 5. CAPITOL BUILDING FUND. The amount of \$750,000, or so much of the sum as may be necessary, included in the estimated income line item in section 3 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. INTENT. Within the authority included in section 3 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	\$581,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

SECTION 7. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$3,000,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The office of management and budget shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance	\$3,000,000
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Approved May 1, 2007
 Filed May 2, 2007

CHAPTER 28

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; to provide an appropriation to the department of commerce; and to amend and reenact sections 54-07-04, 54-08-03, 54-62-01, and 54-62-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor and the office of faith-based and community initiatives.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the office of the governor in section 3 of this Act as follows:

Salaries and wages	\$2,284,968
Operating expenses	352,369
Grants	2,500,000
Contingencies	10,000
Roughrider awards	<u>10,800</u>
Total all funds - Base level	\$5,158,137
Less estimated income - Base level	<u>2,560,000</u>
Total general fund - Base level	\$2,598,137

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the office of the governor which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$307,461
Operating expenses	74,418
Grants	(2,500,000)
Presidential electors	500
Governor's transition in	15,000
Governor's transition out	<u>50,000</u>
Total all funds - Adjustments/enhancements	(\$2,052,621)
Less estimated income - Adjustments/enhancements	<u>(2,560,000)</u>
Total general fund - Adjustments/enhancements	\$507,379

SECTION 3. 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 office of the governor, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$2,592,429
Operating expenses	426,787
Contingencies	10,000

Roughrider awards	10,800
Presidential electors	500
Transition in	15,000
Transition out	<u>50,000</u>
Total general fund appropriation	\$3,105,516

SECTION 4. APPROPRIATION - AUTHORIZATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 3 of this Act, there is appropriated any additional income from federal or other funds which may be become available to the agency for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. APPROPRIATION - DEPARTMENT OF COMMERCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$11,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of defraying expenses of the office of faith-based and community initiatives, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor. The annual salary of the governor is ~~eighty-eight~~ ninety-six thousand ~~nine~~ one hundred ~~twenty-six~~ eighty-three dollars through June 30, ~~2006~~ 2008, and ~~ninety-two~~ one hundred thousand ~~four hundred~~ eighty-three thirty-one dollars thereafter.

SECTION 7. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor. The annual salary of the lieutenant governor is ~~sixty-nine~~ seventy-four thousand ~~thirty-five~~ six hundred ~~sixty-eight~~ sixty-eight dollars through June 30, ~~2006~~ 2008, and ~~seventy-one~~ seventy-seven thousand ~~seven~~ six hundred ~~ninety-seven~~ fifty-five dollars thereafter.

SECTION 8. AMENDMENT. Section 54-62-01 of the North Dakota Century Code is amended and reenacted as follows:

54-62-01. Office of faith-based and community initiatives established. The office of faith-based and community initiatives is established within the ~~governor's office~~ department of commerce. The office of faith-based and community initiatives has lead responsibility to establish policies, priorities, and objectives for the state's comprehensive effort to enlist, equip, enable, empower, and expand the work of faith-based and community organizations to the extent permitted by law. The ~~governor~~ commissioner of the department of commerce shall designate a member of the ~~governor's~~ department of commerce staff to serve as director of the office of faith-based and community initiatives. The ~~governor may designate other members of the governor's staff~~ department of commerce shall provide other staff services to assist the director.

SECTION 9. AMENDMENT. Section 54-62-03 of the North Dakota Century Code is amended and reenacted as follows:

54-62-03. Advisory commission. The advisory commission on faith-based and community initiatives is composed of seven members to include the following: the executive director of the department of human services or the director's

designee; the director of the department of corrections and rehabilitation or the director's designee; two members of the legislative assembly, one of whom must be selected by the members of the legislative council representing the majority faction and one of whom must be selected by the members of the legislative council representing the minority faction; and three public members appointed by the governor, one of whom must represent a minority population. The term of office for the public members is three years. Of the first public members appointed, one must be appointed for a term of one year, one must be appointed for a term of two years, and one must be appointed for a term of three years. No public member may be appointed to more than two consecutive terms. A chairman of the commission must be chosen annually from the membership of the commission by a majority of its members at the first meeting of the advisory commission each year. The advisory commission shall advise the director of the office of faith-based and community initiatives ~~and the governor~~ in the establishment of policy regarding matters affecting the faith-based and community organizations, including making recommendations ~~to the governor~~ concerning the future of existing state programs and initiatives. The advisory commission on faith-based and community initiatives shall report periodically to the governor and provide the governor with information and recommendations for the governor's consideration. The members of the advisory commission are entitled to mileage and expenses as provided by law for state officers and employees.

Approved April 9, 2007
Filed April 10, 2007

CHAPTER 29

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 amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the secretary of state in section 3 of this Act as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$2,302,602
Operating expenses	2,201,061
Capital assets	15,000
Petition review	8,000
Election reform	<u>9,579,728</u>
Total all funds - Base level	\$14,106,391
Less estimated income - Base level	<u>9,944,028</u>
Total general fund appropriation - Base level	\$4,162,363

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	\$327,000
Total general fund - Base level	\$327,000
Total general fund - Section 1	\$4,489,363
Total special funds - Section 1	\$9,944,028
Total all funds - Section 1	<u>\$14,433,391</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the secretary of state which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$334,521
Operating expenses	682,273
Capital assets	(15,000)
Election reform	<u>(4,090,498)</u>
Total all funds - Adjustments/enhancements	(<u>\$3,088,704</u>)
Less estimated income - Adjustments/enhancements	<u>(3,990,055)</u>
Total general fund - Adjustments/enhancements	\$901,351

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	(\$23,500)
Total general fund - Adjustments/enhancements	(\$23,500)
Total general fund - Section 2	\$877,851
Total special funds - Section 2	(\$3,990,055)
Total all funds - Section 2	(\$3,112,204)

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$2,637,123
Operating expenses	2,883,334
Petition review	8,000
Election reform	5,489,230
Total all funds	\$11,017,687
Less estimated income	5,953,973
Total general fund appropriation	\$5,063,714

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	\$303,500
Total general fund appropriation	\$303,500
Grand total general fund appropriation - S.B. 2002	\$5,367,214
Grand total special funds appropriation - S.B. 2002	\$5,953,973
Grand total all funds appropriation - S.B. 2002	\$11,321,187

SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$824,153 for a mainframe migration computer project which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The secretary of state shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

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

54-09-05. Salary of secretary of state. The annual salary of the secretary of state is ~~seventy~~ seventy-six thousand ~~seven~~ five hundred ~~thirty-nine~~ eleven dollars through June 30, ~~2006~~ 2008, and ~~seventy-three~~ seventy-nine thousand five hundred ~~sixty-eight~~ seventy-one dollars thereafter.

Approved May 1, 2007

Filed May 2, 2007

CHAPTER 30

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 provide exemptions; to provide for crime laboratory building project carryover authority; to authorize the use of state property; to provide for budget section reports; to provide legislative intent; to amend and reenact sections 54-12-11 and 54-59-21 of the North Dakota Century Code, relating to the salary of the attorney general and to the criminal justice information sharing system; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the attorney general in section 3 of this Act as follows:

Salaries and wages	\$19,549,735
Operating expenses	8,483,795
Capital assets	5,418,741
Grants	5,944,056
Litigation fees	50,000
State school finance lawsuit	240,000
North Dakota lottery	3,899,191
Arrest and return of fugitives	10,000
Gaming commission	5,039
North Dakota children's advocacy center	<u>100,000</u>
Total all funds - Base level	\$43,700,557
Less estimated income - Base level	<u>24,488,401</u>
Total general fund - Base level	\$19,212,156

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the attorney general which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$2,901,006
Operating expenses	2,112,731
Capital assets	(2,849,010)
Grants	(1,747,056)
State school finance lawsuit	(240,000)
North Dakota lottery	31,398
Gaming commission	1,102
North Dakota children's advocacy center	<u>(100,000)</u>
Total all funds - Adjustments/enhancements	\$110,171
Less estimated income - Adjustments/enhancements	<u>(5,128,707)</u>
Total general fund - Adjustments/enhancements	\$5,238,878

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$22,450,741
Operating expenses	10,596,526
Capital assets	2,569,731
Grants	4,197,000
Litigation fees	50,000
Arrest and return of fugitives	10,000
North Dakota lottery	3,930,589
Gaming commission	6,141
Total all funds	\$43,810,728
Less estimated income	19,359,694
Total general fund appropriation	\$24,451,034

SECTION 4. ESTIMATED INCOME - GAMING AND EXCISE TAX ALLOCATION FUND - LOCAL GAMING ENFORCEMENT GRANTS. The grants line item in section 3 of this Act includes \$617,000 for local gaming enforcement grants.

SECTION 5. 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 \$310,000 for the biennium beginning July 1, 2007, and ending June 30, 2009. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 6. 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, 2007, and ending June 30, 2009. All fees collected under this section must be deposited in the attorney general's operating fund.

SECTION 7. ESTIMATED INCOME - RACING PROMOTION FUND. Notwithstanding section 53-06.2-11, the estimated income line item in section 3 of this Act includes \$60,988 from the racing promotion fund for the purpose of defraying the expenses of simulcast racing site audits conducted by the attorney general's office for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$1,442,840 from the general fund for construction of a new crime laboratory which is a one-time funding item. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The attorney general shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. ADDITIONAL FEDERAL FUNDS - EMERGENCY COMMISSION APPROVAL - LIMIT ON GENERAL FUND EXPENDITURES. If the

attorney general receives federal funding in excess of federal funding amounts appropriated by the sixtieth legislative assembly for the 2007-09 biennium, the attorney general may spend the additional federal funds, subject to emergency commission approval, but may not spend funding appropriated from the general fund or the multijurisdictional task force grant fund for similar purposes for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT POSITIONS - BACKGROUND CHECKS. It is the intent of the sixtieth legislative assembly that of the five new full-time equivalent positions authorized for the attorney general's office to assist with conducting background checks, the attorney general may fill the positions only as necessary to meet workload demands for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. SOBRIETY PROGRAM PILOT PROJECT. The attorney general may establish a pilot sobriety program in one or more judicial districts of the state during the biennium beginning July 1, 2007, and ending June 30, 2009. The sobriety program involves coordination among state, county, and municipal agencies for the purpose of implementing procedures as alternatives to incarceration, including sobriety testing twice per day seven days per week or continuous monitoring, for offenders charged with, or convicted of, driving under the influence of alcohol or controlled substances or other offenses involving alcohol or controlled substances. The attorney general, in cooperation with law enforcement, the judiciary, the department of corrections and rehabilitation, and the department of transportation traffic safety division, may develop guidelines, policies, and procedures for the administration of the pilot sobriety program and to test offenders to enforce compliance with the sobriety program, including urine testing and electronic monitoring, and to establish user fees, all of which are not subject to chapter 28-32. There is created the North Dakota sobriety program fund. The fund consists of moneys received from grants from the United States, agencies of this state, private grants, gifts, or donations, and user fees. The funds are appropriated as a continuing appropriation to the attorney general for expenses necessary for the administration and operation of the sobriety program, including training and travel costs, equipment, and supplies for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 12. ATTORNEY GENERAL - AUTHORIZED USE OF STATE PROPERTY. The attorney general is authorized to construct a new crime laboratory building on property owned by the state of North Dakota near the existing facility housing the crime laboratory. The attorney general, if necessary to allow for construction of the new crime laboratory, may move the state department of health's storage building located on the site. The attorney general, to the extent possible, shall locate the building to minimize the effect on the operations of the water commission in the area.

SECTION 13. BUILDING PROJECT - BUDGET SECTION REPORTS. The attorney general shall provide periodic reports to the budget section on the status of the construction of a new crime laboratory during the 2007-08 interim.

SECTION 14. LEGISLATIVE INTENT - CRIME LABORATORY - SPACE PLAN. It is the intent of the sixtieth legislative assembly that the facility management division of the office of management and budget develop a plan for the use of space that becomes available in the existing crime laboratory when the new crime laboratory is completed for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 15. ATTORNEY GENERAL REFUND FUND TRANSFER TO THE GENERAL 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, 2007.

SECTION 16. EXEMPTION. Of the funds appropriated in the capital assets line item for the attorney general crime laboratory building project in section 1 of chapter 51 of the 2005 Session Laws, \$3,280,722 is not subject to section 54-44.1-11 and any unexpended funds from this line item are available for construction costs during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 17. AMENDMENT. Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

54-12-11. Salary of attorney general. The annual salary of the attorney general is ~~seventy-seven thousand eight hundred thirty-three~~ eighty-three thousand six hundred ninety-one dollars through June 30, ~~2006~~ 2008, and ~~eighty-eight thousand seven hundred sixty-one~~ eighty-seven thousand seven hundred thirty-three dollars thereafter.

¹⁹ **SECTION 18. AMENDMENT.** Section 54-59-21 of the North Dakota Century Code is amended and reenacted as follows:

54-59-21. Criminal justice information sharing board - Membership - Duties and powers - Director.

1. The criminal justice information sharing board consists of the chief justice of the supreme court or the chief justice's designee, the attorney general or the attorney general's designee, and the chief information officer of the state. The chief information officer is chairman of the board.
2. The board may appoint and employ a director who serves at the pleasure of and under the direct supervision of the board. The information technology department shall provide staff support to the board. The board or director may acquire support staff and employ personnel who are under the direct supervision of the director and the board.
3. The board shall set policy relating to the collection, storage, and sharing of criminal justice information and the systems necessary to perform those functions. The board shall provide operational oversight for criminal justice information sharing activities and shall approve and provide oversight of criminal justice information sharing budgets. The board may appoint an executive committee and an advisory committee that would serve in an advisory capacity to the board.
4. The director may contract with the bureau of criminal investigation for the processing of federal fingerprint identification.

¹⁹ Section 54-59-21 was also amended by section 7 of Senate Bill No. 2037, chapter 491.

SECTION 19. EMERGENCY. The amount of \$16,515 included in the salaries and wages line item and \$77,885 included in the operating expenses line item in section 3 of this Act relating to costs of conducting 2005-07 biennium background checks and section 15 of this Act are declared to be an emergency measure.

Approved April 30, 2007

Filed May 1, 2007

CHAPTER 31

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 section 54-10-10 of the North Dakota Century Code, relating to the salary of the state auditor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state auditor in section 3 of this Act as follows:

Salaries and wages	\$6,674,851
Operating expenses	876,295
Capital assets	<u>10,000</u>
Total all funds - Base level	\$7,561,146
Less estimated income - Base level	<u>2,435,141</u>
Total general fund appropriation - Base level	\$5,126,005

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state auditor which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$654,014
Operating expenses	(65,746)
Information technology consultants	<u>100,000</u>
Total all funds - Adjustments/enhancements	\$688,268
Less estimated income - Adjustments/enhancements	<u>152,966</u>
Total general fund appropriation - Adjustments/enhancements	\$535,302

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$7,328,865
Operating expenses	810,549
Capital assets	10,000
Information technology consultants	<u>100,000</u>
Total all funds	\$8,249,414
Less estimated income	<u>2,588,107</u>
Total general fund appropriation	\$5,661,307

SECTION 4. AMENDMENT. Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor. The annual salary of the state auditor is ~~seventy~~ seventy-six thousand ~~seven~~ five hundred ~~thirty-nine~~ eleven dollars through June 30, ~~2006~~ 2008, and ~~seventy-three~~ sixty-eight thousand five hundred ~~sixty-eight~~ seventy-one dollars thereafter.

Approved May 1, 2007

Filed May 2, 2007

CHAPTER 32

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; to provide legislative intent; to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state treasurer in section 3 of this Act as follows:

Salaries and wages	\$644,760
Operating expenses	154,787
In lieu of tax payments	<u>1,545,000</u>
Total general fund - Base level	\$2,344,547

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state treasurer which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$181,417
Operating expenses	748,228
In lieu of tax payments	<u>(180,000)</u>
Total general fund - Adjustments/enhancements	\$749,645

SECTION 3. 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 treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$826,177
Operating expenses	903,015
In lieu of tax payments	<u>1,365,000</u>
Total general fund appropriation	\$3,094,192

SECTION 4. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer. The annual salary of the state treasurer is ~~sixty-six~~ sixty-two thousand ~~eight~~ two hundred ~~two~~ thirty-three dollars through June 30, ~~2006~~ 2008, and ~~sixty-nine~~ seventy-five thousand ~~four~~ one hundred ~~seventy-four~~ forty-three dollars thereafter.

CHAPTER 33

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 a transfer; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state tax commissioner in section 3 of this Act as follows:

Salaries and wages	\$13,466,823
Operating expenses	4,613,329
Capital assets	25,000
Homestead tax credit	4,500,000
Integrated tax system	<u>14,000,000</u>
Total all funds	\$36,605,152
Less estimated income	<u>14,120,000</u>
Total general fund - Base level	\$22,485,152

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state tax commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$1,276,659
Operating expenses	1,417,485
Capital assets	(7,000)
Integrated tax system	<u>(8,643,298)</u>
Total all funds - Adjustments/enhancements	(\$5,956,154)
Less estimated income - Adjustments/enhancements	<u>(12,420,000)</u>
Total general fund - Adjustments/enhancements	\$6,463,846

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$14,743,482
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Operating expenses	6,030,814
Capital assets	18,000
Homestead tax credit	4,500,000
Integrated tax system	<u>5,356,702</u>
Total all funds	\$30,648,998
Less estimated income	<u>1,700,000</u>
Total general fund appropriation	\$28,948,998

SECTION 4. 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 \$1,274,056 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 5. EXEMPTION. The amount appropriated for the integrated tax system, as contained in section 6 of chapter 6 of the 2005 Session Laws, is not subject to the provisions of section 54-44.1-11 and the funds are available for continued work on the integrated tax system during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. AMENDMENT. Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary. The annual salary of the state tax commissioner is ~~seventy-six eighty-three thousand seven hundred seventy-four thirty-nine dollars~~ through June 30, ~~2006~~ 2008, and ~~seventy-nine eighty-six thousand eight three hundred forty-five sixty dollars~~ thereafter.

SECTION 7. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$5,356,702 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state tax commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Principal and interest costs for the integrated tax processing system \$5,356,702

Approved April 9, 2007
 Filed April 10, 2007

CHAPTER 34

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; and to provide a contingent appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the labor commissioner in section 3 of this Act as follows:

Salaries and wages	\$1,135,861
Operating expenses	<u>324,343</u>
Total all funds - Base level	\$1,460,204
Less estimated income - Base level	<u>498,965</u>
Total general fund - Base level	\$961,239

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the labor commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$106,750
Operating expenses	(15,113)
Operating expenses contingency	<u>2,920</u>
Total all funds - Adjustments/enhancements	\$94,557
Less estimated income - Adjustments/enhancements	<u>(97,267)</u>
Total general fund - Adjustments/enhancements	\$191,824

SECTION 3. 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 labor commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$1,242,611
Operating expenses	309,230
Operating expenses contingency	<u>2,920</u>
Total all funds	\$1,554,761
Less estimated income	<u>401,698</u>
Total general fund appropriation	\$1,153,063

SECTION 4. CONTINGENT APPROPRIATION. The funds appropriated in the operating expenses contingency line item in section 3 of this Act are available to the labor commissioner contingent upon the passage of Senate Bill No. 2121 by the sixtieth legislative assembly.

Approved April 9, 2007

Filed April 10, 2007

CHAPTER 35

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 amend and reenact sections 49-01-05, 64-02-10, 64-02-13, and 64-02-13.1 of the North Dakota Century Code, relating to the salary of public service commissioners and testing of weighing and measuring devices; to provide for a legislative council study; to provide for a report to the legislative assembly; and to provide for a report to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the public service commission in section 3 of this Act as follows:

Salaries and wages	\$5,122,832
Operating expenses	1,408,153
Capital assets	88,511
Grants	67,000
Abandoned mined lands contractual services	3,668,492
Rail rate complaint case	<u>945,000</u>
Total all funds - Base level	\$11,299,988
Less estimated income - Base level	<u>6,937,151</u>
Total general fund - Base level	\$4,362,837

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the public service commission which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$558,150
Operating expenses	227,703
Capital assets	69,473
Grants	(59,000)
Abandoned mined lands contractual services	831,508
Rail rate complaint case	<u>(45,000)</u>
Total all funds - Adjustments/enhancements	\$1,582,834
Less estimated income - Adjustments/enhancements	<u>1,068,231</u>
Total general fund - Adjustments/enhancements	\$514,603

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$5,680,982
Operating expenses	1,635,856
Capital assets	157,984
Grants	8,000
Abandoned mined lands contractual services	4,500,000
Rail rate complaint case	900,000
Total all funds	\$12,882,822
Less estimated income	<u>8,005,382</u>
Total general fund appropriation	\$4,877,440

SECTION 4. EXEMPTION - LIMIT. The amount of \$800,000 appropriated for the rail rate complaint case from the beginning farmer revolving loan fund, as contained in section 3 of chapter 8 of the 2005 Session Laws, is not subject to the provision of section 54-44.1-11. Any unexpected funds from the rail rate complaint case line item are available for use for expenditures relating to the rail rate complaint case. The \$800,000 appropriated in section 3 of this Act from the beginning farmer revolving loan fund is limited to the amount of any unspent beginning farmer revolving loan funds from the 2005-07 biennium appropriation, as contained in section 3 of chapter 8 of the 2005 Session Laws.

SECTION 5. AMENDMENT. Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners. The annual salary of a commissioner is ~~seventy-two~~ ~~seventy-eight~~ thousand ~~six~~ ~~five~~ hundred ~~sixty-nine~~ ~~ninety-nine~~ dollars through June 30, ~~2006~~ 2008, and ~~seventy-five~~ eighty-one thousand ~~five~~ seven hundred ~~seventy-six~~ forty-three dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

SECTION 6. AMENDMENT. Section 64-02-10 of the North Dakota Century Code is amended and reenacted as follows:

64-02-10. Fees to test or calibrate weighing and measuring devices. The commission shall collect the following fees to:

- | | |
|---|----------|
| 1. Test railroad track or truck scale | \$171.00 |
| 2. Test livestock and vehicle scale | 171.00 |
| 3. Test livestock scale if the sales ring or buying station scale owner transports to the scale and furnishes all test weights and manpower needed to properly test the scale | 96.00 |
| 4. Test auxiliary beam on livestock, motor truck, and motor truck dump scale | 24.00 |
| 5. Test overhead monorail, track, hopper, dormant, deck, and hanging scale | 53.00 |
| 6. Test movable platform scale | 11.00 |

7.	Test counter or computing scale	11.00
8.	Test hanging scale of fifty pound [22.68 kilogram] capacity or less	11.00
9.	Test a retail motor fuel device	11.00
10.	Test or calibrate weighing and measuring standards, per metrologist, per quarter hour or fraction thereof	17.00
11.	Test mobile delivery gasoline and fuel oil meter	24.00
12.	Test gasoline, LPG, or fuel oil meter on common carrier pipelines, or any other meter used in loading railway cars, transports, or other conveyances	53.00
13.	Test propane, ag chemical, or liquid fertilizer meter	39.00
14.	Test crane scale	107.00
15.	Test or calibrate weighing and measuring devices other than the above and those set by rule, per inspector per quarter hour or fraction thereof	11.00
16.	Witnessing any of the above tests	Fifty percent of the applicable fee

When a rejected weighing or measuring device has been reconditioned or replaced by new equipment, it must be retested and certified before being put into use except as otherwise provided by rule. The fee for retest and certification is the same as for the first test and certification.

When a test of a weighing or measuring device is required in addition to the regularly scheduled ~~annual~~ test, the commission shall charge a fee equal to the cost of operating the motor vehicle used in conducting the test. The mileage charges, as determined by the commission, must be in addition to the regular test fee and calculated to cover the costs of the additional travel. Where a test has been requested and the person requesting it fails to appear or to have the weighing or measuring device ready for testing at the arranged time, there is a charge of ten dollars a quarter hour for the time between the arranged time and the time at which the test can begin.

SECTION 7. AMENDMENT. Section 64-02-13 of the North Dakota Century Code is amended and reenacted as follows:

64-02-13. Commission to test weighing or measuring devices annually. The commission may test or calibrate weighing or measuring devices ~~annually~~. The owner of any weighing or measuring device used in this state is responsible for its accuracy and condition, ~~and may have it tested annually, but must have it tested at least every fifteen months.~~ The public service commission shall determine the frequency of required testing for each category of weighing and measuring device,

which may not exceed twenty-four months. If upon testing the weighing or measuring device is within the permitted tolerance, it must be sealed. Inspections and testing of farm milk bulk tank equipment may be made only by the state dairy department under section 4-30-18. Inspections and testing of oil and gas production meters and measuring devices may be made only by or under the direction of the industrial commission under section 38-08-04. If upon complaint the commission finds the weighing or measuring device is within the permitted tolerance, the cost of the test, unless waived by the commission, must be paid by the complainant; and in all other cases the cost of testing must be paid by the owner of the equipment.

SECTION 8. AMENDMENT. Section 64-02-13.1 of the North Dakota Century Code is amended and reenacted as follows:

64-02-13.1. Exception from annual regularly scheduled test of weighing or measuring device. A weighing or measuring device used to conduct sales by a transient vendor is exempt from this chapter.

SECTION 9. LEGISLATIVE COUNCIL STUDY - REAL ESTATE AUCTIONS. The legislative council shall consider studying, during the 2007-08 interim, the practices and laws relating to the sale of real estate by auctioneers. The study must include a review of the sale of multiple parcels of property at a single sale. The legislative council shall report its finding and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 10. GEOGRAPHIC INFORMATION SYSTEM INITIATIVE - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The public service commission shall provide a report to the sixty-first legislative assembly regarding the status of the department's geographic information system initiative.

SECTION 11. METROLOGY PROGRAM - REPORT TO BUDGET SECTION. The public service commission and facility management division shall develop a schedule for metrology services to be conducted within the current metrology facility and when the facility can be used for other functions during the 2007-09 biennium. The public service commission and facility management division shall provide a report regarding the facility use agreement and the future of the metrology laboratory to the office of management and budget and budget section by July 1, 2008.

SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$89,484 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The public service commission shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Weights and measures equipment	\$39,000
Videoconferencing equipment	20,000
Prover	<u>30,484</u>
Total	\$89,484

Approved April 30, 2007
Filed May 1, 2007

CHAPTER 36

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 amend and reenact sections 4-01-21 and 4-37-02 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and to the agriculture in the classroom council; to provide for transfers; to provide for legislative intent; to provide for a legislative council study; to provide for a performance audit; to provide for a report to the budget section; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the agriculture commissioner in section 3 of this Act as follows:

Salaries and wages	\$5,783,517
Operating expenses	4,255,875
Capital assets	5,000
Grants	1,774,225
Board of animal health	2,036,027
Wildlife services contingency	130,000
Crop harmonization board	25,000
Total all funds - Base level	\$14,009,644
Less estimated income - Base level	<u>9,486,532</u>
Total general fund - Base level	<u>\$4,523,112</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the agriculture commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$1,209,097
Operating expenses	458,508
Grants	75,000
Board of animal health	263,675
Wildlife services contingency	(130,000)
Wildlife services	<u>1,050,000</u>
Total all funds - Adjustments/enhancements	\$2,926,280
Less estimated income - Adjustments/enhancements	<u>1,746,439</u>
Total general fund - Adjustments/enhancements	<u>\$1,179,841</u>

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$6,992,614
Operating expenses	4,714,383
Capital assets	5,000
Grants	1,849,225
Board of animal health	2,299,702
Wildlife services	1,050,000
Crop harmonization board	25,000
Total all funds	\$16,935,924
Less estimated income	11,232,971
Total general fund appropriation	<u>\$5,702,953</u>

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 3 of this Act includes the sum of \$3,142,109, or so much of the sum as may be available, 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, 2007, and ending June 30, 2009.

SECTION 5. ANHYDROUS AMMONIA STORAGE INSPECTION FUND. The estimated income line item in section 3 of this Act includes the sum of \$65,912, or so much of the sum as may be available, 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, 2007, and ending June 30, 2009.

SECTION 6. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 3 of this Act includes the sum of \$1,019,684, 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, 2007, and ending June 30, 2009.

SECTION 7. INTENT - SALARY EQUITY. The sum of \$259,000 included in the salaries and wages line item in section 3 of this Act is for salary equity increases, which must be based on market.

SECTION 8. TRANSFER - APPROPRIATION. The office of management and budget shall transfer \$150,000 from the general fund to the environment and rangeland protection fund during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 9. TRANSFER - APPROPRIATION. The North Dakota state university extension service shall provide \$50,000 from the pesticide enforcement fund to the agriculture commissioner for deposit in the environment and rangeland protection fund for the endangered species program during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 10. INTENT - EMERGENCY COMMISSION REQUEST. The agriculture commissioner may request from the emergency commission additional full-time equivalent positions for the state meat inspection program if demand for the program increases sufficient to require the positions during the period beginning July 1, 2007, and ending June 30, 2009.

SECTION 11. TRANSFER. The commissioner shall transfer \$200,000 from the environment and rangeland protection fund to the minor use pesticide fund.

SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The general fund appropriation in Senate Bill No. 2338 includes \$90,836 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The agriculture commissioner shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Animal tracking data base

\$90,836

SECTION 13. SPECIAL REVENUE - REPORT TO BUDGET SECTION. All revenues from inspection and grading services provided by state meat inspectors and graders must be allocated to the state meat inspection program. The agriculture commissioner shall report annually to the budget section regarding the revenues and expenditures for the state meat inspection program.

SECTION 14. ENDANGERED SPECIES PROGRAM - REPORT TO BUDGET SECTION. The agriculture commissioner shall report annually to the budget section regarding the status of the endangered species program.

SECTION 15. LEGISLATIVE COUNCIL STUDY - TRANSFER OF PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, the transfer of predator control from the agriculture commissioner to the game and fish department. The study should include a review of the South Dakota predator control program. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 16. PERFORMANCE AUDIT - WILDLIFE SERVICES. The state auditor shall conduct a performance audit of the services provided pursuant to the cooperative agreement between the agriculture commissioner and the United States department of agriculture wildlife services during the biennium beginning July 1, 2007, and ending June 30, 2009. The performance audit must include a review of all funding sources, including grants from the agriculture commissioner, game and fish funds, and federal funds, for the wildlife damage management program in North Dakota for the 2003-05, 2005-07, and 2007-09 bienniums. The results of the performance audit must be presented to the legislative audit and fiscal review committee and filed with the appropriations committees during the sixty-first legislative assembly.

SECTION 17. AMENDMENT. Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

4-01-21. Salary of agriculture commissioner. The annual salary of the agriculture commissioner is ~~seventy-two~~ seventy-eight thousand ~~six~~ nine hundred ~~sixty-nine~~ ninety-nine dollars through June 30, ~~2006~~ 2008, and ~~seventy-five~~ eighty-one thousand ~~five~~ seven hundred ~~seventy-six~~ forty-three dollars thereafter.

SECTION 18. AMENDMENT. Section 4-37-02 of the North Dakota Century Code is amended and reenacted as follows:

4-37-02. Agriculture in the classroom council. An agriculture in the classroom council is established. The council consists of sixteen members to be appointed by the agriculture commissioner. One member must be the agriculture commissioner or the commissioner's designee, and one member must be the superintendent of public instruction or the superintendent's designee. Agriculture in the classroom grant recipients are nonvoting members of the council.

SECTION 19. EMERGENCY. The sum of \$130,000 included in the wildlife services line item in section 3 of this Act is declared to be an emergency measure.

Approved April 26, 2007

Filed April 27, 2007

CHAPTER 37

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; to provide an appropriation to the legislative council; to provide for fund transfers; to provide for making payments of insurance premiums tax collections to fire departments; and to amend and reenact sections 26.1-01-09 and 26.1-22-10 of the North Dakota Century Code, relating to the commissioner's salary and insurance of personal property by the state fire and tornado fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the insurance commissioner in section 3 of this Act as follows:

Salaries and wages	\$5,096,278
Operating expenses	2,163,377
Grants	<u>6,420,000</u>
Total special funds appropriation - Base level	\$13,679,655

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the insurance commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$696,324
Operating expenses	15,000
Grants	<u>70,000</u>
Total special funds appropriation - Adjustments/enhancements	\$781,324

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$5,792,602
Operating expenses	2,178,377
Grants	<u>6,490,000</u>
Total special funds appropriation	\$14,460,979

SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL. There is appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much of the sum as may be necessary, to the legislative council for the purpose of defraying expenses of

legislative members attending functions of the national conference of insurance legislators, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. INSURANCE PREMIUMS TAX COLLECTIONS PAYMENTS.

Section 3 of this Act includes the sum of \$6,320,000, or so much of the sum as may be necessary to the insurance commissioner, of which \$6,200,000 is for the purpose of making payments of insurance premiums tax collections to fire departments and \$120,000 is for the purpose of making two equal payments to the North Dakota firefighter's association for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. BONDING FUND. Section 3 of this Act includes the sum of \$44,131, 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, 2007, and ending June 30, 2009.

SECTION 7. FIRE AND TORNADO FUND. Section 3 of this Act includes the sum of \$1,173,804, or so much of the sum as may be necessary, from the state fire and tornado fund, including \$170,000 for a grant to the North Dakota firefighter's association and \$1,003,804 to pay fire and tornado fund administrative expenses for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. UNSATISFIED JUDGMENT FUND. Section 3 of this Act includes the sum of \$16,546, 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, 2007, and ending June 30, 2009.

SECTION 9. PETROLEUM TANK RELEASE COMPENSATION FUND. Section 3 of this Act includes the sum of \$108,674, 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, 2007, and ending June 30, 2009.

SECTION 10. ANHYDROUS AMMONIA STORAGE FACILITY INSPECTION FUND. Section 3 of this Act includes the sum of \$150,000, 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, 2007, and ending June 30, 2009.

SECTION 11. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner. The annual salary of the commissioner is ~~seventy seven~~ seventy-six thousand ~~seven~~ thirty-nine hundred ~~thirty-nine~~ eleven dollars through June 30, ~~2006~~ 2008, and ~~seventy-three~~ seventy-nine thousand five hundred ~~sixty-eight~~ seventy-one dollars thereafter.

SECTION 12. AMENDMENT. Section 26.1-22-10 of the North Dakota Century Code is amended and reenacted as follows:

26.1-22-10. Commissioner to provide insurance on all buildings and personal property. Upon application the commissioner shall provide for insurance against loss by fire, lightning, inherent explosion, windstorm, cyclone, tornado and hail, explosions, riot attending a strike, aircraft, smoke, vehicles, or any other risks of direct physical loss, all in the manner and subject to the restrictions of the standard fire insurance policy and standard endorsement, and no other hazards, in the fund,

on all buildings owned by the state, state industries, political subdivisions, international peace gardens, and winter shows, and the fixtures and permanent contents in such buildings, to the extent of not to exceed the insurable value of such property, as the value is agreed to between the commissioner and the officer or board having control of such property, or, in case of disagreement, by approval through arbitration. The commissioner may allow personal property to be insured on a blanket basis.

All buildings and the contents of the buildings owned by the state mill and elevator association, in lieu of coverage under this chapter, may, at the option of the industrial commission, be insured by private insurance companies licensed to do business in this state, against at least all the types of hazards insured against by the fund. If the industrial commission exercises the option provided in this section, the commission shall seek competitive sealed bids, shall invite the fund to submit a bid, and may reject any or all bids received.

All public buildings owned by a political subdivision, in lieu of coverage provided for in this section, may at the option of the governing body of the political subdivision be insured on the basis of competitive sealed bids, through the fund which must be invited to submit a sealed bid or private insurance companies licensed to do business in this state, against damage resulting from hazards, which include those types of hazards that may be insured against by the fund. The governing body may reject any or all such bids.

All public libraries owned by the state or political subdivisions may, in addition to the coverage provided for in this section, be covered against damage through vandalism. If this coverage cannot be extended to the public libraries situated within this state, the libraries may contract for this coverage with private insurance companies; provided, that this coverage meets the recommendations of the insurance code of the American library association.

Approved April 30, 2007
Filed May 1, 2007

CHAPTER 38

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; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the securities commissioner in section 3 of this Act as follows:

Salaries and wages	\$1,105,588
Operating expenses	<u>570,855</u>
Total all funds - Base level	\$1,676,443
Less estimated income - Base level	<u>217,199</u>
Total general fund - Base level	\$1,459,244

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the securities commissioner which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$160,933
Operating expenses	<u>4,456</u>
Total general fund - Adjustments/enhancements	\$165,389

SECTION 3. 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 securities commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$1,266,521
Operating expenses	<u>575,311</u>
Total all funds	\$1,841,832
Less estimated income	<u>217,199</u>
Total general fund appropriation	\$1,624,633

SECTION 4. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$16,876 for the one-time funding identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The securities department shall report to the appropriations committees of the sixty-first legislative

assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Document storage and retrieval system	\$16,876
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Approved April 30, 2007

Filed May 1, 2007

CHAPTER 39

SENATE BILL NO. 2012

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

DEPARTMENT OF HUMAN SERVICES

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to provide statements of legislative intent; to provide for a legislative council report; to provide for legislative council studies; to authorize a Bank of North Dakota loan; to provide a contingent appropriation; to provide for transfers; to create and enact a new section to chapter 23-01 and chapter 23-39 of the North Dakota Century Code, relating to programs for children with special health care needs; to amend and reenact sections 25-17-02, 25-17-03, 50-06-01.2, 50-06-01.4, 50-06-24, and 50-24.4-15 of the North Dakota Century Code, relating to rulemaking and to the provision of medical food for individuals with metabolic disorders, the structure of the department of human services, guardianship services, and to nursing home property-related costs; and to repeal chapter 50-10 of the North Dakota Century Code, relating to aid to crippled children.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of human services in section 3 of this Act as follows:

Subdivision 1.

MANAGEMENT

Salaries and wages	\$10,708,738
Operating expenses	60,968,708
Capital assets	<u>2,756</u>
Total all funds - Base level	\$71,680,202
Less estimated income - Base level	<u>52,153,741</u>
Total general fund - Base level	\$19,526,461

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$22,812,481
Operating expenses	39,780,685
Capital assets	33,864
Grants	332,838,450
Grants - Medical assistance	<u>1,006,356,338</u>
Total all funds - Base level	\$1,401,821,818
Less estimated income - Base level	<u>1,035,138,447</u>
Total general fund - Base level	\$366,683,371

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

Northwest human service center	\$7,352,302
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North central human service center	15,347,691
Lake region human service center	9,143,432
Northeast human service center	20,583,131
Southeast human service center	23,765,764
South central human service center	12,196,647
West central human service center	18,587,469
Badlands human service center	9,241,398
State hospital	47,917,171
Developmental center	<u>42,425,282</u>
Total all funds - Base level	\$206,560,287
Less estimated income - Base level	<u>108,348,645</u>
Total general fund - Base level	\$98,211,642
Grand total general fund appropriation - Base level	\$484,421,474
Grand total special funds appropriation - Base level	\$1,195,640,833
Grand total all funds appropriation - Base level	\$1,680,062,307

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of human services which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

MANAGEMENT

Salaries and wages	\$815,145
Operating expenses	(28,594,686)
Capital assets	<u>(2,471)</u>
Total all funds - Adjustments/enhancements	(\$27,782,012)
Less estimated income - Adjustments/enhancements	<u>(29,068,576)</u>
Total general fund - Adjustments/enhancements	\$1,286,564

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$2,456,130
Operating expenses	26,791,117
Capital assets	(33,465)
Grants	9,023,335
Grants - Medical assistance	<u>102,286,592</u>
Total all funds - Adjustments/enhancements	\$140,523,709
Less estimated income - Adjustments/enhancements	<u>75,226,362</u>
Total general fund - Adjustments/enhancements	\$65,297,347

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

Northwest human service center	\$146,655
North central human service center	1,446,512
Lake region human service center	683,064
Northeast human service center	1,537,933
Southeast human service center	2,316,347
South central human service center	2,496,321
West central human service center	2,113,795
Badlands human service center	564,763
State hospital	16,838,960
Developmental center	<u>5,331,330</u>

Total all funds - Adjustments/enhancements	\$33,475,680
Less estimated income - Adjustments/enhancements	<u>4,472,489</u>
Total general fund - Adjustments/enhancements	\$29,003,191
Grand total general fund appropriation - Adjustments/enhancements	\$95,587,102
Grand total special funds appropriation - Adjustments/enhancements	\$54,130,275
Grand total all funds appropriation - Adjustments/enhancements	\$149,717,377

SECTION 3. 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 for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

MANAGEMENT

Salaries and wages	\$11,523,883
Operating expenses	32,374,022
Capital assets	<u>285</u>
Total all funds	\$43,898,190
Less estimated income	<u>23,085,165</u>
Total general fund	\$20,813,025

Subdivision 2.

PROGRAM AND POLICY

Salaries and wages	\$25,268,611
Operating expenses	66,571,802
Capital assets	399
Grants	341,861,785
Grants - Medical assistance	<u>1,108,642,930</u>
Total all funds	\$1,542,345,527
Less estimated income	<u>1,110,364,809</u>
Total general fund	\$431,980,718

Subdivision 3.

HUMAN SERVICE CENTERS AND INSTITUTIONS

Northwest human service center	\$7,498,957
North central human service center	16,794,203
Lake region human service center	9,826,496
Northeast human service center	22,121,064
Southeast human service center	26,082,111
South central human service center	14,692,968
West central human service center	20,701,264
Badlands human service center	9,806,161
State hospital	64,756,131
Developmental center	<u>47,756,612</u>
Total all funds - Subdivision 3	\$240,035,967
Less estimated income - Subdivision 3	<u>112,821,134</u>
Total general fund - Subdivision 3	\$127,214,833
Grand total general fund appropriation - S.B. 2012	\$580,008,576
Grand total special funds appropriation - S.B. 2012	\$1,249,771,108
Grand total all funds appropriation - S.B. 2012	\$1,829,779,684

SECTION 4. 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 3 of this Act and between subdivisions within section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009. 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, 2008, any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-first legislative assembly regarding any transfers made pursuant to this section.

SECTION 5. BANK OF NORTH DAKOTA LOAN AUTHORIZATION - BUDGET SECTION APPROVAL - CONTINGENT APPROPRIATION.

If cost and caseload/utilization of developmental disabilities services is more than anticipated by the sixtieth legislative assembly, the department of human services, subject to budget section approval, may borrow the sum of \$3,500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, which is appropriated for the purpose of providing the state matching share of additional medical assistance grants for developmental disabilities services for the biennium beginning July 1, 2007, and ending June 30, 2009. The department of human services shall request funding from the sixty-first legislative assembly to repay any loan obtained pursuant to provisions of this section, including accrued interest.

SECTION 6. CRITICAL ACCESS HOSPITALS - MEDICAL ASSISTANCE REIMBURSEMENT METHOD.

The department of human services shall implement a cost-based reimbursement system for inpatient and outpatient hospital services of critical access hospitals based on the funding provided in section 3 of this Act for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 7. DEPARTMENT OF HUMAN SERVICES STUDY - REBASING MEDICAL SERVICES PAYMENT RATES - REPORT TO LEGISLATIVE ASSEMBLY.

The department of human services shall determine, during the 2007-08 interim and with the assistance of a health care consultant, the estimated cost of rebasing payment rates under the medical assistance program for hospital, physician, dentist, ambulance, and chiropractic services to the actual cost of providing these services for use in preparing the department's budget request for the 2009-11 biennium. The base year used in developing the cost estimate must be the most recent calendar year for which complete financial information is available to the department. The department shall report its findings and recommendations to the appropriations committees of the sixty-first legislative assembly. The department's recommendations may include options for staggered implementation or earlier implementation date preferences for service providers that have medical assistance service revenue that is ten percent or more of its total patient revenue. Any funds appropriated by the sixtieth legislative assembly to the department for providing the information required by this section may not be spent for other purposes during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 8. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION.

The legislative council shall consider studying, during the 2007-08 interim, the feasibility and desirability of continuing the equalization of nursing home payment rates and the feasibility and desirability of establishing a provider tax or assessment on nursing homes. The study must include input from representatives of the department of human services, other appropriate state agencies, and the nursing home industry. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 9. LEGISLATIVE COUNCIL STUDY - INFANT DEVELOPMENT PROGRAM. The legislative council shall consider studying, during the 2007-08 interim, infant development programs. The study, if conducted, must include a review of the state's lead agency agreement, service coordination, staffing, and funding structure, including the adequacy of the funding and the equitable distribution of the funds to providers. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 10. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES SERVICE PROVIDERS FUNDING INCREASES - EMPLOYEE SALARY INCREASE PRIORITY. It is the intent of the sixtieth legislative assembly that developmental disabilities service providers give priority to using the increased funding being provided for the 2007-09 biennium for increasing employees' salaries.

SECTION 11. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in subdivision 3 of section 3 of this Act includes \$8,244,131 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The department of human services shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

State hospital	
Sex offender treatment addition	\$3,100,000
Capital improvements	3,062,757
Extraordinary repairs	1,153,500
Developmental center	
Capital improvements	300,000
Extraordinary repairs	547,092
Equipment	<u>80,782</u>
Total	\$8,244,131

SECTION 12. METHAMPHETAMINE TREATMENT SERVICES. The department of human services shall use the \$700,000 from the general fund included in the operating expenses line item in subdivision 2 of section 3 of this Act for increasing the number of individuals receiving treatment services under the department's existing contract for methamphetamine treatment services for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 13. ESTIMATED INCOME - LIMIT - HEALTH CARE TRUST FUND. The estimated income line item in subdivision 2 of section 3 of this Act includes \$525,597 from the health care trust fund. The department of human services expenditures from this fund may not exceed this amount for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 14. LEGISLATIVE INTENT - STATE CHILDREN'S HEALTH INSURANCE PROGRAM. The funding appropriated in subdivision 2 of section 3 of this Act includes \$453,000 for a state children's health insurance program outreach program. It is the intent of the sixtieth legislative assembly that the department of human services provide this funding to an entity that focuses on statewide community health care initiatives and issues.

SECTION 15. A new section to chapter 23-01 of the North Dakota Century Code is created and enacted as follows:

Children with special health care needs - Program administration. The state department of health shall administer programs for children with special health care needs as may be necessary to conform to title 5, part 2, of the federal Social Security Act, as amended through July 1, 2007 [Pub. L. 74-271; 49 Stat. 620; 42 U.S.C. 701 et seq.], including providing services and assistance to children with special health care needs and their families and developing and operating clinics for the identification, screening, referral, and treatment of children with special health care needs.

SECTION 16. Chapter 23-39 of the North Dakota Century Code is created and enacted as follows:

23-39-01. Definitions. In this chapter unless the context or subject matter otherwise requires:

1. "County agency" means the county social service boards in this state.
2. "Department" means the state department of health.

23-39-02. Administration of services for children with special health care needs. Services for children with special health care needs must be administered by the department in conformity with title 5, part 2, of the federal Social Security Act, as amended through July 1, 2007 [Pub. L. 74-271; 49 Stat. 620; 42 U.S.C. 701 et seq.].

23-39-03. Duties of the department. The department, in administering this chapter, shall:

1. Cooperate with the federal government in the development of plans and policies for services for children with special health care needs.
2. Adopt rules and take any necessary action to entitle the state to receive aid from the federal government for services for children with special health care needs in conformity with title 5, part 2, of the federal Social Security Act and its amendments.
3. Take action, give directions, and adopt rules to carry out the provisions of this chapter, including the adoption and application of suitable standards and procedures to ensure uniform and equitable treatment of all applicants for services for children with special health care needs.
4. Cooperate with the federal government in matters of mutual concern pertaining to services to children with special health care needs, including the adoption of methods of administration found necessary by the federal government for the efficient operation of the plan for assistance.
5. Provide necessary qualified employees and representatives.
6. Establish and enforce a merit system as may be required under the federal Social Security Act, as amended through July 1, 2007 [Pub. L. 74-271; 49 Stat. 620; 42 U.S.C. 701 et seq.].
7. Make reports in the form and containing the information the federal government requires and comply with the provisions, rules, and

regulations the federal government makes to assure the correctness and verification of a report.

8. Publish a biennial report and any interim reports necessary.
9. Provide medical food and low-protein modified food products to individuals with phenylketonuria or maple syrup urine disease under chapter 25-17.
10. Establish eligibility criteria for services under this chapter at one hundred eighty-five percent of the poverty line, except for criteria relating to Russell-Silver syndrome, phenylketonuria, or maple syrup urine disease treatment services for which income is not to be considered when determining eligibility. For purposes of this chapter, "poverty line" has the same meaning as defined in section 50-29-01.

23-39-04. Birth report of child with special health care needs made to department. Within three days after the birth in this state of a child born with a visible congenital deformity, the licensed maternity hospital or home in which the child was born, or the legally qualified physician or other person in attendance at the birth of the child outside of a maternity hospital, shall furnish the department a report concerning the child with the information required by the department.

23-39-05. Birth report of child with special health care needs - Use - Confidential. The information contained in the report furnished to the department under section 23-39-04 concerning a child with a visible congenital deformity may be used by the department for the care and treatment of the child pursuant to this chapter. The report is confidential and is solely for the use of the department in the performance of its duties. The report is not open to public inspection nor considered a public record.

23-39-06. Duties of county agencies. A county agency shall:

1. Cooperate with the department in administering this chapter in its county subject to rules adopted by the department.
2. Make surveys and reports regarding children with special health care needs in the various counties to the department when the department directs and in the way the department directs.
3. Provide for the transportation of a child with special health care needs to a clinic for medical examination and to a hospital or a clinic for treatment.

23-39-07. Russell-Silver syndrome - Services - Definitions.

1. The department shall provide payment of a maximum of fifty thousand dollars per child per biennium for medical food and growth hormone treatment at no cost to individuals through age eighteen who have been diagnosed with Russell-Silver syndrome, regardless of income. If the department provides an individual with services under this section, the department may seek reimbursement from any governmental program that provides coverage to that individual for the services provided. The parent of an individual receiving services under this section shall obtain any health insurance available to the parent on a group basis or through

an employer or union, and that insurance must be the primary payer before payment under this program.

2. For purposes of this section:

- a. "Growth hormone treatment" means a drug prescribed by a physician or other licensed practitioner for the long-term treatment of growth failure, the supplies necessary to administer the drug, one out-of-state physician visit per year to obtain expert consultation for the management of Russell-Silver syndrome, appropriate in-state physician visits, and the travel expenses associated with physician visits for the child and one parent.
- b. "Medical food" means a formula that is intended for the dietary treatment of a disease or condition for which nutritional requirements are established by medical evaluation and is formulated to be consumed or administered under the direction of a physician as well as any medical procedure and supplies necessary for assimilation of the formula.

SECTION 17. AMENDMENT. Section 25-17-02 of the North Dakota Century Code is amended and reenacted as follows:

25-17-02. Rulemaking requirement. The state health council ~~and the~~ department of human services shall adopt rules necessary to implement this chapter.

SECTION 18. AMENDMENT. Section 25-17-03 of the North Dakota Century Code is amended and reenacted as follows:

25-17-03. Treatment for positive diagnosis - Registry of cases.

- 4- The state department of health shall:
- a- 1. Follow up with attending physicians cases with positive tests for metabolic diseases in order to determine the exact diagnosis.
- b- 2. Refer every diagnosed case of a metabolic disease to a qualified health care provider for necessary treatment of the metabolic disease.
- e- 3. Maintain a registry of cases of metabolic diseases.
- 2- ~~The department of human services, as a program provided under chapter 50-10, shall:~~
- a- 4. Provide medical food at no cost to males under age twenty-two and females under age forty-five who are diagnosed with phenylketonuria or maple syrup urine disease, regardless of income. If treatment services under this subsection are provided to an individual by the department, the department may seek reimbursement from any government program that provides coverage to that individual for the treatment services provided by the department.
- b- 5. Offer for sale at cost medical food to females age forty-five and over and to males age twenty-two and over who are diagnosed with phenylketonuria or maple syrup urine disease, regardless of income.

These individuals are responsible for payment to the department for the cost of medical food.

- e- 6. Provide low-protein modified food produces, if medically necessary as determined by a qualified health care provider, to females under age forty-five and males under age twenty-two who are receiving medical assistance and are diagnosed with phenylketonuria or maple syrup urine disease.

SECTION 19. AMENDMENT. Section 50-06-01.2 of the North Dakota Century Code is amended and reenacted as follows:

50-06-01.2. Department of human services - Creation. The North Dakota department of human services is hereby created to assume the functions, powers, and duties of the following governmental agencies:

1. The social service board of North Dakota, including all of the statutory authority and responsibilities set out in chapters 27-21, 50-06, 50-06.1, 50-09, ~~50-10~~, 50-11, 50-11.1, 50-12, 50-18, 50-19, 50-21, 50-24.1, and 50-25.1.
2. The mental health and retardation division of the state department of health as established by chapter 25-10, including the state hospital and any other institutions under the jurisdiction of the mental health and retardation division.
3. The division of alcoholism and drug abuse of the state department of health as established by chapter 54-38.
4. The state council on developmental disabilities as established by section 25-01-01.1.

SECTION 20. AMENDMENT. Section 50-06-01.4 of the North Dakota Century Code is amended and reenacted as follows:

50-06-01.4. Structure of the department. The department includes the state hospital; the regional human service centers; a vocational rehabilitation unit; and other units or offices and administrative and fiscal support services as the executive director determines necessary. The department must be structured to promote efficient and effective operations and, consistent with fulfilling its prescribed statutory duties, shall act as the official agency of the state in the discharge of the following functions not otherwise by law made the responsibility of another state agency:

1. Administration of programs for children and families, including adoption services and the licensure of child-placing agencies, foster care services and the licensure of foster care arrangements, child protection services, children's trust fund, state youth authority, licensure of day care homes and facilities, services to unmarried parents, refugee services, in-home community-based services, and administration of the interstate compacts on the placement of children and juveniles.
2. Administration of programs for persons with developmental disabilities, including licensure of facilities and services, and the design and implementation of a community-based service system for persons in need of habilitation.

3. Administration of aging service programs, including nutrition, transportation, advocacy, social, ombudsman, recreation, and related services funded under the Older Americans Act of 1965 [42 U.S.C. 3001 et seq.], home and community-based services, licensure of adult family care homes, committee on aging, and the fund matching program for city or county tax levies for senior citizen activities and services.
4. Administration of mental health programs, including planning and implementing preventive, consultative, diagnostic, treatment, and rehabilitative services for persons with mental or emotional disorders and psychiatric conditions.
5. ~~Administration of programs for crippled children, including the provision of services and assistance to crippled children and their families, and the development and operation of clinics for the identification, screening, referral, and treatment of crippled children.~~
6. Administration of alcohol and drug abuse programs, including establishing quality assurance standards for the licensure of programs, services, and facilities, planning and coordinating a system of prevention, intervention, and treatment services, providing policy leadership in cooperation with other public and private agencies, and disseminating information to local service providers and the general public.
7. 6. Administration of economic assistance programs, including temporary assistance for needy families, food stamps, fuel assistance, child support enforcement, refugee assistance, work experience, work incentive, and quality control.
8. 7. Administration of medical service programs, including medical assistance for needy persons, early and periodic screening, diagnosis and treatment, utilization control, and claims processing.

The executive director shall consult with and maintain a close working relationship with the state department of health; with the department of corrections and rehabilitation and the superintendents of the school for the deaf and the school for the blind to develop programs for developmentally disabled persons; and with the superintendent of public instruction to maximize the use of resource persons in regional human service centers in the provision of special education services. The executive director shall also maintain a close liaison with county social service agencies.

SECTION 21. AMENDMENT. Section 50-06-24 of the North Dakota Century Code is amended and reenacted as follows:

50-06-24. Guardianship services. The department of human services may create and coordinate a unified system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities case management services. The system must include a base unit funding level at the same level as developmental disability corporate guardianship rates, provider standards, staff competency requirements, ~~the use of an emergency funding procedure to cover the costs of establishing needed guardianships,~~ and guidelines and training for guardians. ~~The department shall require that the contracting entity develop and maintain a system of volunteer guardians to serve the state.~~ The department shall

adopt rules for guardianship services to vulnerable adults which are consistent with chapters 30.1-26, 30.1-28, and 30.1-29.

SECTION 22. AMENDMENT. Section 50-24.4-15 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-15. Property-related costs.

1. The department shall include in the ratesetting system for nursing homes a payment mechanism for the use of real and personal property which provides for depreciation and related interest costs. The property cost payment mechanism must:
 - a. Recognize the valuation basis of assets acquired in a bona fide transaction as an ongoing operation after July 1, 1985, limited to the lowest of:
 - (1) Purchase price paid by the purchaser;
 - (2) Fair market value at the time of sale; or
 - (3) Seller's cost basis, increased by one-half of the increase in the consumer price index for all urban consumers (United States city average) from the date of acquisition by the seller to the date of acquisition by the buyer, less accumulated depreciation.
 - b. Recognize depreciation on land improvements, buildings, and fixed equipment acquired, as an ongoing operation over the estimated useful remaining life of the asset as determined by a qualified appraiser.
 - c. Recognize depreciation on movable equipment acquired as an ongoing operation after August 1, 1995, over a composite remaining useful life.
 - d. Provide for an interest expense limitation determined by the department and established by rule.
 - e. Establish a per bed property cost limitation considering single and double occupancy construction.
 - f. Recognize increased lease costs of a nursing home operator to the extent the lessor has incurred increased costs related to the ownership of the facility, the increased costs are charged to the lessee, and the increased costs would be allowable had they been incurred directly by the lessee.
 - g. Recognize any mandated costs, fees, or other moneys paid to the attorney general through transactions under sections 10-33-144 through 10-33-149.
2. For rate years beginning after December 31, 2003, the limitations of paragraph 3 of subdivision a of subsection 1 do not apply to the valuation basis of assets purchased between July 1, 1985, and July 1,

2000. The provisions of this subsection may not be applied retroactively to any rate year before July 1, 2005.

3. For rate years beginning after December 31, 2007, the limitations of subdivision e of subsection 1 do not apply to the valuation basis of assets acquired as a result of a natural disaster before December 31, 2006. The provisions of this subsection may not be applied retroactively to any rate year before January 1, 2008.

SECTION 23. REPEAL. Chapter 50-10 of the North Dakota Century Code is repealed.

Approved May 2, 2007

Filed May 3, 2007

CHAPTER 40

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 relating to teachers' retirement contributions; to provide for the distribution of special education payments; to provide for transfers; to provide for a legislative council study; to provide for legislative intent; to provide an exemption; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, section 28 of chapter 167 of the 2005 Session Laws, and section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, relating to the salary of the superintendent of public instruction, contingent distributions of per student payments, and teacher compensation payments; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library in section 3 of this Act as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$10,056,952
Operating expenses	14,892,308
Grants - State school aid	484,053,759
Grants - Special education contracts	15,500,000
Grants - Transportation	33,500,000
Grants - Tuition apportionment	71,600,000
Grants - Special education	37,000,000
Grants - Revenue supplement	5,000,000
Grants - Teacher compensation	50,912,120
Grants - Other grants	207,999,083
Reorganization bonuses	759,000
JPA incentives	1,000,000
Transportation efficiency	30,000
National board certification	<u>40,000</u>
Total all funds - Base level	\$932,343,222
Less estimated income - Base level	<u>295,899,635</u>
Total general fund - Base level	\$636,443,587

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$2,232,082
Operating expenses	1,381,772
Grants	1,552,500
Total all funds - Base level	\$5,166,354

Less estimated income - Base level	1,659,272
Total general fund - Base level	<u>\$3,507,082</u>

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$5,035,602
Operating expenses	1,377,265
Capital assets	<u>279,495</u>
Total all funds - Base level	\$6,692,362
Less estimated income - Base level	<u>1,327,265</u>
Total general fund - Base level	<u>\$5,365,097</u>

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$2,696,280
Operating expenses	607,306
Capital assets	<u>67,470</u>
Total all funds - Base level	\$3,371,056
Less estimated income - Base level	<u>846,447</u>
Total general fund - Base level	\$2,524,609
Total general fund - Section 1	\$647,840,375
Total special funds - Section 1	\$299,732,619
Total all funds - Section 1	<u>\$947,572,994</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$1,370,102
Operating expenses	4,845,986
Grants - State school aid	242,112,120
Grants - Special education contracts	2,000,000
Grants - Tuition apportionment	(71,600,000)
Grants - Special education	(37,000,000)
Grants - Revenue supplement	(5,000,000)
Grants - Teacher compensation	(50,912,120)
Grants - Other grants	19,702,723
Reorganization bonuses	(759,000)
JPA incentives	<u>(1,000,000)</u>
Total all funds - Adjustments/enhancements	\$103,759,811
Less estimated income - Adjustments/enhancements	<u>29,776,672</u>
Total general fund - Adjustments/enhancements	<u>\$73,983,139</u>

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$398,958
Operating expenses	96,000
Grants	<u>200,000</u>
Total all funds - Adjustments/enhancements	\$694,958
Less estimated income - Adjustments/enhancements	<u>222,328</u>
Total general fund - Adjustments/enhancements	<u>\$472,630</u>

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	(\$272,221)
Operating expenses	137,018
Capital assets	<u>(129,495)</u>
Total all funds - Adjustments/enhancements	(\$264,698)
Less estimated income - Adjustments/enhancements	<u>(288,103)</u>
Total general fund - Adjustments/enhancements	\$23,405

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$281,139
Operating expenses	33,492
Capital assets	<u>74,630</u>
Total all funds - Adjustments/enhancements	\$389,261
Less estimated income - Adjustments/enhancements	<u>(2,330)</u>
Total general fund - Adjustments/enhancements	\$391,591
Total general fund - Section 2	\$74,870,765
Total special funds - Section 2	\$29,708,567
Total all funds - Section 2	\$104,579,332

SECTION 3. 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 those agencies, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$11,427,054
Operating expenses	19,738,294
Grants - State school aid	726,165,879
Grants - Special education contracts	17,500,000
Grants - Transportation	33,500,000
Grants - Other grants	227,701,806
Transportation efficiency	30,000
National board certification	<u>40,000</u>
Total all funds	\$1,036,103,033
Less estimated income	<u>325,676,307</u>
Total general fund appropriation	\$710,426,726

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$2,631,040
Operating expenses	1,477,772
Grants	<u>1,752,500</u>
Total all funds	\$5,861,312
Less estimated income	<u>1,881,600</u>
Total general fund appropriation	\$3,979,712

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$4,763,381
Operating expenses	1,514,283

Capital assets	150,000
Total all funds	\$6,427,664
Less estimated income	1,039,162
Total general fund appropriation	\$5,388,502

Subdivision 4.

VISION SERVICES - SCHOOL FOR THE BLIND

Salaries and wages	\$2,977,419
Operating expenses	640,798
Capital assets	142,100
Total all funds	\$3,760,317
Less estimated income	844,117
Total general fund appropriation	\$2,916,200
Total general fund appropriation - Section 3	\$722,711,140
Total estimated income appropriation - Section 3	\$329,441,186
Total all funds appropriation - Section 3	\$1,052,152,326
Grand total general fund appropriation - S.B. 2013	\$722,725,758
Grand total special funds appropriation - S.B. 2013	\$329,449,048
Grand total all funds appropriation - S.B. 2013	\$1,052,174,806

SECTION 4. 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 funds derived from federal funds and other income, to the following departments for the purpose of funding the additional employer retirement contribution for teachers' fund for retirement members required by Senate Bill No. 2046, as approved by the sixtieth legislative assembly, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

DEPARTMENT	GENERAL FUND	OTHER FUNDS	TOTAL
Division of independent study		\$7,560	\$7,560
School for the deaf	\$4,760		4,760
North Dakota vision services - School for the blind	2,600		2,600
Department of corrections and rehabilitation	7,258	302	7,560
Total	\$14,618	\$7,862	\$22,480

SECTION 5. APPROPRIATION. There is appropriated from special funds derived from federal funds and other income the sum of \$22,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for operating expenses and for providing grants for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 6. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$76,200,000, included in the grants - state school aid line item in subdivision 1 of section 3 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, 2007, and ending June 30, 2009.

SECTION 7. 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 contracts line items in subdivision 1 of section 3 of this Act in payment of grants for

educational services that were due in the 2005-07 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2007.

SECTION 8. DISTRIBUTION OF SPECIAL EDUCATION AID. The sum of \$400,000, included in the grants - state school aid line item in subdivision 1 of section 3 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. 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 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. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 3 of this Act includes \$1,200,000 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2008.

SECTION 11. LINE ITEM TRANSFER AUTHORITY. Notwithstanding section 54-16-04, the director of the office of management and budget may make transfers of funds up to \$240,000 from the salaries and wages line item to the operating expenses and capital assets line items in subdivision 3 of section 3 of this Act for the school for the deaf as may be requested by the superintendent of public instruction for increased instructional costs and extraordinary repair needs.

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 3 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. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$100,000 for the one-time funding item identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The school for the deaf shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Deferred maintenance - School for the deaf

\$100,000

SECTION 14. LEGISLATIVE COUNCIL STUDY - SERVICES TO STUDENTS WHO ARE DEAF OR HEARING-IMPAIRED. The legislative council shall consider studying, during the 2007-08 interim, the provision of services to children and adults who are deaf or hearing-impaired, including the role of the North

Dakota school for the deaf in the provision of educational and rehabilitative services, the short-term and long-term viability of existing state facilities, and alternative approaches that might enhance the scope and breadth of service availability. The study, if conducted, must include the feasibility of combining the administration and delivery of services of the school for the deaf with other area school districts, educational associations governed by joint powers agreements, special education units, and North Dakota vision services - school for the blind. The study should examine alternative uses for the buildings on the school for the deaf campus beyond the scope of the school's present mission. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 15. LEGISLATIVE INTENT - REPORT TO THE SIXTY-FIRST LEGISLATIVE ASSEMBLY. It is the intent of the legislative assembly that the school for the deaf collaborate with Lake Region state college on the college's wind energy project and determine the feasibility of the school for the deaf accessing any available energy, including identifying any related costs. The school for the deaf should provide a report on the status of this collaboration to the appropriations committees of the sixty-first legislative assembly.

SECTION 16. ADULT EDUCATION PER STUDENT FUNDING STUDY. The commission on education improvement shall consider studying, during the 2007-08 interim, changes to the state school aid formula to provide per student payments to school districts offering an adult education program.

SECTION 17. EXEMPTION. Any amounts distributed pursuant to section 18 of this Act that will not be expended before June 30, 2007, are not subject to the provisions of section 54-44.1-11 and may be expended during the biennium beginning July 1, 2007, and ending June 30, 2009, for the purposes provided in section 18 of this Act.

SECTION 18. AMENDMENT. Section 28 of chapter 167 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 28. CONTINGENCY. If any moneys appropriated for per student payments and transportation payments in the grants - state school aid line item in House Bill No. 1013, as approved by the fifty-ninth legislative assembly, remain after payment of all statutory obligations for per student and transportation payments during the biennium beginning July 1, 2005, and ending June 30, 2007, and after the superintendent of public instruction has fulfilled any directives contained in section 27 of this Act, the superintendent shall distribute the remaining moneys as follows:

1. The superintendent of public instruction shall use the first \$450,000, or so much of that amount as may be necessary, to provide additional payments to school districts serving English language learners in accordance with section 15.1-27-12.
2. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing additional ~~per student~~ payments to school districts participating in eligible educational associations in accordance with section 32 of this Act.

- a. The superintendent of public instruction shall distribute during the 2007-09 biennium \$45,000, or so much of that amount as may be

- necessary, as grants in the amount of \$5,000 each to any educational association that commits to the development and implementation of a teacher mentoring program for first-year, second-year, and third-year teachers employed by school districts participating in the association. If any of this amount remains after meeting the requirements of this subdivision, the superintendent shall distribute those funds as additional per student payments on a prorated basis to school districts participating in educational associations.
- b. The superintendent of public instruction shall distribute \$955,000, or so much of that amount as may be necessary, as additional per student payments to school districts participating in eligible educational associations as provided in section 32 of chapter 167 of the 2005 Session Laws.
 3. The superintendent of public instruction shall use the next \$600,000, or so much of that amount as may be necessary, to provide for increases over the established baselines in the minimum percentage of state aid payable to a district per weighted student unit during the 2007-09 biennium. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
 4. The superintendent of public instruction shall use the next \$2,000,000, or so much of that amount as may be necessary, for the purpose of providing additional transportation grants to school districts as provided in Senate Bill No. 2200, as approved by the sixtieth legislative assembly. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as per student payments on a prorated basis according to the latest available average daily membership of each school district.
 5. a. The superintendent of public instruction shall use the next \$1,000,000, or so much of that amount as may be necessary, for the purpose of providing payments to school districts that are members of regional education associations, for the biennium beginning July 1, 2007, and ending June 30, 2009.

b. Each year of the biennium, the superintendent of public instruction shall distribute fifty percent of the payments under this subsection to the school districts that are members of regional education associations on a per student basis. The superintendent shall make the distribution at the same time and in the same manner as other state aid payments under section 15.1-27-01.
 6. The superintendent of public instruction shall use the next \$30,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the division of independent study for enhancing civic education.
 7. The superintendent of public instruction shall use the next \$15,000, or so much of that amount as may be necessary, for the purpose of

- providing a one-time grant to the North Dakota museum of art for enhancing the snow country prisons travel exhibit.
8. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, to pay for the services of professionals and experts with whom the commission on education improvement contracts, during the 2007-08 interim, for assistance with its study of educational adequacy. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
 9. The superintendent of public instruction shall use the next \$77,000, or so much of that amount as may be necessary, for providing funding to the education standards and practices board for providing payments to recipients of national board certification and scholarships to individuals seeking national board certification in accordance with Senate Bill No. 2057, as approved by the sixtieth legislative assembly.
 10. The superintendent of public instruction shall use the next \$200,000, or so much of that amount as may be necessary, for the purpose of providing additional payments to school districts offering an adult education program during the 2005-07 biennium.
 11. The superintendent of public instruction shall use the next \$400,000, or so much of that amount as may be necessary, to purchase and distribute to school districts automated external defibrillators. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
 12. The superintendent of public instruction shall use the next \$395,000, or so much of that amount as may be necessary, for the purpose of providing a grant to the north central council of school television for licensing of education television programs for classroom use by North Dakota elementary and secondary schools, assisting with the North Dakota studies project, and other operating expenses.
 13. The superintendent of public instruction shall use the next \$500,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the state school aid computer system. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per student payments on a prorated basis according to the latest available average daily membership of each school district.
 14. The superintendent of public instruction shall use the next \$650,000, or so much of that amount as may be necessary, for the purpose of funding the rewrite of the teacher licensure application used by the superintendent of public instruction and the education standards and practices board. The education standards and practices board shall pay the remaining \$80,000 of the anticipated total project cost. If any of this amount remains after meeting the requirements of this subsection, the superintendent shall distribute that remaining amount as additional per

- student payments on a prorated basis according to the latest available average daily membership of each school district.
15. The superintendent of public instruction shall use the next \$25,748, or so much of that amount as may be necessary, for the purpose of reimbursing eligible school districts that received reduced amounts of state aid. For the purposes of this subsection, an eligible school district is one that received a reduction in state aid during the 2005-07 biennium because the district's general fund levy fell below one hundred forty mills as the result of an accounting oversight.
 16. a. The superintendent of public instruction shall use the next \$90,000, or so much of that amount as may be necessary, for the purpose of providing grants in the amount of \$1,000 to North Dakota residents who:
 - (1) Are licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last five school years; and
 - (3) Are enrolled in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership.
 - b. If any of this amount remains after meeting the requirements of this subsection, the superintendent of public instruction shall distribute that amount as additional per student payments on a prorated basis, according to the latest available average daily membership of each school district.
 17. The superintendent of public instruction shall use the next \$50,000, or so much of that amount as may be necessary, for the purpose of providing a grant for the Atlantik-Brucke teacher exchange program.
 18. The superintendent of public instruction shall use the remainder of the moneys to provide additional per student payments on a prorated basis according to the latest available average daily membership of each school district.

SECTION 19. AMENDMENT. Section 52 of Senate Bill No. 2200, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

SECTION 52. USE OF NEW MONEY - TEACHER COMPENSATION INCREASES - REPORTS TO LEGISLATIVE COUNCIL.

1. During the 2007-09 biennium, the board of each school district shall use an amount equal to at least seventy percent of all new money received by the district for per student payments to increase the compensation paid to teachers and to provide compensation to teachers who begin employment with the district on or after July 1, 2007.
2. For purposes of this section, the superintendent of public instruction shall calculate the amount of new money received by a district during the 2007-09 biennium by:

- a. Determining the total amount of state dollars received by each district during the 2005-07 biennium as per student payments, tuition apportionment payments, special education per student payments, ~~and~~ English language learner payments, extended educational program payments, summer education program payments, migrant summer program payments, payments for home-based education programs monitored by the school district, and teacher compensation payments;
 - b. Determining the total amount of state dollars received by each district during the 2007-09 biennium as per student payments, provided that neither equity payments under section 15.1-27-11 nor contingency distributions are to be included in the total; and
 - c. Subtracting the amount arrived at under subdivision a from the amount arrived at under subdivision b.
3. School districts providing educational services under a cooperative agreement approved by the superintendent of public instruction must, for purposes of this section, be treated as a single district.
 4.
 - a. The provisions of this section do not apply to a school district if the board of the school district, after a public hearing at which public testimony and documentary evidence are accepted, determines in its discretion and by an affirmative vote of two-thirds of the members of the board that complying with the provisions of subsection 1 would place the school district in the position of having insufficient fiscal resources to meet the school district's other obligations.
 - b. Within ten days of the vote required by subdivision a, the school board shall notify the superintendent of public instruction of its action and shall file a report detailing the grounds for its determination and action.
 - c. The superintendent of public instruction shall report all notices received under this subsection to an interim committee designated by the legislative council.

SECTION 20. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary. The annual salary of the superintendent of public instruction is ~~eighty eight-seven thousand five one hundred thirty-one three~~ dollars through June 30, ~~2006~~ 2008, and ~~eighty-three ninety thousand seven five hundred fifty-three~~ eighty-seven dollars thereafter.

SECTION 21. EMERGENCY. Sections 5 and 18 of this Act are declared to be an emergency measure.

Approved May 2, 2007
Filed May 3, 2007

CHAPTER 41

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. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the committee on protection and advocacy in section 3 of this Act as follows:

Total all funds - Base level	\$3,720,979
Less estimated income - Base level	<u>2,908,886</u>
Total general fund - Base level	\$812,093

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the committee on protection and advocacy which are included in the appropriation in section 3 of this Act as follows:

Total all funds - Adjustments/enhancements	\$335,709
Less estimated income - Adjustments/enhancements	<u>233,892</u>
Total general fund - Adjustments/enhancements	\$101,817

SECTION 3. 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 committee on protection and advocacy for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Total all funds	\$4,056,688
Less estimated income	<u>3,142,778</u>
Total general fund appropriation	\$913,910

Approved May 1, 2007

Filed May 2, 2007

CHAPTER 42

SENATE BILL NO. 2016

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

ADJUTANT GENERAL

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide for a transfer; to provide statements of legislative intent; to provide for a legislative council study; and to amend and reenact section 6 of chapter 17 of the 2005 Session Laws, relating to the payment of adjusted compensation to veterans.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the office of the adjutant general in section 3 of this Act as follows:

Subdivision 1.

NATIONAL GUARD

Salaries and wages	\$3,859,417
Operating expenses	3,213,528
Capital assets	870,000
Grants	5,329,514
Civil air patrol	156,258
Tuition and enlistment compensation	2,007,500
Air guard contract	7,170,777
Army guard contract	24,981,462
Veterans' cemetery	290,571
Total all funds - Base level	<u>\$47,879,027</u>
Less estimated income - Base level	<u>31,433,798</u>
Total general fund - Base level	\$16,445,229

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

Salaries and wages	\$6,626,638
Salary and wages pool	213,493
Operating expenses	3,325,844
Capital assets	4,957,923
Grants	46,962,054
State radio migration	900,000
Total all funds - Base level	<u>\$62,985,952</u>
Less estimated income - Base level	<u>57,870,280</u>
Total general fund - Base level	\$5,115,672
Grand total general fund - Section 1	\$21,560,901
Grand total special funds - Section 1	\$89,304,078
Grand total all funds - Section 1	\$110,864,979

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the office of the adjutant general which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

NATIONAL GUARD

Salaries and wages	\$607,129
Operating expenses	685,300
Capital assets	60,667
Grants	(4,880,000)
Civil air patrol	3,905
Tuition, recruiting, and retention	400,000
Air guard contract	2,309,954
Army guard contract	41,452,401
Veterans' cemetery	<u>64,351</u>
Total all funds - Adjustments/enhancements	\$40,703,707
Less estimated income - Adjustments/enhancements	<u>43,369,035</u>
Total general fund - Adjustments/enhancements	(\$2,665,328)

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

Salaries and wages	\$1,167,484
Salary and wages pool	(213,493)
Operating expenses	503,556
Capital assets	(3,432,576)
Grants	(6,167,419)
State radio migration	(900,000)
Radio communications	<u>980,000</u>
Total all funds - Adjustments/enhancements	(\$8,062,448)
Less estimated income - Adjustments/enhancements	<u>(10,978,721)</u>
Total general fund - Adjustments/enhancements	\$2,916,273
Grand total general fund - Section 2	\$250,945
Grand total special funds - Section 2	\$32,390,314
Grand total all funds - Section 2	\$32,641,259

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

NATIONAL GUARD

Salaries and wages	\$4,466,546
Operating expenses	3,898,828
Capital assets	930,667
Grants	449,514
Civil air patrol	160,163
Tuition, recruiting, and retention	2,407,500
Air guard contract	9,480,731
Army guard contract	66,433,863
Veterans' cemetery	<u>354,922</u>
Total all funds	\$88,582,734
Less estimated income	<u>74,802,833</u>
Total general fund appropriation	\$13,779,901

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

Salaries and wages	\$7,794,122
Operating expenses	3,829,400
Capital assets	1,525,347
Grants	40,794,635
Radio communications	<u>980,000</u>
Total all funds	\$54,923,504
Less estimated income	<u>46,891,559</u>
Total general fund appropriation	\$8,031,945
Grand total general fund - S.B. 2016	\$21,811,846
Grand total special funds - S.B. 2016	\$121,694,392
Grand total all funds - S.B. 2016	\$143,506,238

SECTION 4. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. The veterans' cemetery line item in section 3 of this Act includes the sum of \$116,337 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, 2007, and ending June 30, 2009.

SECTION 5. LINE ITEM TRANSFER AUTHORITY - MAINTENANCE AND REPAIRS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 3 of this Act up to the sum of \$500,000 from the various other line items contained in section 3 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2007, and ending June 30, 2009. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 6. LEGISLATIVE INTENT - DEPARTMENT OF EMERGENCY SERVICES ADVISORY COMMITTEE. It is the intent of the legislative assembly that the adjutant general consider changing the membership of the department of emergency services advisory committee to remove representatives of the information technology department and the infragard and include representatives of the North Dakota healthcare association and North Dakota sheriffs association.

SECTION 7. LEGISLATIVE INTENT - HOMELAND SECURITY FUNDING. It is the intent of the legislative assembly that political subdivisions place a greater influence on allocations of federal homeland security funding to emergency medical services and hospitals.

SECTION 8. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 2007-08 interim, the department of emergency services, including the division of homeland security and the division of state radio. The study should include a review of the allocation of federal homeland security funding, the operation of state radio, and potential changes to the 911 fee structure to continue salary equity funding provided in the 2007-09 biennium. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly.

SECTION 9. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund

appropriation line item in section 3 of this Act includes \$2,781,970 for the one-time funding items identified in this section. This amount is not part of the agency's base budget to be used in preparing the 2009-11 executive budget. The adjutant general shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Computer-aided dispatch project	\$980,000
Motorola lease purchase payment (general fund portion)	1,084,970
Special assessments	92,000
Deferred maintenance	<u>625,000</u>
Total	\$2,781,970

SECTION 10. AMENDMENT. Section 6 of chapter 17 of the 2005 Session Laws is amended and reenacted as follows:

SECTION 6. EXEMPTION - TRANSFER. Any unexpended general fund appropriation authority relating to the \$5,000,000 appropriated in section 3 of this Act for the payment of adjusted compensation to veterans is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, ~~2007~~ 2009, and ending June 30, ~~2009~~ 2011.

Approved May 1, 2007

Filed May 2, 2007

CHAPTER 43

SENATE BILL NO. 2017

(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; to provide for a statement of legislative intent; to provide for a report to the legislative council; to provide for a study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the game and fish department in section 3 of this Act as follows:

Salaries and wages	\$16,933,000
Operating expenses	9,736,435
Capital assets	2,961,116
Grants	6,164,122
Land habitat and deer depredation	11,227,979
Noxious weed control	350,000
Grants, gifts, and donations	700,000
Nongame wildlife conservation	120,000
Lonetree reservoir	1,528,407
Wildlife services	680,000
Ramp improvements and marina development	<u>800,000</u>
Total special funds - Base level	\$51,201,059

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the game and fish department which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$2,100,535
Operating expenses	1,953,652
Capital assets	323,125
Grants	488,062
Land habitat and deer depredation	1,558,372
Noxious weed control	100,000
Grants, gifts, and donations	(200,000)
Lonetree reservoir	66,306
Recruitment and retention study	30,000
Ramp improvements and marina development	<u>240,000</u>
Total special funds - Adjustments/enhancements	\$6,660,052

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$19,033,535
Operating expenses	11,690,087
Capital assets	3,284,241
Grants	6,652,184
Land habitat and deer depredation	12,786,351
Noxious weed control	450,000
Grants, gifts, and donations	500,000
Nongame wildlife conservation	120,000
Lonetree reservoir	1,594,713
Wildlife services	680,000
Recruitment and retention study	30,000
Ramp improvements and marina development	1,040,000
Total special funds appropriation	\$57,861,111

SECTION 4. APPROPRIATION - WILDLIFE SERVICES - AGRICULTURE COMMISSIONER. There is appropriated from special funds the sum of \$130,000, or so much of the sum as may be necessary, to the game and fish department to be provided to the agriculture commissioner for the payment of wildlife services for the period beginning with the effective date of this Act and ending June 30, 2007.

SECTION 5. CONTINGENT APPROPRIATION - GRANTS. The grants line item in section 3 of this Act includes \$109,750 for a grant to the parks and recreation department for boat ramp improvements at Fort Stevenson state park. The \$109,750 may be spent only if the corps of engineers does not begin construction of a marina at Fort Stevenson state park by March 31, 2008.

SECTION 6. LEGISLATIVE INTENT. It is the intent of the sixtieth legislative assembly that \$100,000 contained in the grants line item in section 3 of this Act be used to carry out a grant program to encourage hunting by youth. The director of the game and fish department may provide grants under this program to local communities to fund shooting ranges and other related activities to encourage hunting by youth.

SECTION 7. GAME AND FISH DEPARTMENT TO STUDY RECRUITMENT AND RETENTION OF HUNTERS IN NORTH DAKOTA - REPORT TO LEGISLATIVE COUNCIL. The game and fish department shall study the recruitment and retention of hunters in North Dakota. The study must include identification of programs to recruit and retain hunters in this state. The department shall report its findings to the budget section by December 31, 2008.

SECTION 8. EMERGENCY. The \$1,040,000 included in the ramp improvements and marina development line item included in section 3 of this Act and the appropriation provided in section 4 of this Act are declared to be emergency measures.

Approved April 26, 2007

Filed April 27, 2007

CHAPTER 44

SENATE BILL NO. 2018

(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; to amend and reenact section 3 of Senate Bill No. 2341, as approved by the sixtieth legislative assembly, relating to the heritage center expansion project; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state historical society in section 3 of this Act as follows:

Salaries and wages	\$5,633,286
Operating expenses	1,508,706
Capital assets	8,282,319
Grants	1,300,000
Cultural heritage grants	325,000
Yellowstone-Missouri-Fort Union Commission	4,492
Lewis and Clark bicentennial	932,420
Medal of honor monument	<u>35,000</u>
Total all funds - Base level	\$18,021,223
Less estimated income - Base level	<u>9,927,165</u>
Total general fund - Base level	\$8,094,058

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state historical society which are included in the appropriation in section 3 of this Act as follows:

Salaries and wages	\$1,539,371
Operating expenses	615,205
Capital assets	(4,940,738)
Grants	(300,000)
Cultural heritage grants	50,000
Lewis and Clark bicentennial	(932,420)
Snow angel project	10,000
Medal of honor monument	<u>(35,000)</u>
Total all funds - Adjustments/enhancements	(\$3,993,582)
Less estimated income - Adjustments/enhancements	<u>(6,107,703)</u>
Total general fund - Adjustments/enhancements	\$2,114,121

SECTION 3. 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 that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Salaries and wages	\$7,172,657
Operating expenses	2,123,911
Capital assets	3,341,581
Grants	1,000,000
Cultural heritage grants	375,000
Snow angel project	10,000
Yellowstone-Missouri-Fort Union Commission	4,492
Total all funds	\$14,027,641
Less estimated income	3,819,462
Total general fund appropriation	\$10,208,179

SECTION 4. 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, 2007, and ending June 30, 2009.

SECTION 5. 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, 2007, and ending June 30, 2009.

SECTION 6. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$1,628,000 and Senate Bill No. 2349 includes \$30,000 for the one-time funding items identified in this section. These amounts are not part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state historical society shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Lincoln bicentennial	\$50,000
Capital projects and deferred maintenance	1,298,000
Medal of honor monument	30,000
Marketing	85,000
Chateau de Mores	195,000
Total	\$1,658,000

SECTION 7. COLD WAR MISSILE SITES. The capital assets line item in section 3 of this Act includes \$250,000 from the lands and minerals trust fund, \$250,000 from federal funds, and \$200,000 from other funds available to the state historical society through fundraising efforts to acquire the missile alert facility oscar-zero located four and one-half miles north of Cooperstown, North Dakota, and the launch facility november-33 located two and one-half miles east of Cooperstown, North Dakota.

SECTION 8. INTENT - MISSILE SITE OPERATING COSTS. It is the intent of the sixtieth legislative assembly that operating costs for the cold war era missile sites occurring after June 30, 2009, be funded by other funds.

SECTION 9. INTENT - LINCOLN BICENTENNIAL. It is the intent of the sixtieth legislative assembly that any unexpended appropriations for the Lincoln bicentennial for the 2007-09 biennium be returned to the general fund.

SECTION 10. AMENDMENT. Section 3 of Senate Bill No. 2341, as approved by the sixtieth legislative assembly, is amended and reenacted as follows:

SECTION 3. CONTINGENT APPROPRIATION - LANDS AND MINERALS TRUST FUND. There is appropriated out of any moneys in the lands and minerals trust fund the sum of \$1,500,000 on a contingency basis to the office of management and budget for the planning and design costs of the heritage center expansion project, for the biennium beginning July 1, 2007, and ending June 30, 2009. The appropriation is only available when the state historical society certifies to the office of management and budget that \$1,500,000 of private other funds has been received or pledged and is available for the project. The private funds must be spent before the funds from the lands and minerals trust fund. The sum of \$1,500,000 of other funds is appropriated to the state historical society for the heritage center expansion project, for the biennium beginning July 1, 2007, and ending June 30, 2009.

Approved April 26, 2007

Filed April 27, 2007

CHAPTER 45

SENATE BILL NO. 2019

(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 provide contingent appropriations for the international music camp and boat ramp improvements; to provide for a transfer; to amend and reenact section 54-44.4-02 of the North Dakota Century Code, relating to state procurement; to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the parks and recreation department in section 3 of this Act as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

Administration	\$1,804,723
Natural resources	9,672,243
Recreation	8,874,581
Lewis and Clark bicentennial	<u>617,335</u>
Total all funds - Base level	\$20,968,882
Less estimated income - Base level	<u>13,427,583</u>
Total general fund - Base level	<u>\$7,541,299</u>

Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	<u>\$602,854</u>
Total general fund - Base level	\$602,854
Total general fund - Section 1	\$8,144,153
Total special funds - Section 1	\$13,427,583
Total all funds - Section 1	<u>\$21,571,736</u>

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the parks and recreation department which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

Administration	\$305,376
Natural resources	3,318,236
Recreation	(237,707)
Capital assets	707,500
Lewis and Clark bicentennial	<u>(617,335)</u>
Total all funds - Adjustments/enhancements	\$3,476,070
Less estimated income - Adjustments/enhancements	<u>(79,194)</u>
Total general fund - Adjustments/enhancements	<u>\$3,555,264</u>

Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	\$2,567,000
International music camp contingency	<u>400,000</u>
Total all funds - Adjustments/enhancements	\$2,967,000
Less estimated income - Adjustments/enhancements	<u>200,000</u>
Total general fund - Adjustments/enhancements	\$2,767,000
Total general fund - Section 2	\$6,322,264
Total special funds - Section 2	\$120,806
Total all funds - Section 2	\$6,443,070

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

Administration	\$2,110,099
Natural resources	12,990,479
Recreation	8,636,874
Capital assets	<u>707,500</u>
Total all funds	\$24,444,952
Less estimated income	<u>13,348,389</u>
Total general fund appropriation	\$11,096,563

Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	\$3,169,854
International music camp contingency	<u>400,000</u>
Total all funds	\$3,569,854
Less estimated income	<u>200,000</u>
Total general fund appropriation	\$3,369,854
Grand total general fund appropriation - S.B. 2019	\$14,466,417
Grand total special funds appropriation - S.B. 2019	\$13,548,389
Grand total all funds appropriation - S.B. 2019	\$28,014,806

SECTION 4. GAME AND FISH OPERATING FUND - TRANSFER. The sum of \$381,750, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 3 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, 2007, and ending June 30, 2009. Of the \$381,750, \$109,750 is for boat ramp improvements at Fort Stevenson state park and may only be spent if the corps of engineers does not begin construction of the marina at Fort Stevenson by March 31, 2008.

SECTION 5. CONTINGENT APPROPRIATION - INTERNATIONAL MUSIC CAMP. The sum of \$200,000 included in the international music camp contingency line item in section 3 of this Act is from the general fund, and the sum of \$200,000 included in the international music camp contingency line item in section 3 of this Act is from other funds available to the International Peace Garden. The International

Peace Garden may only spend the general fund appropriation to the extent other funds become available on a dollar-for-dollar matching basis.

SECTION 6. CAPITAL ASSETS - INSURANCE PROCEEDS - APPROPRIATION. The amount in the capital assets line item in subdivision 1 of section 3 of this Act includes \$125,000 from the general fund and \$108,000 from insurance proceeds to be used to replace a maintenance building and other capital assets owned by the parks and recreation department that were destroyed by fire. Any additional income from insurance proceeds, in excess of the \$108,000, is appropriated, for the period beginning with the effective date of this Act and ending June 30, 2009, to the parks and recreation department to assist with the replacement of the maintenance building and other capital assets.

²⁰ **SECTION 7. AMENDMENT.** Section 54-44.4-02 of the North Dakota Century Code is amended and reenacted as follows:

54-44.4-02. Office of management and budget purchasing services. The office of management and budget shall purchase or lease or otherwise arrange for the procurement, for all state agencies and institutions in the executive branch of state government, all materials, furniture, fixtures, printing, insurance, services, and other commodities. The International Peace Garden may participate in the procurement authorized by this section. The following commodities and services, however, are not subject to the procurement requirements of this chapter:

1. Land, buildings, space, or the rental thereof.
2. Telephone and telegraph service and electrical light and power services.
3. Public books, maps, periodicals, and technical pamphlets.
4. Department of transportation materials, equipment, and supplies in accordance with section 24-02-16.
5. Procurements through a contract or other instrument executed by the industrial commission under chapter 54-17.5.
6. Services for the maintenance or servicing of equipment by the manufacturer or authorized servicing agent of that equipment when the maintenance or servicing can best be performed by the manufacturer or authorized service agent, or when such a contract would otherwise be advantageous to the state.
7. Emergency purchases the office of management and budget cannot make within the required time and which involve public health or public safety, or when immediate expenditures are necessary for repairs of state property to protect it against further loss or damage, or to prevent or minimize serious disruption in state services. Emergency purchases must be made with the level of competition practicable under the

²⁰ Section 54-44.4-02 was also amended by section 6 of House Bill No. 1060, chapter 314, section 6 of House Bill No. 1127, chapter 413, and section 3 of House Bill No. 1128, chapter 464.

circumstances, and a written determination of the basis for the emergency and for the selection of the particular contractor must be included in the contract file.

8. Commodities and services costing less than a specified amount as determined by written directive by the director of the office of management and budget.
9. Specified commodities and services as determined by written directive by the director of the office of management and budget.
10. Employee benefit services, trust-related services, and investment management services obtained by an agency with a fiduciary responsibility regarding those services.

All purchases made by the office of management and budget or a state agency or institution to which authority to purchase has been delegated by the office of management and budget must be made in accordance with this chapter, rules adopted under this chapter, and written policies of the office of management and budget.

SECTION 8. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$5,388,000 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The parks and recreation department shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Online reservation system and equipment replacement	\$660,000
Parks capital projects and deferred maintenance	2,295,000
International Peace Garden capital projects and deferred maintenance	<u>2,433,000</u>
Total	<u>\$5,388,000</u>

SECTION 9. EMERGENCY. The sum of \$233,000 in the capital assets line item in subdivision 1 of section 3 and section 6 of this Act are declared to be an emergency measure.

Approved May 1, 2007
 Filed May 2, 2007

CHAPTER 46

SENATE BILL NO. 2020

(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 create and enact a new section to chapter 61-02.1 of the North Dakota Century Code, relating to funding for Grand Forks flood control; to amend and reenact section 61-34-04 of the North Dakota Century Code, relating to eligibility for the drought disaster livestock water assistance program; to provide a line of credit; to provide an appropriation for repayment of the line of credit; to provide legislative intent; to provide for a study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the state water commission in section 3 of this Act as follows:

Administrative and support services	\$2,180,445
Water and atmospheric resources	<u>123,890,493</u>
Total all funds - Base level	<u>\$126,070,938</u>
Less estimated income - Base level	<u>125,059,718</u>
Total general fund - Base level	\$1,011,220

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the state water commission which are included in the appropriation in section 3 of this Act as follows:

Administrative and support services	\$275,850
Water and atmospheric resources	<u>49,663,767</u>
Total all funds - Adjustments/enhancements	<u>\$49,939,617</u>
Less estimated income - Adjustments/enhancements	<u>37,063,331</u>
Total general fund - Adjustments/enhancements	\$12,876,286

SECTION 3. 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 water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Administrative and support services	\$2,456,295
Water and atmospheric resources	<u>173,554,260</u>
Total all funds	<u>\$176,010,555</u>
Less estimated income	<u>162,123,049</u>
Total general fund appropriation	\$13,887,506

SECTION 4. RESOURCES TRUST FUND - APPROPRIATION. The sum of \$69,352,698, or so much of the sum as may be necessary, included in the estimated income line item in section 3 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, 2007, and ending June 30, 2009. Any additional amount in the resources trust fund that becomes available is appropriated to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 5. WATER DEVELOPMENT TRUST FUND - APPROPRIATION. The sum of \$40,055,999, or so much of the sum as may be necessary, included in the estimated income line item in section 3 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, 2007, and ending June 30, 2009. Any additional amount in the water development trust fund that becomes available is appropriated to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 6. 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 3 of this Act. However, this exclusion is only in effect for two years after June 30, 2009. 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 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 biennium beginning July 1, 2007, and ending June 30, 2009.

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, the resources trust fund, bond proceeds, or other sources, 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, 2007, and ending June 30, 2009.

SECTION 9. A new section to chapter 61-02.1 of the North Dakota Century Code is created and enacted as follows:

Grand Forks flood control project. Notwithstanding any other provision of law or policy, any existing caps may not be construed to limit access to total state funding of up to fifty-two million dollars for the Grand Forks flood control project.

²¹ **SECTION 10. AMENDMENT.** Section 61-34-04 of the North Dakota Century Code is amended and reenacted as follows:

61-34-04. Eligibility - Application for assistance. Applicants with livestock water supply problems caused by drought may apply for assistance from the program. An applicant must first apply for water cost-share assistance from the agriculture stabilization and conservation service. If cost-share assistance is denied by the service, the applicant may forward the application to the commission for consideration. An application forwarded to the commission must include a document from the agriculture stabilization and conservation service stating the reason for denial of cost-share assistance. The state engineer shall review all applications received by the commission. Notwithstanding any other provision of law, a water supply project commenced after application for funding is made but without prior approval of the state engineer is eligible for funding from the program. If the state engineer approves an application, the applicant may receive up to fifty percent of the cost of the project, but in no event more than three thousand five hundred dollars. The state engineer shall provide funds for approved applications in accordance with rules and criteria for eligibility and only to the extent that funding is available.

SECTION 11. TILE DRAINAGE EFFECTS ON WATER USE STUDY. The state water commission shall study, develop, and recommend policies and procedures for assessing the impact of tile drainage on the beneficial use of water by prior water appropriators. The state water commission shall report its findings and recommendations to the legislative council by July 1, 2008.

SECTION 12. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FIRST LEGISLATIVE ASSEMBLY. The total general fund appropriation line item in section 3 of this Act includes \$3,000,000 for the one-time funding items identified in this section. This amount is not a part of the agency's base budget to be used in preparing the 2009-11 executive budget. The state water commission shall report to the appropriations committees of the sixty-first legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2007, and ending June 30, 2009.

Red River water supply project	\$3,000,000
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SECTION 13. LEGISLATIVE INTENT - SWEETBRIAR DAM PROJECT. It is the intent of the sixtieth legislative assembly that the state water commission provide funding for the sweetbriar dam project. In addition, Morton County shall contribute \$15,000 toward the sweetbriar dam project and \$1,000,000 must be made available from the game and fish fund for the project which is appropriated in section 3 of this Act. The funding from the game and fish fund and Morton County is contingent upon funding being made available for the project by the state water commission during the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 14. EMERGENCY. Section 10 of this Act is declared to be an emergency measure.

Approved May 1, 2007
Filed May 2, 2007

²¹ Section 61-34-04 was also amended by section 1 of House Bill No. 1215, chapter 561.

CHAPTER 47

SENATE BILL NO. 2021

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

WORKFORCE SAFETY AND INSURANCE

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance; to provide legislative intent; to provide for a report; to provide a continuing appropriation; and to create and enact a new section to chapter 65-02 of the North Dakota Century Code, relating to implementation of occupational health and preventive medicine programs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amount identified in this section represents the base level funding component appropriated to workforce safety and insurance in section 3 of this Act as follows:

Total special funds - Base level \$33,523,001

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amount identified in this section represents the funding adjustments or enhancements to the base funding level for workforce safety and insurance which are included in the appropriation in section 3 of this Act as follows:

Total special funds - Adjustments/enhancements \$19,750,731

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2007, and ending June 30, 2009, as follows:

Total special funds appropriation \$53,273,732

SECTION 4. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixtieth legislative assembly that the general salary increases provided for in Senate Bill No. 2189 do not apply to workforce safety and insurance. Workforce safety and insurance may provide salary increases during the 2007-09 biennium based on the agency's merit and performance system.

SECTION 5. PERFORMANCE AUDIT RECOMMENDATIONS - REPORT TO THE BUDGET SECTION. Workforce safety and insurance shall report quarterly to the budget section on the agency's status of implementing the performance audit recommendations of the state auditor.

SECTION 6. A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Occupational health and preventive medicine programs - Continuing appropriation. Upon approval of the board, the organization may establish and implement programs to advance occupational health and preventive medicine in this state and to protect the integrity of the fund. These programs may include the provision of education or training, consultation, grants, scholarships, or other incentives that promote superior care and treatment of the workforce in this state. Funds in the workforce and insurance fund are appropriated to the organization on a continuing basis for the purpose of funding the programs implemented under this section.

Approved May 2, 2007

Filed May 3, 2007

CHAPTER 48

SENATE BILL NO. 2022

(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; and to provide additional spending authority subject to emergency commission approval.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. BASE LEVEL FUNDING INFORMATION. The amounts identified in this section represent the base level funding component appropriated to the retirement and investment agencies in section 3 of this Act as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$1,978,420
Operating expenses	914,608
Contingencies	<u>82,000</u>
Total special funds - Base level	<u>\$2,975,028</u>

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$2,885,526
Operating expenses	1,564,711
Contingencies	250,000
OASIS insurance	<u>19,000</u>
Total all funds - Base level	<u>\$4,719,237</u>
Less estimated income - Base level	<u>4,700,237</u>
Total general fund - Base level	\$19,000
Total general fund - Section 1	\$19,000
Total special funds - Section 1	\$7,675,265
Total all funds - Section 1	\$7,694,265

SECTION 2. FUNDING ADJUSTMENTS OR ENHANCEMENTS INFORMATION. The amounts identified in this section represent the funding adjustments or enhancements to the base funding level for the retirement and investment agencies which are included in the appropriation in section 3 of this Act as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$358,885
Operating expenses	<u>16,391</u>
Total special funds - Adjustments/enhancements	<u>\$375,276</u>

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$864,319
Operating expenses	9,679,308

OASIS insurance	<u>(19,000)</u>
Total all funds - Adjustments/enhancements	\$10,524,627
Less estimated income - Adjustments/enhancements	<u>10,543,627</u>
Total general fund - Adjustments/enhancements	(\$19,000)
Total general fund - Section 2	(\$19,000)
Total special funds - Section 2	\$10,918,903
Total all funds - Section 2	\$10,899,903

SECTION 3. 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, 2007, and ending June 30, 2009, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$2,337,305
Operating expenses	930,999
Contingencies	<u>82,000</u>
Total special funds appropriation	\$3,350,304

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$3,749,845
Operating expenses	11,244,019
Contingencies	<u>250,000</u>
Total special funds appropriation	\$15,243,864
Grand total special funds appropriation - S.B. 2022	\$18,594,168

SECTION 4. 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 3 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.

SECTION 5. ADDITIONAL SPENDING AUTHORITY - EMERGENCY COMMISSION APPROVAL. The public employees retirement system may seek emergency commission approval for additional spending authority required to complete implementation of the legacy application system replacement project during the 2007-09 biennium.

Approved May 1, 2007
 Filed May 2, 2007

CHAPTER 49

SENATE BILL NO. 2023

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

DEFICIENCY APPROPRIATION

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the general fund authority enacted by the fifty-ninth legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 2007, and ending June 30, 2007, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Operating expenses	\$275,000
Total general fund appropriation	<u>\$275,000</u>

Subdivision 2.

OFFICE OF THE ATTORNEY GENERAL

Litigation fees	\$21,140
State school finance lawsuit	103,030
Operating expenses	<u>43,000</u>
Total general fund appropriation	<u>\$167,170</u>

Subdivision 3.

OFFICE OF THE ADJUTANT GENERAL

Operating expenses	\$4,100,000
Total general fund appropriation	<u>\$4,100,000</u>

Subdivision 4.

DEPARTMENT OF AGRICULTURE

Salaries and wages	\$42,538
Operating expenses	<u>15,592</u>
Total general fund appropriation	<u>\$58,130</u>

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

1997 flood expenditures	\$2,069,727
Total general fund appropriation	<u>\$2,069,727</u>

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

2000 flood expenditures	\$289,092
Total general fund appropriation	<u>\$289,092</u>

Subdivision 7.

NORTH DAKOTA FOREST SERVICE

Operating expenses	<u>\$55,500</u>
Total general fund appropriation	<u>\$55,500</u>

Subdivision 8.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Field services	\$612,067
Prisons division	<u>3,457,765</u>
Total general fund appropriation	<u>\$4,069,832</u>
Grand total general fund appropriation - S.B. 2023	\$11,084,451

SECTION 2. EXEMPTION. The appropriation contained in subdivision 3 of section 1 of this Act is not subject to the provisions of section 54-44.1-11 and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2007, and ending June 30, 2009, for the purpose of providing state matching funds for public assistance and disaster hazard mitigation.

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

Approved April 30, 2007
 Filed May 1, 2007

CHAPTER 50

SENATE BILL NO. 2024

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

MEDICAID MANAGEMENT INFORMATION SYSTEM

AN ACT to provide an appropriation for defraying the expenses of the department of human services for a medicaid management information system; to provide an exemption; to provide for budget section reports and budget section approval; and to declare an emergency.

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 \$3,643,133, or so much of the sum as may be necessary, and from special funds derived from federal funds, the sum of \$27,429,508, or so much of the sum as may be necessary, to the department of human services for the design, development, and implementation of a medicaid management information system that meets the requirements of title 42, Code of Federal Regulations, part 433, subpart C, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. EXEMPTION. The amount appropriated for the design, development, and implementation of a medicaid management information system, as contained in section 3 of chapter 12 of the 2005 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from the amount appropriated by the 2005 legislative assembly for this purpose are available for the continued design, development, and implementation of a medicaid management information system.

SECTION 3. BUDGET SECTION REPORTS. The department of human services shall report at each budget section meeting during the 2007-08 interim on the status of the medicaid management information system computer project.

SECTION 4. CONTINGENCY FUNDS - BUDGET SECTION APPROVAL. Of the total amount appropriated in section 1 of this Act, \$5,680,000 is for project contingencies. The department of human services shall obtain budget section approval prior to obligation or expenditure of funds related to a project change or other occurrence that requires the use of \$500,000 or more of the contingency funds for the period beginning with the effective date of this Act and ending June 30, 2009.

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

Approved February 14, 2007

Filed February 14, 2007

CHAPTER 51

SENATE BILL NO. 2161

(Senators Robinson, Bakke, Lyson)
(Representatives Carlisle, DeKrey, Kroeber)

SEXUAL OFFENDER REGISTRATION KIOSKS

AN ACT to provide an appropriation to the attorney general for computerized sexual offender registration kiosks; and to provide for a legislative council study of the feasibility and desirability of implementing a system of computerized registration sites for criminal offenders.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated from special funds derived from federal funds or other sources, not otherwise appropriated, the sum of \$1,046,080, or so much of the sum as may be necessary, to the attorney general for ten computerized sexual offender registration sites, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. LEGISLATIVE COUNCIL STUDY - COMPUTERIZED REGISTRATION SITES FOR CRIMINAL OFFENDERS. If notified by the attorney general that federal or other funds have not been awarded as of September 1, 2007, the legislative council shall consider studying, during the 2007-08 interim, in consultation with the department of corrections and rehabilitation, attorney general's office, and other law enforcement agencies, the feasibility and desirability of implementing a system of computerized registration sites for certain criminal offenders.

Approved April 26, 2007

Filed April 27, 2007

CHAPTER 52**SENATE BILL NO. 2179**

(Senators Wanzek, Flakoll, Robinson)
(Representatives Boe, Headland, D. Johnson)

BLACKBIRD MITIGATION APPROPRIATION

AN ACT to provide an appropriation for the mitigation of crop damage by blackbirds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the environment and rangeland protection fund in the state treasury, not otherwise appropriated, the sum of \$79,500, or so much of the sum as may be necessary, and appropriated out of any moneys in the oilseed fund in the state treasury, not otherwise appropriated, the sum of \$79,500, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of contracting with the United States department of agriculture, animal and plant health inspection service, or other appropriate federal agency, to mitigate crop damage by blackbirds, for the biennium beginning July 1, 2007, and ending June 30, 2009.

Approved April 26, 2007
Filed April 27, 2007

CHAPTER 53**SENATE BILL NO. 2187**

(Senators Wardner, Kilzer, Mathern)
(Representatives Charging, Dahl, Williams)

**EMERGENCY SHELTER AND HOMELESS
ASSISTANCE FUNDING**

AN ACT to provide an appropriation for providing funding to emergency shelter programs and for providing funding for planning and administrative costs associated with the housing and urban development's continuum of care homeless assistance program.

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 \$200,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of funding emergency shelter programs, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing funding for planning and administrative costs associated with the continuum of care homeless assistance program of the United States department of housing and urban development, for the biennium beginning July 1, 2007, and ending June 30, 2009.

Approved May 2, 2007

Filed May 3, 2007

CHAPTER 54

SENATE BILL NO. 2189

(Senators Nething, Dever, Robinson)
(Representatives Delmore, Porter, Weiler)

STATE EMPLOYEE COMPENSATION ADJUSTMENTS

AN ACT to provide an appropriation for state employee salary equity adjustments; to provide a statement of legislative intent regarding state employee compensation adjustments; and to provide a statement of legislative intent regarding state employee health insurance premiums.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATEWIDE SALARY EQUITY POOL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, and from special funds, derived from federal funds or other income, the sum of \$5,000,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing statewide salary equity adjustments for classified state employees in accordance with provisions of section 2 of this Act, for the biennium beginning July 1, 2007, and ending June 30, 2009.

SECTION 2. STATEWIDE SALARY EQUITY POOL FOR CLASSIFIED STATE EMPLOYEES. The statewide salary equity pool appropriation included in section 1 of this Act must be used for market equity compensation adjustments for classified state employees. The market equity adjustments are to begin with the month of July 2007, to be paid in August 2007. The market equity adjustments are independent of any general salary increase provided by the legislative assembly.

The market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 2007.

Probationary employees are eligible for the market equity increases. Employees whose documented performance levels do not meet standards are not eligible for the market equity increases.

Human resource management services shall provide a model base plan to each agency. Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an alternative plan that meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to human resource management services, the fiscal management division shall transfer to each eligible agency appropriated general fund or special fund spending authority from the statewide salary equity pool appropriation contained in section 1 of this Act.

SECTION 3. LEGISLATIVE INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the sixtieth legislative assembly that 2007-09 compensation adjustments for permanent state employees are to be based on documented performance and equity. General increases based on legislative appropriations are to be given beginning with the

month of July 2007, to be paid in August 2007, and beginning with the month of July 2008, to be paid in August 2008. Each agency appropriation is increased by 4.0 percent for the first year of the 2007-09 biennium and 4.0 percent for the second year of the 2007-09 biennium.

Employees whose documented performance levels do not meet standards are not eligible for any salary increase. Each employee whose documented performance meets all standards is to receive a minimum monthly increase of \$75 on July 1, 2007, and \$75 on July 1, 2008.

Probationary employees are not entitled to the general increases. However, probationary employees may be given all or a portion of the increases effective in July, paid in August, or upon completion of probation, at the discretion of the appointing authority.

During the biennium, no salary increase other than a temporary increase may be given to an employee whose salary exceeds or would exceed the salary range maximum.

SECTION 4. LEGISLATIVE INTENT - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. It is the intent of the sixtieth legislative assembly that state agency appropriations include the funding necessary to provide for health insurance premiums for eligible state employees at the monthly premium rate of \$658.08 for the biennium beginning July 1, 2007, and ending June 30, 2009.

Approved February 7, 2007
Filed February 7, 2007

CHAPTER 55

SENATE BILL NO. 2418

(Senators Stenehjem, Nething, Robinson)
(Representatives Berg, DeKrey, Metcalf)
(Approved by the Delayed Bills Committee)

VETERANS' HOME CONSTRUCTION PROJECT

AN ACT to provide a contingent appropriation to the veterans' home for the purpose of building a new facility; to provide for the issuance of evidences of indebtedness; to provide for an exception to the moratorium on expansion of long-term care bed capacity; and to provide for reports to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. CONTINGENT APPROPRIATION - VETERANS' HOME CONSTRUCTION PROJECT. There is appropriated out of any moneys in the permanent oil tax trust fund in the state treasury, not otherwise appropriated, the sum of \$6,483,226, or so much of the sum as may be necessary, and \$12,040,278 from federal funds, to demolish the existing veterans' home and to build a new structure. The appropriation from the permanent oil tax trust fund is to only be made available upon the veterans' home obtaining approval for a federal state home construction grant from the federal department of veterans' affairs. The state share of the veterans' home construction project authorized in this section is limited to thirty-five percent of the total project cost or \$6,483,226, whichever is less. The veterans' home shall ensure the appropriate engineering studies are conducted prior to construction of the new facility.

SECTION 2. APPROPRIATION - VETERANS' HOME CONSTRUCTION PROJECT - ADDITIONAL BED CAPACITY - BOND ISSUANCE AUTHORIZATION. The industrial commission, acting as the North Dakota building authority, shall arrange through the issuance of evidences of indebtedness under chapter 54-17.2 for the biennium beginning July 1, 2007, and ending June 30, 2009, for project costs associated with expanding the veterans' home construction project from the 121-bed capacity facility, as provided for in section 1 of this Act, to a 150-bed facility declared to be in the public interest. The industrial commission shall issue evidences of indebtedness under this section with the condition that repayments need not begin until July 1, 2009. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2009, 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 in the amount of \$2,575,152 are appropriated to the veterans' home for this project. Non-general fund sources must be used for the retirement of the evidences of indebtedness for the costs associated with this project.

SECTION 3. EXCEPTION TO THE MORATORIUM ON EXPANSION OF LONG-TERM CARE BED CAPACITY. Notwithstanding North Dakota Century Code section 23-16-01.1, after completion of the veterans' home construction project, the veterans' home may add to the state's licensed nursing facility capacity by converting fourteen licensed basic care beds to licensed nursing facility beds.

SECTION 4. REPORTS TO THE BUDGET SECTION - VETERANS' HOME CONSTRUCTION PROJECT. The veterans' home shall provide periodic reports to the budget section regarding the status of the veterans' home construction project during the 2007-08 interim.

Approved April 12, 2007
Filed April 12, 2007