

Sixty-third
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1015

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions
2 under the supervision of the director of the office of management and budget; to create and
3 enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to
4 political subdivisions submitting budget information to the state budget database website; to
5 amend and reenact section 14-03.2-05 as created by section 1 of House Bill No. 1128, as
6 approved by the sixty-third legislative assembly, section 15.1-27-25, subsection 1 of section
7 23-35-07, subsection 4 of section 23-35-08, subsection 2 of section 41-09-87, sections
8 48-10-02 and 54-44.1-04, and subsection 1 of section 57-02-08.1 as amended by Senate Bill
9 No. 2171, and subdivision e of subsection 1 of section 62.1-04-03 as amended by House Bill
10 No. 1327, as approved by the sixty-third legislative assembly, of the North Dakota Century Code
11 and section 12 of House Bill No. 1012, section 1 of House Bill No. 1019, section 5 of House Bill
12 No. 1020, sections 5, 6, and 7 of House Bill No. 1358, and section 15 of Senate Bill No. 2018,
13 as approved by the sixty-third legislative assembly, relating to marital agreement requirements,
14 distributions of royalties, health district budgets, the capitol building fund, Uniform Commercial
15 Code filings, agency budget requests, homestead tax credit, concealed weapons permits,
16 grants to a jurisdiction adjacent to an Indian reservation, appropriations for defraying the
17 expenses of the parks and recreation department, loans to the western area water supply
18 authority, transportation funding distributions, and research North Dakota grants; to provide an-
19 ~~exemption~~exemptions; to provide an exception to general fund transfers to the budget
20 stabilization fund; to provide for the use of funds by the department of human services; to
21 provide for various transfers; to provide legislative intent; to provide for a budget section report;
22 to provide for legislative management studies; ~~and~~ to provide an effective date; to provide a
23 contingent effective date; and to declare an emergency.

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

1 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
 2 as may be necessary, are appropriated out of any moneys in the general fund in the state
 3 treasury, not otherwise appropriated, and from special funds derived from federal funds and
 4 other income, to the office of management and budget for the purpose of defraying the
 5 expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015,
 6 as follows:

	Base Level	Adjustments or Enhancements	Appropriation
9 Salaries and wages	\$18,477,763	\$1,241,539	\$19,719,302
10 Operating expenses	13,755,254	471,534	14,226,788
11 Emergency commission	700,000	300,000	1,000,000
12 —contingency fund			
13 Capital assets	5,190,143	605,922	5,796,065
14 Grants	430,000	0	430,000
15 Prairie public broadcasting	1,000,000	537,138	1,537,138
16 State student internship program	200,000	0	200,000
17 Accrued leave payments	0	570,412	570,412
18 Total all funds	\$39,753,160	\$3,726,545	\$43,479,705
19 Less estimated income	10,514,461	(1,844,863)	8,669,598
20 Total general fund	\$29,238,699	\$5,571,408	\$34,810,107
21 <u>Salaries and wages</u>	<u>\$18,477,763</u>	<u>\$1,475,552</u>	<u>\$19,953,315</u>
22 <u>Operating expenses</u>	<u>13,755,254</u>	<u>641,534</u>	<u>14,396,788</u>
23 <u>Emergency commission</u>	<u>700,000</u>	<u>0</u>	<u>700,000</u>
24 <u>—contingency fund</u>			
25 <u>Capital assets</u>	<u>5,190,143</u>	<u>4,760,922</u>	<u>9,951,065</u>
26 <u>Grants</u>	<u>430,000</u>	<u>0</u>	<u>430,000</u>
27 <u>Prairie public broadcasting</u>	<u>1,000,000</u>	<u>937,138</u>	<u>1,937,138</u>
28 <u>State student internship program</u>	<u>200,000</u>	<u>0</u>	<u>200,000</u>
29 <u>Health insurance pool - temporary</u>	<u>0</u>	<u>2,000,000</u>	<u>2,000,000</u>
30 <u>—employees</u>			
31 <u>Accrued leave payments</u>	<u>0</u>	<u>570,412</u>	<u>570,412</u>

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1	<u>Total all funds</u>	<u>\$39,753,160</u>	<u>\$10,385,558</u>	<u>\$50,138,718</u>
2	<u>Less estimated income</u>	<u>10,514,461</u>	<u>(783,831)</u>	<u>9,730,630</u>
3	<u>Total general fund</u>	<u>\$29,238,699</u>	<u>\$11,169,389</u>	<u>\$40,408,088</u>
4	Full-time equivalent positions	131.50	(1.00)	130.50

5 **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

6 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time
7 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and
8 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

9	<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
10	Capitol envelope	\$2,800,000	\$0
11	Capitol complex parking lot repairs	800,000	0
12	<u>Capitol complex parking lot repairs</u>	<u>800,000</u>	<u>4,000,000</u>
13	North Dakota 125 th anniversary coordinator	50,000	190,000
14	Board of integrative health	4,000	0
15	State transfers	474,700,000	0
16	Capitol south entrance	0	1,000,000
17	Exterior restoration of legislative and j-wing	0	1,500,000
18	Prairie public broadcasting	0	200,000
19	Repair and cleaning capitol and j-wing	0	1,200,000
20	Total general fund	\$478,354,000	\$4,090,000
21	<u>Prairie public broadcasting</u>	<u>0</u>	<u>600,000</u>
22	<u>Health insurance pool</u>	<u>0</u>	<u>2,000,000</u>
23	<u>Repair and cleaning capitol and j-wing</u>	<u>0</u>	<u>1,200,000</u>
24	<u>Total all funds</u>	<u>\$478,354,000</u>	<u>\$10,490,000</u>
25	<u>Less estimated income</u>	<u>0</u>	<u>1,000,000</u>
26	<u>Total general fund</u>	<u>\$478,354,000</u>	<u>\$9,490,000</u>

27 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the
28 2015-17 biennium. The office of management and budget shall report to the appropriations
29 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the
30 biennium beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 3. APPROPRIATION - TRANSFER GENERAL FUND TO PROPERTY TAX**

2 **RELIEF SUSTAINABILITY FUND.** There is appropriated out of any moneys in the general fund
3 | in the state treasury, not otherwise appropriated, the sum of ~~\$373,210,000~~\$315,210,000, or so
4 | much of the sum as may be necessary, which the office of management and budget shall
5 | transfer to the property tax relief sustainability fund during the biennium beginning July 1, 2013,
6 | and ending June 30, 2015.

7 **SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**

8 **GENERAL FUND.** During the biennium beginning July 1, 2013, and ending June 30, 2015, the
9 | director of the office of management and budget shall transfer the sum of \$520,000,000 from
10 | the strategic investment and improvements fund to the general fund.

11 **SECTION 5. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND -**

12 **EXCEPTION.** Notwithstanding section 54-27.2-02, the state treasurer and the office of
13 | management and budget may not include any general fund appropriations provided in Senate
14 | Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to
15 | determine general fund transfers to the budget stabilization fund at the end of the 2011-13
16 | biennium under chapter 54-27.2.

17 **SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE**

18 **AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY -**

19 **EMERGENCY COMMISSION APPROVAL.** There is appropriated out of any moneys in the
20 | general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so
21 | much of the sum as may be necessary, and from special funds derived from federal funds and
22 | other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office
23 | of management and budget for a state agency energy development impact funding pool, for the
24 | biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this
25 | section are considered a one-time funding item.

26 A state agency may submit an application to the office of management and budget for a
27 | transfer of appropriation authority from the state agency energy development impact funding
28 | pool for employee housing rental assistance and temporary salary increases for employees
29 | affected by energy development. The office of management and budget, subject to emergency
30 | commission approval, shall transfer appropriation authority from the state agency energy
31 | development impact funding pool to eligible agencies for approved applications.

- 1 1. A state agency may submit an application to the office of management and budget to
2 address rental assistance needs for employees in affected areas of the state.
3 Spending authority is limited to six months or until the need for the assistance has
4 ended, whichever occurs first. An agency may submit a renewal application for
5 continued spending authority to address any continued need to provide assistance.
6 a. As part of the application for rental assistance, the agency must identify each
7 position within the agency that requires rental assistance. The agency shall
8 provide a housing survey conducted by the agency or an approved statewide
9 housing survey for the immediate geographical location appropriate to each
10 position for which approval is being requested. The survey must include an
11 identified difference between the state rental rate average and the rental rates for
12 housing in the location where the employee will reside. The survey must describe
13 the methodology used in determining rental differential for that immediate
14 geographical location. For an existing employee or applicant already with
15 housing, the agency must attach the employee's rental agreement from the rental
16 property company. For a newly hired employee, the agency shall forward a copy
17 of the rental agreement after the applicant has been hired and secured housing.
18 The rental agreement must include the following information:
19 (1) Rental company name.
20 (2) Rental company address.
21 (3) Amount of rent.
22 (4) Effective date of lease.
23 b. The office of management and budget shall review the application for rental
24 assistance and make a recommendation to the emergency commission to
25 approve or reject the request. The emergency commission shall make the final
26 determination on the application. The applications must be reviewed on an
27 individual position or positions basis based on documented need and
28 affordability.
29 c. Rental assistance payments must be based on a housing survey conducted by
30 the agency or a statewide survey subject to review and recommendation by the
31 office of management and budget and approval by the emergency commission.

1 Employees eligible to receive rental assistance include employees currently
2 renting in designated areas of the state and new employees or existing
3 employees transferring into affected areas of the state. The rental assistance
4 payment must be a flat dollar amount based on the difference between the state
5 rental rate average and the rental rates for housing in the location where the
6 employee resides.

- 7 d. A state agency that has an employee receiving rental assistance must submit
8 documentation to the office of management and budget upon request that verifies
9 the employee's proof of payment.
- 10 e. A state agency must report any changes to the office of management and budget
11 of the housing status of employees relating to a position that has been approved.

- 12 2. A state agency may submit an application for up to six months of salary differential
13 payments for employees living in assigned or in temporarily assigned areas of the
14 state affected by energy development. The application must document the salary level
15 of each affected employee or position compared to statewide and local averages for
16 similar types of employee positions. The office of management and budget shall
17 review the application for salary differential payments and make a recommendation to
18 the emergency commission to approve or reject the request. The emergency
19 commission shall make the final determination on the application. Any salary
20 differential payment provided to an employee does not become part of the employee's
21 permanent base salary.

22 **SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**

23 **ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION.** The grants line item in section 1
24 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing
25 community service supervision grants. The office of management and budget shall distribute the
26 grant funds on or before August first during each year of the biennium beginning July 1, 2013,
27 and ending June 30, 2015, to North Dakota community corrections association regions as
28 follows:

29 Barnes County	\$9,091
30 Bismarck (urban)	20,293
31 Bismarck (rural)	10,667

1	Devils Lake	10,747
2	Dickinson	12,683
3	Fargo	24,127
4	Grand Forks	19,803
5	Jamestown	13,883
6	Minot	16,194
7	Richland County	9,931
8	Rugby	11,657
9	Sargent County	8,086
10	Wells County	8,189
11	Williston	<u>12,149</u>
12	Total	\$187,500

13 Any moneys in the community service supervision fund are appropriated to the office of
14 management and budget for distribution to community corrections association regions on or
15 before August first of each year during the biennium beginning July 1, 2013, and ending
16 June 30, 2015.

17 **SECTION 8. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**
18 **HEALTH INSURANCE POOL - TRANSFER AUTHORITY.** The office of management and
19 budget may transfer to each eligible agency appropriation authority from the health insurance
20 pool - temporary employees line item contained in section 1 of this Act. Transfers may be made
21 for the purpose of providing temporary employee health insurance adjustments for state
22 employees, including institutions of higher education, determined to be full time based on
23 guidelines developed by the office of management and budget in accordance with the shared
24 responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and
25 ending June 30, 2015.

26 **SECTION 9. EXEMPTION.** The amount appropriated for the fiscal management division, as
27 contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of
28 section 54-44.1-11. Any unexpended funds from this appropriation are available for continued
29 development and operating costs of the accounting, management, and payroll systems, during
30 the biennium beginning July 1, 2013, and ending June 30, 2015.

1 **SECTION 10. INTENT.** Within the authority included in section 1 of this Act are the following
2 grants and special items:

3 Boys and girls clubwork	\$53,000
4 State memberships and related expenses	\$611,000
5 Unemployment insurance	\$1,500,000
6 Capitol grounds planning commission	\$25,000

7 **SECTION 11. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division
8 of the office of management and budget may transfer to each eligible agency appropriated
9 general fund spending authority from the state student internship program line item contained in
10 section 1 of this Act.

11 **SECTION 12. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**

12 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line
13 items, as it relates to compensation increases authorized in section ~~8~~13 of this Act, for the
14 biennium beginning July 1, 2013, and ending June 30, 2015. However, agencies may not
15 transfer appropriation authority from the accrued leave payments line item under authority
16 granted in this section. The agencies shall notify the office of management and budget of any
17 transfer made pursuant to this section.

18 **SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS ~~-LEGISLATIVE-~~**
19 **~~INTENT- GUIDELINES - BUDGET SECTION APPROVAL.~~** It is the intent of the sixty-third
20 legislative assembly that 2013-15 biennium compensation adjustments for classified state
21 employees are to be in a range of 3 to 5 percent for the first year of the biennium and in a range
22 of 2 to 4 percent for ~~each~~the second year of the biennium based on documented performance.
23 Increases for classified state employees are not to be the same percentage increase for each
24 employee. The performance increases for the first year of the biennium are to be given
25 beginning with the month of July 2013, to be paid in August 2013, and for the second year of
26 the biennium are to be given beginning with the month of July 2014, to be paid in August 2014.
27 An additional compensation adjustment for each year of the biennium of up to 2 percent ~~for the-~~
28 ~~first year of the biennium may be provided~~ for a classified state employee whose salary is in the
29 first quartile of the employee's assigned salary range and up to 1 percent for a classified state
30 employee whose salary is in the second quartile of the employee's assigned salary range may

1 be provided to address market equity. ~~The market equity increases are to be given beginning~~
2 ~~with the month of July 2013, to be paid in August 2013.~~

3 It is the intent of the sixty-third legislative assembly that the goal of the classified state
4 employee compensation program be a compensation ratio of 95 percent of the market policy
5 point used by the office of management and budget for establishing the grade and salary range
6 structure for fiscal year 2013. The office of management and budget, subject to budget section
7 approval, may ~~not~~ adjust the market policy point based on an estimated inflationary factor
8 during the 2013-15 biennium. The office of management and budget shall develop guidelines
9 for use by state agencies for providing compensation adjustments for regular classified
10 employees in accordance with provisions of this section and section 54-44.3-01.2.

11 Compensation adjustments for regular nonclassified state employees are to be in a range of
12 3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for each the
13 second year of the biennium based on market and documented performance and are not to be
14 the same percentage increase for each employee. The market and performance increases are
15 to be given beginning with the month of July 2013 for the first year of the biennium, to be paid in
16 August 2013, and beginning with the month of July 2014 for the second year of the biennium, to
17 be paid in August 2014.

18 ~~— It is the intent of the legislative assembly that retirement contribution percentages provided~~
19 ~~by the state and the employee to the public employees retirement system not be changed~~
20 ~~during the 2013-15 biennium from the percentages in effect at the end of the 2011-13 biennium.~~

21 Probationary employees are not entitled to the market and performance increases.
22 However, probationary employees may be given all or a portion of the increases upon
23 completion of probation, at the discretion of the appointing authority. Employees whose overall
24 documented performance level does not meet standards are not eligible for any salary increase.

25 Each agency appropriation is increased to provide additional funding of \$95 per month for
26 each eligible employee to maintain existing health insurance benefits. As a percentage of the
27 average state employee monthly salary, this amount represents a 2.35 percent increase.

28 **SECTION 14. ACCRUED LEAVE PAYMENTS LINE ITEM - PILOT PROJECT - LINE ITEM**
29 **TRANSFERS - EMERGENCY COMMISSION APPROVAL.** The accrued leave payments line
30 item included in agency appropriation bills, as approved by the sixty-third legislative assembly,
31 includes funding for a pilot project for the biennium beginning July 1, 2013, and ending June 30,

1 2015, for paying accrued annual leave and sick leave for eligible employees resigning, retiring,
2 or otherwise discontinuing employment with the agency. The emergency commission may
3 approve agency requests for line item transfers from the accrued leave payments line item to
4 the salaries and wages line item or other line item that includes salaries and wages funding
5 subject to the agency providing documentation justifying the need for the funding transfer for the
6 biennium beginning July 1, 2013, and ending June 30, 2015. For the purpose of determining
7 salaries and wages amounts under section 54-27-10, the office of management and budget
8 shall consider the amounts included in the accrued leave payments line item as part of the
9 appropriation for salaries and wages.

10 **SECTION 15. TRANSFERS - RACING COMMISSION FUNDS.** Upon the request of the
11 North Dakota racing commission, the office of management and budget shall transfer up to
12 \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to
13 the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30,
14 2015. Any funds transferred under this section must be used to promote additional horse races
15 in the state during the biennium beginning July 1, 2013, and ending June 30, 2015.

16 Notwithstanding any other provision of law, the office of management and budget shall deposit
17 any funds designated for the purse fund and racing promotion fund under section 53-06.2-11 in
18 the breeders' fund until the deposits equal the transfers made to the purse fund and racing
19 promotion fund as provided under this section.

20 **SECTION 16. PROCUREMENT REQUIREMENTS - DEPARTMENT OF**
21 **TRANSPORTATION AIRPLANE REPLACEMENT.** The purchase of airplanes by the
22 department of transportation under the authorization granted in section 5 of House Bill
23 No. 1033, as approved by the sixty-third legislative assembly, is exempt from the procurement
24 provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter.

25 **SECTION 17. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES.** The department
26 of human services may use a portion of the funds appropriated for grants to critical access
27 hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative
28 assembly, for the purpose of providing a grant to an organization to assist hospitals in
29 developing a system to verify patient personal and health insurance information. The
30 requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or
31 payments made under this section. The organization that receives the grant shall provide

1 reports on the development and impact of the system to the department of human services in
2 December and June of each year of the biennium.

3 **SECTION 18. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS -**
4 **CONTINGENT GRANT.** If the department of human services has not projected a 2013-15
5 biennium appropriation deficiency on or after July 1, 2014, the department of human services
6 may award a grant from its general fund appropriation to an entity eligible under subsection 2 of
7 section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the
8 sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30,
9 2015. The amount provided under this section is in addition to, and may not exceed, the total
10 amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third
11 legislative assembly.

12 **SECTION 19. AMENDMENT.** Section 14-03.2-05 of the North Dakota Century Code as
13 created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly,
14 is amended and reenacted as follows:

15 **14-04.3-05. Formation requirements.**

16 A premarital agreement or marital agreement must be in a record and signed by both
17 parties. The agreement is enforceable without consideration. ~~A marital agreement created~~
18 ~~pursuant to this chapter must be signed within the first one hundred twenty days of the~~
19 ~~marriage.~~

20 **SECTION 20. AMENDMENT.** Section 15.1-27-25 of the North Dakota Century Code is
21 amended and reenacted as follows:

22 **15.1-27-25. Royalties available under federal law - Distribution to counties and school**
23 **districts - Continuing appropriation.**

- 24 1. Any money paid to the state by the secretary of the treasury of the United States
25 under the provisions of an Act of Congress entitled "An Act to promote the mining of
26 coal, phosphate, oil, oil shale, gas, and sodium on the public domain" [Pub. L. 66-146;
27 41 Stat. 437; 30 U.S.C. 181 et seq.] must be credited to the state general fund and the
28 federal mineral royalties distribution fund and must be distributed only pursuant to the
29 terms of this section.
- 30 2. Within three months following the calendar quarters ending in March, June,
31 September, and December, the state auditor shall certify to the state treasurer the

1 amount of money the state received during the preceding calendar quarter for royalties
2 under the Act of Congress cited in subsection 1.

3 3. The state treasurer shall allocate the percentage of the total moneys received as
4 required by this section among the counties in which the minerals were produced
5 based on the proportion each county's mineral royalty revenue bears to the total
6 mineral royalty revenue received by the state for that calendar quarter. The state
7 treasurer shall pay the amount calculated to each county.

8 4. The counties may use any money received under this section only for the planning,
9 construction, and maintenance of public facilities and the provision of public services.
10 As used in this section, public facilities include any facility used primarily for public use
11 as determined by the board of county commissioners whether located on public or
12 private property.

13 5. The percentage of money received by the state under the Act of Congress cited in
14 subsection 1 which must be allocated and paid to the counties under this section is ~~ten~~
15 ~~percent for collections in 2000, twenty percent for collections in 2001, thirty percent for~~
16 ~~collections in 2002, forty percent for collections in 2003, and fifty percent for~~
17 ~~collections in 2004 and thereafter.~~

18 6. Any remaining money received by the state under the Act of Congress cited in
19 subsection 1 must be distributed to school districts as provided for in this chapter. Any
20 moneys distributed under this subsection are deemed the first moneys withdrawn or
21 expended from the general fund for the purpose of state aid to school districts.

22 7. A reserve for distributions to counties pursuant to this section is created as a special
23 fund in the state treasury known as the federal mineral royalties distribution fund. The
24 state treasurer shall deposit in the fund fifty percent of amounts received pursuant to
25 this section.

26 8. The funds needed to make the distribution to counties, as provided for in this section,
27 are hereby appropriated on a continuing basis.

28 **SECTION 21. AMENDMENT.** Subsection 1 of section 23-35-07 of the North Dakota
29 Century Code is amended and reenacted as follows:

30 1. A district board of health shall prepare a budget for the next fiscal year at the time at
31 which and in the manner in which a county budget is adopted and shall submit this

1 budget to the joint board of county commissioners for approval. The amount budgeted
2 and approved must be prorated in health districts composed of more than one county
3 among the various counties in the health district according to the taxable valuation of
4 the respective counties in the health district. For the purpose of this section, "prorated"
5 means that each member county's contribution must be based on an equalized mill
6 levy throughout the district, except as otherwise permitted under subsection 3 of
7 section 23-35-05. Within ten days after approval by the joint board of county
8 commissioners, the district board of health shall certify the budget to the respective
9 county auditors and the budget must be included in the levies of the counties. The
10 budget, not including gifts, grants, donations, and contributions, may not exceed the
11 amount that can be raised by a levy of five mills on the taxable valuation, subject to
12 public hearing in each county in the health district at least fifteen days before an action
13 taken by the joint board of county commissioners. Action taken by the joint board of
14 county commissioners must be based on the record, including comments received at
15 the public hearing. A levy under this section is not subject to the limitation on the
16 county tax levy for general and special county purposes. The amount derived by a levy
17 under this section must be placed in the health district fund. The health district fund
18 must be deposited with and disbursed by the treasurer of the district board of health.
19 Each county in a health district quarterly shall remit and make settlements with the
20 treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried
21 over to the next fiscal year.

22 **SECTION 22. AMENDMENT.** Subsection 4 of section 23-35-08 of the North Dakota
23 Century Code is amended and reenacted as follows:

- 24 4. May accept and ~~receive~~expend any gift, grant, donation, or other contribution offered
25 to aid in the work of the board of health or public health unit.

26 **SECTION 23. AMENDMENT.** Subsection 2 of section 41-09-87 of the North Dakota Century
27 Code, as effective after June 30, 2013, is amended and reenacted as follows:

- 28 2. Filing does not occur with respect to a record that a filing office refuses to accept
29 because:
30 a. The record is not communicated by a method or medium of communication
31 authorized by the filing office;

- 1 b. An amount equal to or greater than the applicable filing fee is not tendered;
- 2 c. The filing office is unable to index the record because:
- 3 (1) In the case of an initial financing statement, the record does not provide a
- 4 name for the debtor;
- 5 (2) In the case of an amendment or information statement, the record:
- 6 (a) Does not identify the initial financing statement as required by section
- 7 41-09-83 or 41-09-89, as applicable; or
- 8 (b) Identifies an initial financing statement whose effectiveness has
- 9 lapsed under section 41-09-86;
- 10 (3) In the case of an initial financing statement that provides the name of a
- 11 debtor identified as an individual or an amendment that provides a name of
- 12 a debtor identified as an individual which was not previously provided in the
- 13 financing statement to which the record relates, the record does not identify
- 14 the debtor's surname; or
- 15 (4) In the case of a record filed or recorded in the filing office described in
- 16 subdivision a of subsection 1 of section 41-09-72, the record does not
- 17 provide a sufficient description of the real property to which it relates;
- 18 d. In the case of an initial financing statement or an amendment that adds a
- 19 secured party of record, the record does not provide a name and mailing address
- 20 for the secured party of record;
- 21 e. In the case of an initial financing statement or an amendment that provides a
- 22 name of a debtor which was not previously provided in the financing statement to
- 23 which the amendment relates, the record does not:
- 24 (1) Provide a mailing address for the debtor; or
- 25 (2) Indicate whether the name provided as the name of the debtor is the name
- 26 of an individual or an organization;
- 27 f. In the case of an assignment reflected in an initial financing statement under
- 28 subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of
- 29 section 41-09-85, the record does not provide a name and mailing address for
- 30 the assignee; ~~or~~

1 g. In the case of a continuation statement, the record is not filed within the
2 six-month period prescribed by subsection 4 of section 41-09-86; or

3 h. The record does not contain the social security number or the internal revenue
4 service taxpayer identification number of the debtor.

5 **SECTION 24. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is
6 amended and reenacted as follows:

7 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**
8 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

9 The capitol grounds planning commission shall have general powers to superintend the
10 administration of the capitol building fund, its interest and income fund, and its investments and
11 properties. It may cause any lands now held in such funds to be sold at market value, direct the
12 conversion of any securities now held by such funds to cash, approve expenditures from such
13 funds subject to law and legislative appropriations, and to do all other things necessary to carry
14 out the intent and purposes of this section. The board of university and school lands or its
15 designee, on the commission's behalf, shall see to the investment and management of the
16 capitol building fund and its interest and income fund and shall account to the commission
17 concerning these funds at the commission's request.

18 Provided further, all moneys and other property in the capitol building fund, except as
19 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the
20 construction of an addition to the legislative wing of the state capitol building, and the capitol
21 grounds planning commission shall take necessary steps to accumulate and conserve the
22 money and property in the capitol building fund for such purpose.

23 The commission may, during any biennium, expend from the interest and income fund of
24 the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the
25 first day of any biennium, and such amount is hereby appropriated to the capitol grounds
26 planning commission. The expenditure may be made, after consideration of the capitol grounds
27 master plan, for projects or planning but ~~shall~~may not exceed one hundred seventy-five
28 thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds
29 of the total membership of the commission. The expenditure must be made upon a voucher, or
30 vouchers, prepared by the office of management and budget at the direction of the commission.

1 | **SECTION 25. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 | **54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed**
4 **with the office of the budget - Deadline.**

5 | The head of each budget unit, not later than July fifteenth of each year next preceding the
6 session of the legislative assembly, shall submit to the office of the budget, estimates of
7 financial requirements of the person's budget unit for the next two fiscal years, on the forms and
8 in the manner prescribed by the office of the budget, with such explanatory data as is required
9 by the office of the budget and such additional data as the head of the budget unit wishes to
10 submit. The budget estimates for the North Dakota university system must include block grants
11 for the university system for a base funding component and for an initiative funding component
12 for specific strategies or initiatives and a budget estimate for an asset funding component for
13 renewal and replacement of physical plant assets at the institutions of higher education. The
14 estimates so submitted must bear the approval of the board or commission of each budget unit
15 for which a board or commission is constituted. The director of the budget in the director's
16 discretion may extend the filing date for any budget unit if the director finds there is some
17 circumstance that makes it advantageous to authorize the extension. If a budget unit has not
18 submitted its estimate of financial requirements by the required date or within a period of
19 extension set by the director of the budget, the director of the budget shall prepare the budget
20 unit's estimate of financial requirements except the estimate may not exceed ninety percent of
21 the budget unit's previous biennial appropriation. The director of the budget or a subordinate
22 officer as the director designates shall examine the estimates and shall afford to the heads of
23 budget units reasonable opportunity for explanation in regard thereto and, when requested,
24 shall grant to the heads of budget units a hearing thereon which must be open to the public.

25 | **(Effective after July 31, 2013) Budget estimates of budget units filed with the office of**
26 **the budget - Deadline.**

27 | The head of each budget unit, not later than July fifteenth of each year next preceding the
28 session of the legislative assembly, shall submit to the office of the budget, estimates of
29 financial requirements of the person's budget unit for the next two fiscal years, on the forms and
30 in the manner prescribed by the office of the budget, with such explanatory data as is required
31 by the office of the budget and such additional data as the head of the budget unit wishes to

1 submit. The estimates so submitted must bear the approval of the board or commission of each
2 budget unit for which a board or commission is constituted. The director of the budget may
3 extend the filing date by up to sixty days for any budget unit if the director finds there is some
4 circumstance that makes it advantageous to authorize the extension. If a budget unit has not
5 submitted its estimate of financial requirements by the required date or within a period of
6 extension of up to sixty days set by the director of the budget, the director of the budget shall
7 prepare the budget unit's estimate of financial requirements except the estimate may not
8 exceed ninety percent of the budget unit's previous biennial appropriation. The director of the
9 budget or a subordinate officer as the director shall designate shall examine the estimates and
10 shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto
11 and, when requested, shall grant to the heads of budget units a hearing thereon which must be
12 open to the public.

13 **SECTION 26.** A new subsection to section 54-44.1-18 of the North Dakota Century Code is
14 created and enacted as follows:

15 The governing body of each political subdivision may submit the annual budget
16 adopted by the governing body to the director of the budget ~~for inclusion in the state~~
17 ~~budget database website.~~ The director of the budget shall include ~~in~~ on the budget
18 ~~database~~ office of management and budget website any information submitted by any
19 participating governing body of a political subdivision. The official who submits the
20 annual budget to the director of the budget may not submit any information that is
21 confidential under state or federal law. In lieu of submitting the annual budget adopted
22 by the governing body to the director, any participating governing body may provide to
23 the director a publicly accessible internet link on which the annual budget adopted by
24 the participating governing body is available.

25 **SECTION 27. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota
26 Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative
27 assembly, is amended and reenacted as follows:

- 28 1. a. Any person sixty-five years of age or older or permanently and totally disabled, in
29 the year in which the tax was levied, with an income that does not exceed the
30 limitations of subdivision c is entitled to receive a reduction in the assessment on

1 the taxable valuation on the person's homestead. An exemption under this
2 subsection applies regardless of whether the person is the head of a family.

3 b. The exemption under this subsection continues to apply if the person does not
4 reside in the homestead and the person's absence is due to confinement in a
5 nursing home, hospital, or other care facility, for as long as the portion of the
6 homestead previously occupied by the person is not rented to another person.

7 c. The exemption must be determined according to the following schedule:

8 (1) If the person's income is not in excess of twenty-two thousand dollars, a
9 reduction of one hundred percent of the taxable valuation of the person's
10 homestead up to a maximum reduction of four thousand five hundred
11 dollars of taxable valuation.

12 (2) If the person's income is in excess of twenty-two thousand dollars and not in
13 excess of twenty-six thousand dollars, a reduction of eighty percent of the
14 taxable valuation of the person's homestead up to a maximum reduction of
15 three thousand six hundred dollars of taxable valuation.

16 (3) If the person's income is in excess of twenty-six thousand dollars and not in
17 excess of thirty thousand dollars, a reduction of sixty percent of the taxable
18 valuation of the person's homestead up to a maximum reduction of two
19 thousand seven hundred dollars of taxable valuation.

20 (4) If the person's income is in excess of thirty thousand dollars and not in
21 excess of thirty-four thousand dollars, a reduction of forty percent of the
22 taxable valuation of the person's homestead up to a maximum reduction of
23 one thousand eight hundred dollars of taxable valuation.

24 (5) If the person's income is in excess of thirty-four thousand dollars and not in
25 excess of thirty-eight thousand dollars, a reduction of twenty percent of the
26 taxable valuation of the person's homestead up to a maximum reduction of
27 nine hundred dollars of taxable valuation.

28 (6) If the person's income is in excess of thirty-eight thousand dollars and not in
29 excess of forty-two thousand dollars, a reduction of ten percent of the
30 taxable valuation of the person's homestead up to a maximum reduction of
31 four hundred fifty dollars of taxable valuation.

- 1 d. Persons residing together, as spouses or when one or more is a dependent of
2 another, are entitled to only one exemption between or among them under this
3 subsection. Persons residing together, who are not spouses or dependents, who
4 are coowners of the property are each entitled to a percentage of a full exemption
5 under this subsection equal to their ownership interests in the property.
- 6 e. This subsection does not reduce the liability of any person for special
7 assessments levied upon any property.
- 8 f. Any person claiming the exemption under this subsection shall sign a verified
9 statement of facts establishing the person's eligibility.
- 10 g. A person is ineligible for the exemption under this subsection if the value of the
11 assets of the person and any dependent residing with the person exceeds five
12 hundred thousand dollars, including the value of any assets divested within the
13 last three years.
- 14 h. The assessor shall attach the statement filed under subdivision f to the
15 assessment sheet and shall show the reduction on the assessment sheet.
- 16 i. An exemption under this subsection terminates at the end of the taxable year of
17 the death of the applicant.

18 **SECTION 28. AMENDMENT.** Subdivision e of subsection 1 of section 62.1-04-03 of the
19 North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third
20 legislative assembly, is amended and reenacted as follows:

- 21 e. The applicant satisfactorily completes the bureau of criminal investigation
22 application form and has successfully passed the criminal history records check
23 conducted by the bureau of criminal investigation and the federal bureau of
24 investigation. The applicant shall provide all documentation relating to any
25 court-ordered treatment or commitment for mental health or alcohol or substance
26 abuse. The applicant shall provide the director of the bureau of criminal
27 investigation written authorizations for disclosure of the applicant's mental health
28 and alcohol or substance abuse evaluation and treatment records. The bureau
29 may deny approval for a ~~class 1 firearm~~ license if the bureau has reasonable
30 cause to believe that the applicant or licenseholder has been or is a danger to
31 self or others as demonstrated by evidence, including past pattern of behavior

1 involving unlawful violence or threats of unlawful violence; past participation in
2 incidents involving unlawful violence or threats of unlawful violence; or conviction
3 of a weapons offense. In determining whether the applicant or licenseholder has
4 been or is a danger to self or others, the bureau may inspect expunged records
5 of arrests and convictions of adults and juvenile court records; and

6 **SECTION 29. AMENDMENT.** Section 12 of House Bill No. 1012, as approved by the
7 sixty-third legislative assembly, is amended and reenacted as follows:

8 **SECTION 12. GRANTS.** The grants line item in subdivision 2 of section 1 of
9 this Act includes \$300,000, or so much of the sum as may be necessary, from the
10 general fund for grants to a jurisdiction that is adjacent to an Indian reservation but
11 does not receive reimbursement payments under section 50-01.2-03.2 and is
12 determined by the department of human services to be the most significantly impacted
13 based on calendar year 2012 data for the first year of the biennium and calendar year
14 2013 data for the second year of the biennium considering the provisions of
15 subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and
16 ending June 30, 2015. ~~No more than fifty percent of this appropriation may be~~
17 ~~distributed in each fiscal year of the biennium.~~

18 **SECTION 30. AMENDMENT.** Section 1 of House Bill No. 1019, as approved by the
19 sixty-third legislative assembly, is amended and reenacted as follows:

20 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much
21 of the funds as may be necessary, are appropriated out of any moneys in the general
22 fund in the state treasury, not otherwise appropriated, and from special funds derived
23 from federal funds and other income, to the parks and recreation department for the
24 purpose of defraying the expenses of the parks and recreation department and for
25 providing a grant to the International Peace Garden, for the biennium beginning July 1,
26 2013, and ending June 30, 2015, as follows:

27 Subdivision 1.

28 PARKS AND RECREATION DEPARTMENT

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
29			
30			
31	Administration	\$2,484,885	\$188,708
			\$2,673,593

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1	Accrued leave payments	0	181,577	181,577
2	Natural resources	12,768,203	8,325,122	21,093,325
3	Recreation	7,489,091	(1,403,216)	6,085,875
4	Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
5	Less estimated income	11,641,632	359,199	12,000,731
6	Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
7	Full-time equivalent positions	54.00	1.00	55.00
8	Administration	\$2,484,885	\$188,708	\$2,673,593
9	Accrued leave payments	0	181,577	181,577
10	Natural resources	12,768,203	7,875,122	20,643,325
11	Recreation	7,489,091	(1,403,216)	6,085,875
12	Total all funds	\$22,742,179	\$6,842,191	\$29,584,370
13	Less estimated income	11,641,532	134,199	11,775,731
14	Total general fund	\$11,100,647	\$6,707,992	\$17,808,639
15	Full-time equivalent positions	54.00	1.00	55.00
16	Subdivision 2.			
17	INTERNATIONAL PEACE GARDEN			
18			Adjustments or	
19		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
20	International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
21	Total general fund	\$773,699	\$1,450,000	\$2,223,699
22	Subdivision 3.			
23	BILL TOTAL			
24			Adjustments or	
25		<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
26	Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
27	Grand total special funds	11,641,632	359,199	12,000,731
28	Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069
29	Grand total general fund	\$11,874,346	\$8,157,992	\$20,032,338

1	<u>Grand total special funds</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
2	<u>Grand total all funds</u>	<u>\$23,515,878</u>	<u>\$8,292,191</u>	<u>\$31,808,069</u>

3 **SECTION 31. AMENDMENT.** Section 5 of House Bill No. 1020, as approved by the
4 sixty-third legislative assembly, is amended and reenacted as follows:

5 **SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER**
6 **SUPPLY AUTHORITY.** The Bank of North Dakota shall provide a loan of \$40,000,000
7 to the western area water supply authority for construction of the project. The ~~terms-~~
8 ~~and conditions of the~~ loan must be ~~negotiated by the western area water supply-~~
9 ~~authority and the Bank of North Dakota and any previous loans may be~~ added to and
10 merged into ~~this loan~~ previous loans as agreed by the ~~authority~~ industrial commission
11 and the Bank of North Dakota. ~~The authority may repay the loan from income from-~~
12 ~~specific project features. If the authority is in default in the payment of the principal of-~~
13 ~~or interest on the obligation to the Bank of North Dakota for the loan, the authority is-~~
14 ~~subject to the default provisions under section 61-40-09.~~

15 **SECTION 32. AMENDMENT.** Section 5 of House Bill No. 1358, as approved by the
16 sixty-third legislative assembly, is amended and enacted as follows:

17 **SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

18 There is appropriated out of any moneys in the general fund in the state treasury, not
19 otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be
20 necessary, to the department of transportation for the purpose of allocation as
21 provided in this section among oil-producing counties that received \$5,000,000 or
22 more of allocations under subsection 2 of section 57-51-15 in the state fiscal year
23 ending June 30, ~~2012~~ 2013, for the biennium beginning July 1, 2013, and ending
24 June 30, 2015.

- 25 1. The sum appropriated in this section must be used to rehabilitate or reconstruct county
26 paved and unpaved roads and bridges needed to support oil and gas production and
27 distribution in North Dakota.
- 28 a. Funding allocations to counties are to be made by the department of
29 transportation based on data supplied by the upper great plains transportation
30 institute.

- 1 b. Counties identified in the data supplied by the upper great plains transportation
2 institute which received \$5,000,000 or more of allocations under subsection 2 of
3 section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible
4 for this funding.
- 5 2. Each county requesting funding under this section for county road and bridge projects
6 shall submit the request in accordance with criteria developed by the department of
7 transportation.
 - 8 a. The request must include a proposed plan for funding projects that rehabilitate or
9 reconstruct paved and unpaved roads and bridges within the county.
 - 10 b. The plan must be based on data supplied by the upper great plains transportation
11 institute, actual road and bridge conditions, and integration with state highway
12 and other county projects.
 - 13 c. Projects funded under this section must comply with the American association of
14 state highway transportation officials (AASHTO) pavement design procedures
15 and the department of transportation local government requirements. Upon
16 completion of major reconstruction projects, the roadway segment must be
17 posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - 18 d. Funds may not be used for routine maintenance.
- 19 3. The department of transportation, in consultation with the county, may approve the
20 plan or approve the plan with amendments.
- 21 4. The funding appropriated in this section may be used for:
 - 22 a. Ninety percent of the cost of the approved projects not to exceed the funding
23 available for that county.
 - 24 b. Funding may be used for construction, engineering, and plan development costs.
- 25 5. Upon approval of the plan, the department of transportation shall transfer to the county
26 the approved funding for engineering and plan development costs.
- 27 6. Upon execution of a construction contract by the county, the department of
28 transportation shall transfer to the county the approved funding to be distributed for
29 county and township rehabilitation and reconstruction projects.

- 1 7. The recipient counties shall report to the department of transportation upon awarding
- 2 of each contract and upon completion of each project in a manner prescribed by the
- 3 department.
- 4 8. The funding under this section may be applied to engineering, design, and
- 5 construction costs incurred on related projects as of January 1, 2013.
- 6 9. For purposes of this section, a "bridge" is a structure that has an opening of more than
- 7 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also
- 8 be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long
- 9 as the pipes are spaced less than half the distance apart of the smallest diameter
- 10 pipe.
- 11 10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
- 12 by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
- 13 ending June 30, 2017, and may be expended only for purposes authorized by this
- 14 section.

15 **SECTION 33. AMENDMENT.** Section 6 of House Bill No. 1358, as approved by the
16 sixty-third legislative assembly, is amended and enacted as follows:

17 **SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

18 There is appropriated out of any moneys in the general fund in the state treasury, not
19 otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be
20 necessary, to the department of transportation for the purpose of allocation among
21 counties that did not receive \$5,000,000 or more of allocations under subsection 2 of
22 section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium
23 beginning July 1, 2013, and ending June 30, 2015. The amounts available for
24 allocation under this section must be distributed on or after February 1, 2014.

- 25 1. The sum appropriated in this section must be used to rehabilitate or reconstruct county
- 26 paved and unpaved roads and bridges needed to support economic activity in North
- 27 Dakota.
- 28 a. To be eligible to receive an allocation under this section, a county may not have
- 29 received \$5,000,000 or more of allocations under subsection 2 of section
- 30 57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.

- 1 b. Allocations among eligible counties under this section must be based on the
2 miles of roads defined by the department of transportation as county major
3 collector roadways in each county.
- 4 c. The department of transportation may use data supplied by the upper great
5 plains transportation institute in determining the projects to receive funding under
6 this section.
- 7 2. Each county requesting funding under this section shall submit the request in
8 accordance with criteria developed by the department of transportation.
 - 9 a. The request must include a proposed plan for funding projects that rehabilitate or
10 reconstruct paved and unpaved roads and bridges within the county.
 - 11 b. The plan must be based on actual road and bridge conditions and the integration
12 of projects with state highway and other county projects.
 - 13 c. Projects funded under this section must comply with the American association of
14 state highway transportation officials (AASHTO) pavement design procedures
15 and the department of transportation local government requirements. Upon
16 completion of major reconstruction projects, the roadway segment must be
17 posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - 18 d. Funds may not be used for routine maintenance.
- 19 3. The department of transportation, in consultation with the county, may approve the
20 plan or approve the plan with amendments.
- 21 4. The funding appropriated in this section may be used for:
 - 22 a. Ninety percent of the cost of the approved projects not to exceed the funding
23 available for that county.
 - 24 b. Funding may be used for construction, engineering, and plan development costs.
- 25 5. Upon approval of the plan, the department of transportation shall transfer to the county
26 the approved funding for engineering and plan development costs.
- 27 6. Upon execution of a construction contract by the county, the department of
28 transportation shall transfer to the county the approved funding to be distributed for
29 county and township rehabilitation and reconstruction projects.

- 1 7. The recipient counties shall report to the department of transportation upon awarding
- 2 of each contract and upon completion of each project in a manner prescribed by the
- 3 department.
- 4 8. The funding under this section may be applied to engineering, design, and
- 5 construction costs incurred on related projects as of January 1, 2013.
- 6 9. For purposes of this section, a "bridge" is a structure that has an opening of more than
- 7 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also
- 8 be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long
- 9 as the pipes are spaced less than half the distance apart of the smallest diameter
- 10 pipe.
- 11 10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
- 12 by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
- 13 ending June 30, 2017, and may be expended only for purposes authorized by this
- 14 section.

15 **SECTION 34. AMENDMENT.** Section 7 of House Bill No. 1358, as approved by the
16 sixty-third legislative assembly, is amended and enacted as follows:

17 **SECTION 7. APPROPRIATION - STATE TREASURER.** There is appropriated
18 out of any moneys in the general fund in the state treasury, not otherwise
19 appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to
20 the state treasurer for allocation to counties for allocation to or for the benefit of
21 townships in oil-producing counties, for the biennium beginning July 1, 2013, and
22 ending June 30, 2015. The funding provided in this section must be distributed in
23 equal amounts in July 2013 and May 2014. The state treasurer shall distribute the
24 funds provided under this section as soon as possible to counties and the county
25 treasurer shall allocate the funds to or for the benefit of townships in oil-producing
26 counties through a distribution of \$15,000 each year to each organized township and a
27 distribution of \$15,000 each year for each unorganized township to the county in which
28 the unorganized township is located. For unorganized townships within the county, the
29 board of county commissioners may expend an appropriate portion of revenues under
30 this subdivision for township roads or other infrastructure needs in those townships. A
31 township is not eligible for an allocation of funds under this section if the township

1 does not maintain any township roads. For the purposes of this section, an
2 "oil-producing county" means a county that received an allocation of funding under
3 section 57-51-15 of more than \$500,000 but less than \$5,000,000 in the state fiscal
4 year ending June 30, ~~2012~~2013.

5 **SECTION 35. AMENDMENT.** Section 15 of Senate Bill No. 2018, as approved by the sixty-
6 third legislative assembly, is amended and reenacted as follows:

7 **Research North Dakota grants.**

8 The department shall establish and administer a research North Dakota grant
9 program to provide grants to a research university for research, development, and
10 commercialization activities related to a private sector partner. The centers of
11 excellence commission, established under chapter 15-69, shall make grant award
12 determinations under this section. The department shall work with the centers of
13 excellence commission in establishing guidelines to qualify for a grant under this
14 section, including the requirement that an application must be accompanied by a
15 partnership agreement between the private sector partner and a research university.
16 The agreement must include details regarding the scope of the work, the budget, the
17 location of the work to be completed, the intellectual property ownership rights, and
18 the intellectual property income distribution. The commission may approve changes to
19 the scope of the work or the budget only to the extent that the changes are agreed
20 upon by the private sector partner and the research university. Before the commission
21 directs the department to distribute funds awarded under this section, the research
22 university shall provide the commission with detailed documentation of private sector
23 participation and the availability of one dollar of matching funds for each dollar of state
24 funds to be distributed. Matching funds must be in the form of cash ~~given to the~~
25 ~~research university~~ and may not include in-kind assets.

26 **SECTION 36. LEGISLATIVE INTENT - CAPITOL GROUNDS PARKING LOT PROJECT.** It
27 is the intent of the sixty-third legislative assembly that the office of management and budget, in
28 improving the parking lots on the capitol grounds during the biennium beginning July 1, 2013,
29 and ending June 30, 2015, not reduce the number of parking spaces or the size of the
30 legislative parking lot west of the capitol building.

1 **SECTION 37. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY**

2 **NEEDS.** During the 2013-14 interim, the legislative management shall ~~study~~consider studying
3 the facility needs of state agencies located in the Bismarck area, including an evaluation of
4 current and projected facility needs of state agencies, facilities on the capitol grounds currently
5 being used by state agencies, and facilities owned or leased by state agencies that are not
6 located on the capitol grounds. ~~As part of the study, the legislative management shall~~The study,
7 if conducted, must determine if additional facilities are needed for the operations of state
8 agencies. If it is determined that additional space is needed, the legislative management shall
9 review the most economical options for increasing the amount of facilities space available,
10 including options for renovating or expanding existing buildings on the capitol grounds, options
11 for constructing new buildings on the capitol grounds, and options for building or leasing
12 facilities that are not located on the capitol grounds. The legislative management shall report its
13 findings and recommendations, together with any legislation required to implement the
14 recommendations, to the sixty-fourth legislative assembly.

15 **SECTION 38. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES**

16 **APPROPRIATIONS - CLASSIFICATION SYSTEM.** The legislative management shall consider
17 studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages
18 and the state's classification system. The study, if conducted, must consider the feasibility and
19 desirability of appropriating a lump sum amount to each agency for salaries and wages, without
20 identifying specific purposes for the funding and allowing the agency head the flexibility to use
21 the funding as necessary to accomplish the duties and responsibilities of the agency. The study
22 must also include the effect of this change on the state's classification and benefits system and
23 on the process of reporting by the agency on its use of the funds to the legislative assembly.
24 The legislative management shall report its findings and recommendations, together with any
25 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

26 **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH**

27 **INSURANCE PREMIUMS.** The legislative management shall consider studying, during the
28 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to
29 the cost of state employee health insurance premiums. The legislative management shall report
30 its findings and recommendations, together with any legislation required to implement the
31 recommendations, to the sixty-fourth legislative assembly.

1 | **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID**

2 | **STABILIZATION FUND.** The legislative management shall consider studying during the
3 | 2013-14 interim the foundation aid stabilization fund, including anticipated growth in the fund,
4 | appropriate funding levels, options for the disposition of excess funding if appropriate funding
5 | levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the
6 | fund, and the feasibility and desirability of proposing changes to the constitution relating to the
7 | foundation aid stabilization fund. The legislative management shall report its findings and
8 | recommendations, together with any legislation required to implement the recommendations, to
9 | the sixty-fourth legislative assembly.

10 | **SECTION 41. EFFECTIVE DATE.** Section ~~41~~26 of this Act becomes effective on January 1,
11 | 2014 and section 27 of this Act is effective for taxable years after December 31, 2012.

12 | **SECTION 42. CONTINGENT EFFECTIVE DATE.** Section 23 of this Act becomes effective
13 | August 1, 2015, or earlier if the secretary of state makes a report to the legislative management
14 | and to the information technology committee certifying that the information technology
15 | components of the electronic filing system are ready for implementation of section 23 of this Act,
16 | in which case section 23 of this Act becomes effective ninety days following the completion of
17 | the certificate requirement.

18 | **SECTION 43. EMERGENCY.** Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in
19 | the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center,
20 | \$5,000,000 included in the operations line item in subdivision 10 of section 1 for flood recovery
21 | funding, and the capital assets, master plan and space utilization study, and deferred
22 | maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third
23 | legislative assembly, are declared to be an emergency measure.