

## JOURNAL OF THE HOUSE

## Sixty-third Legislative Assembly

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Bismarck, April 11, 2013

The House convened at 8:10 a.m., with Speaker Devlin presiding.

The prayer was offered by Joel Melarvie.

The roll was called and all members were present.

A quorum was declared by the Speaker.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. VIGESAA MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1061 as printed on HJ page 1310 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1061: Reps. Anderson, Silbernagel, S. Kelsh.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. VIGESAA MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1063 as printed on HJ page 1309 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on Engrossed HB 1063: Reps. Schmidt, Brabandt, Mock.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**REP. VIGESAA MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2131, which motion prevailed.

**THE SPEAKER APPOINTED** as a Conference Committee on:

**Engrossed SB 2131:** Reps. Looyen, Anderson, Mooney

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. RUBY MOVED** that the House do concur in the Senate amendments to HB 1027 as printed on HJ page 1249, which motion prevailed on a voice vote.

HB 1027, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1027:** A BILL for an Act to amend and reenact subsection 5 of section 39-06-17 and sections 39-06-42 and 39-06.1-11 of the North Dakota Century Code, relating to driving under suspension and the issuance of temporary restricted motor vehicle operator's licenses.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drowald; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg;

Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

Engrossed HB 1027 passed.

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#### CONSIDERATION OF MESSAGE FROM THE SENATE

**REP. K. KOPPELMAN MOVED** that the House do concur in the Senate amendments to Engrossed HB 1451 as printed on HJ pages 1231-1232, which motion prevailed on a voice vote.

Engrossed HB 1451, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1451:** A BILL for an Act to amend and reenact sections 16.1-08.1-03.1, 29-10.1-02, 29-10.1-21, and 29-10.1-22 of the North Dakota Century Code, relating to disclosure requirements for petition sponsors and the requirements for calling and the duties of a grand jury.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 65 YEAS, 29 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Beadle; Belter; Boehning; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Grande; Haak; Hatlestad; Headland; Heilman; Heller; Hofstad; Johnson, D.; Karls; Kasper; Keiser; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Monson; Nathe; Nelson, J.; Paur; Pollert; Porter; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Amerman; Becker; Bellew; Boe; Boschee; Brabandt; Delmore; Glassheim; Gruchalla; Guggisberg; Hanson; Hawken; Hogan; Holman; Hunskor; Johnson, N.; Kelsh, J.; Kelsh, S.; Mock; Mooney; Muscha; Nelson, M.; Onstad; Oversen; Owens; Rohr; Ruby; Strinden; Thoreson

Reengrossed HB 1451 passed.

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#### SIXTH ORDER OF BUSINESS

**SPEAKER DEVLIN DEEMED** approval of the amendments to Engrossed SB 2002, Engrossed SB 2006, Reengrossed SB 2007, Engrossed SB 2009, SB 2010, Engrossed SB 2017, Engrossed SB 2019, and Engrossed SB 2075.

Engrossed SB 2002, Engrossed SB 2006, Reengrossed SB 2007, Engrossed SB 2009, SB 2010, Engrossed SB 2017, Engrossed SB 2019, and Engrossed SB 2075, as amended, were placed on the Fourteenth order of business on the calendar.

#### SECOND READING OF SENATE BILL

**SB 2269:** A BILL for an Act to provide for a legislative management study of the state's health care system; to provide for a health care consortium; to provide for reports to the legislative management; and to provide an appropriation.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has

committee recommendation of DO NOT PASS, the roll was called and there were 21 YEAS, 73 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Beadle; Boschee; Delmore; Fehr; Glassheim; Gruchalla; Guggisberg; Hatlestad; Hunskor; Kelsh, J.; Kelsh, S.; Kiefert; Maragos; Mock; Mooney; Muscha; Onstad; Oversen; Strinden; Wall

**NAYS:** Anderson; Becker; Bellew; Belter; Boe; Boehning; Brabandt; Brandenburg; Carlson; Damschen; Delzer; Dockter; Dosch; Drovdal; Frantsvog; Froseth; Grande; Haak; Hanson; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kempenich; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Martinson; Meier; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

Reengrossed SB 2269, as amended, failed.

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### SECOND READING OF SENATE BILL

**SB 2006:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 88 YEAS, 6 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Ruby; Rust; Sanford; Schatz; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser

**NAYS:** Delzer; Koppelman, B.; Koppelman, K.; Rohr; Schmidt; Speaker Devlin

Engrossed SB 2006, as amended, passed.

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### SECOND READING OF SENATE BILL

**SB 2007:** A BILL for an Act to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide legislative intent; to provide an exemption; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 93 YEAS, 1 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen;

Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Drovdal

Reengrossed SB 2007, as amended, passed and the emergency clause was declared carried.

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### SECOND READING OF SENATE BILL

**SB 2009:** A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association; to provide space for highway patrol training; and to declare an emergency.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 83 YEAS, 11 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Dockter; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemm; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Ruby; Rust; Sanford; Schatz; Schmidt; Skarphol; Steiner; Streyle; Sukut; Thoreson; Toman; Trottier; Vigesaa; Wall; Weisz; Williams; Zaiser

**NAYS:** Becker; Delzer; Dosch; Hogan; Koppelman, B.; Koppelman, K.; Rohr; Silbernagel; Strinden; Wieland; Speaker Devlin

Engrossed SB 2009, as amended, passed and the emergency clause was declared carried.

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### SECOND READING OF SENATE BILL

**SB 2010:** A BILL for an Act to provide an appropriation for defraying the expenses of the council on the arts; and to provide a matching requirement.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 76 YEAS, 18 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Boschee; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemm; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Looyesen; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nelson, J.; Nelson, M.; Onstad; Oversen; Paur; Pollert; Porter; Rust; Sanford; Silbernagel; Skarphol; Steiner; Sukut; Thoreson; Vigesaa; Wall; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Brabandt; Grande; Headland; Koppelman, B.; Larson; Louser; Nathe; Owens; Rohr; Ruby; Schatz; Schmidt; Streyle; Strinden; Toman; Trottier; Weisz

SB 2010, as amended, passed.

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**SECOND READING OF SENATE BILL**

**SB 2017:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of administrative hearings.

**ROLL CALL**

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

**YEAS:** Amerman; Anderson; Beadle; Bellew; Belter; Boe; Boehning; Boschee; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rust; Sanford; Schatz; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

**NAYS:** Becker; Brabandt; Kasper; Keiser; Rohr; Ruby; Schmidt

Engrossed SB 2017, as amended, passed.

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**SECOND READING OF SENATE BILL**

**SB 2019:** A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education; and to provide borrowing authority to Williston state college.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 94 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Amerman; Anderson; Beadle; Becker; Bellew; Belter; Boe; Boehning; Boschee; Brabandt; Brandenburg; Carlson; Damschen; Delmore; Delzer; Dockter; Dosch; Drovdal; Fehr; Frantsvog; Froseth; Glassheim; Grande; Gruchalla; Guggisberg; Haak; Hanson; Hatlestad; Hawken; Headland; Heilman; Heller; Hofstad; Hogan; Holman; Hunskor; Johnson, D.; Johnson, N.; Karls; Kasper; Keiser; Kelsh, J.; Kelsh, S.; Kempenich; Kiefert; Klein; Klemin; Koppelman, B.; Koppelman, K.; Kreidt; Kretschmar; Kreun; Laning; Larson; Looyesen; Louser; Maragos; Martinson; Meier; Mock; Monson; Mooney; Muscha; Nathe; Nelson, J.; Nelson, M.; Onstad; Oversen; Owens; Paur; Pollert; Porter; Rohr; Ruby; Rust; Sanford; Schatz; Schmidt; Silbernagel; Skarphol; Steiner; Streyle; Strinden; Sukut; Thoreson; Toman; Trottier; Vigasaa; Wall; Weisz; Wieland; Williams; Zaiser; Speaker Devlin

Engrossed SB 2019, as amended, passed.

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**ANNOUNCEMENT**

**SPEAKER DEVLIN ANNOUNCED** that the House would stand in recess until 1:00 p.m., which motion prevailed.

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

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Kretschmar, Chairman)** has carefully examined the Journal of the Sixty-fourth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1343, after line 2, insert: "Page 1, line 2, after "exemption" insert "; and to declare an emergency"

**REP. KRETSCHMAR MOVED** that the report be adopted, which motion prevailed.

#### **MOTION**

**REP. VIGESAA MOVED** that the House temporarily amend House Rule 508 regarding deadlines for reporting of measures out of committee to read "sixty-seventh legislative day" in place of "sixty-fifth legislative day", which motion prevailed.

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

**REP. VIGESAA MOVED** that the House do not concur in the Senate amendments to HB 1261 as printed on HJ page 1361 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

#### **APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on HB 1261: Reps. Rust, Schatz, Delmore.

#### **APPOINTMENT OF CONFERENCE COMMITTEE**

**REP. VIGESAA MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2115, SB 2132, SB 2144, SB 2152, Engrossed SB 2210, Engrossed SB 2225, and Engrossed SB 2299, which motion prevailed.

**THE SPEAKER APPOINTED** as a Conference Committee on:

**Engrossed SB 2115:** Reps. Boehning, Steiner, Hanson

**SB 2132:** Reps. Louser, Ruby, Gruchalla

**SB 2144:** Reps. Ruby, Kasper, Boschee

**SB 2152:** Reps. Kasper, Ruby, Boschee

**Engrossed SB 2210:** Reps. Rohr, Karls, Strinden

**Engrossed SB 2225:** Reps. Paur, Toman, Hogan

**Engrossed SB 2299:** Reps. Louser, Laning, Mooney

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2006, SB 2010, SB 2017, SB 2019.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2007.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2009.

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

**MR. PRESIDENT:** The House has amended and subsequently failed to pass: SB 2269.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1145.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has passed, unchanged: HB 1213, HB 1322, HB 1413.

#### **MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1022, HB 1033, HB 1041, HB 1099, HB 1136, HB 1167, HB 1205, HB 1290, HB 1306.

#### **SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1022**

Page 1, replace lines 13 through 18 with:

"Salaries and wages	\$3,203,114	\$688,843	\$3,891,957
Operating expenses	947,840	25,484	973,324
Contingencies	<u>82,000</u>	<u>0</u>	<u>82,000</u>
Total special funds	\$4,232,954	\$714,327	\$4,947,281
Full-time equivalent positions	18.00	1.00	19.00"

Page 1, remove lines 23 and 24

Page 2, replace lines 1 through 4 with:

"Salaries and wages	\$4,563,507	\$654,586	\$5,218,093
Operating expenses	2,054,383	204,511	2,258,894
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$6,867,890	\$859,097	\$7,726,987
Full-time equivalent positions	33.00	0.00	33.00"

Page 2, replace line 9 with:

"Grand total special funds	\$11,100,844	\$1,573,424	\$12,674,268"
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ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1022 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Retirement and Investment Office				
Total all funds	\$4,648,730	\$4,833,019	\$114,262	\$4,947,281
Less estimated income	<u>4,648,730</u>	<u>4,833,019</u>	<u>114,262</u>	<u>4,947,281</u>
General fund	\$0	\$0	\$0	\$0
Public Employees Retirement System				
Total all funds	\$7,715,503	\$7,527,133	\$199,854	\$7,726,987
Less estimated income	<u>7,715,503</u>	<u>7,527,133</u>	<u>199,854</u>	<u>7,726,987</u>
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$12,364,233	\$12,360,152	\$314,116	\$12,674,268
Less estimated income	<u>12,364,233</u>	<u>12,360,152</u>	<u>314,116</u>	<u>12,674,268</u>
General fund	\$0	\$0	\$0	\$0

#### House Bill No. 1022 - Retirement and Investment Office - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$3,611,563	\$3,706,154	\$185,803	\$3,891,957
Operating expenses	955,167	973,324		973,324
Contingencies	82,000	82,000		82,000
Accrued leave payments		<u>71,541</u>	<u>(71,541)</u>	
Total all funds	\$4,648,730	\$4,833,019	\$114,262	\$4,947,281
Less estimated income	<u>4,648,730</u>	<u>4,833,019</u>	<u>114,262</u>	<u>4,947,281</u>
General fund	\$0	\$0	\$0	\$0
FTE	18.00	19.00	0.00	19.00

#### Department No. 190 - Retirement and Investment Office - Detail of Senate Changes

	Restores Executive Compensation Package <sup>1</sup>	Removes Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total Senate Changes
Salaries and wages	\$114,262	\$71,541	\$185,803
Operating expenses			
Contingencies			
Accrued leave payments		<u>(71,541)</u>	<u>(71,541)</u>
Total all funds	\$114,262	\$0	\$114,262

Less estimated income	114,262	0	114,262
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

<sup>2</sup> The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

**House Bill No. 1022 - Public Employees Retirement System - Senate Action**

	Executive Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$5,206,609	\$4,915,022	\$303,071	\$5,218,093
Operating expenses	2,258,894	2,258,894		2,258,894
Contingencies	250,000	250,000		250,000
Accrued leave payments		103,217	(103,217)	
Total all funds	\$7,715,503	\$7,527,133	\$199,854	\$7,726,987
Less estimated income	7,715,503	7,527,133	199,854	7,726,987
General fund	\$0	\$0	\$0	\$0
FTE	33.00	33.00	0.00	33.00

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

	Restores Executive Compensation Package <sup>1</sup>	Removes Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total Senate Changes
Salaries and wages	\$199,854	\$103,217	\$303,071
Operating expenses			
Contingencies			
Accrued leave payments		(103,217)	(103,217)
Total all funds	\$199,854	\$0	\$199,854
Less estimated income	199,854	0	199,854
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

<sup>2</sup> The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1033**

In addition to the amendments adopted by the Senate as printed on page 946 of the Senate Journal, Reengrossed House Bill No. 1033 is further amended as follows:

Page 2, remove lines 13 through 16

ReNUMBER accordingly

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1041**

In lieu of the amendments adopted by the Senate as printed on page 880 of the Senate Journal, Engrossed House Bill No. 1041 is amended as follows:

Page 1, line 6, replace "\$361,200" with "\$1,366,000"



Page 1, line 8, remove "for new wards"

Page 1, line 8, remove "The"

Page 1, replace lines 9 and 10 with "To be eligible for funding under this section, a ward must be found to be an incapacitated adult as defined by section 30.1-26-01 and have income at or below one hundred percent of the federal poverty level. A ward with developmental disabilities who is receiving case management services through the department of human services is not eligible for funding under this section."

Renumber accordingly

#### **SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1099**

Page 2, line 10, remove "or temporary employee"

Page 7, line 17, replace the underscored comma with "and"

Page 7, line 18, remove ". temporary full-time employee positions, and temporary part-time"

Page 7, line 19, remove "employee positions"

Page 7, line 19, replace the underscored comma with "and"

Page 7, line 20, remove the underscored comma

Page 7, line 20, remove "The period of time for which"

Page 7, remove lines 21 and 22

Renumber accordingly

#### **SENATE AMENDMENTS TO HOUSE BILL NO. 1136**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 11-18-01, 11-18-05, 35-13-02, 35-17-04, 35-17-07, 35-17-08, 35-20-15.1, 35-20-16, 35-29-02, 35-29-04, 35-29-05, 35-30-02, 35-30-05, 35-30-06, 35-31-02, 35-31-05, 35-31-06, 35-34-04, 35-34-06, 35-35-03, 35-37-04, 41-09-72, 41-09-73, and 41-09-84, subsection 2 of section 41-09-87, sections 41-09-94 and 41-09-96, subsection 3 of section 41-09-135, sections 41-10-01, 41-10-05, 47-16-03, 54-09-08, 54-09-09, 54-09-10, and 54-09-11, subsection 5 of section 57-34-10, subsection 4 of section 57-36-09.5, section 57-38-49, subsection 4 of section 57-39.2-13, subsection 4 of section 57-40.2-16, subsection 3 of section 57-40.3-07.1, subsection 4 of section 57-43.1-17.4, subsection 4 of section 57-43.2-16.3, subsection 4 of section 57-43.3-22, subsection 2 of section 57-51-11, and subsection 4 of section 57-63-10 of the North Dakota Century Code, relating to filing liens and security interests electronically; to repeal section 57-28-29 of the North Dakota Century Code, relating to filing tax liens; to provide for application; to provide for a report to the legislative assembly; and to provide a contingent effective date.

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

**SECTION 1. AMENDMENT.** Section 11-18-01 of the North Dakota Century Code is amended and reenacted as follows:

#### **11-18-01. Recorder's duties - Recording and filing instruments - Abstracts.**

The recorder shall:

1. Keep a full and true record, in proper books or other storage media provided for that purpose, of each patent, deed, mortgage, bill of sale, security agreement, judgment, decree, lien, certificate of sale, and other instrument required to be filed or admitted to record, if the person offering

- the instrument for filing or recording pays to the recorder the fees provided by law for the filing or recording.
2. Endorse upon each instrument filed with the recorder for record or otherwise the date and the hour and minute of the day of the filing or recording.
  3. When the instrument is recorded or filed, endorse on the instrument the book and page or document number, the date, and the hour and minute of the date when it was recorded or filed with the recorder.
  4. Prepare a security agreement abstract whenever any person requests the agreement and pays the required fee.
  5. ~~Furnish upon written or telephonic request to persons the information contained in financing statements filed to perfect a security interest pursuant to chapter 41-09 when the collateral is farm products, and to provide written confirmation of the oral information provided upon receipt of a fee which shall be the same as for recording that instrument.~~

**SECTION 2. AMENDMENT.** Section 11-18-05 of the North Dakota Century Code is amended and reenacted as follows:

**11-18-05. Fees of recorder.**

The recorder shall charge and collect the following fees:

1. For recording an instrument affecting title to real estate:
  - a. Deeds, mortgages, and all other instruments not specifically provided for in this subsection, ten dollars for the first page and three dollars for each additional page. In addition, for all documents recorded under this section that list more than five sections of land, a fee of one dollar for each additional section listed which is to be recorded in the tract index. Three dollars of the fee collected for the first page of each instrument recorded under this subdivision must be placed in the document preservation fund.
    - (1) "Page" means one side of a single legal size sheet of paper not exceeding eight and one-half inches [21.59 centimeters] in width and fourteen inches [35.56 centimeters] in length.
    - (2) The printed, written, or typed words must be considered legible by the recorder before the page will be accepted for recording.
    - (3) Each real estate instrument must have a legal description considered to be adequate by the recorder before such instrument will be accepted for recording.
    - (4) A space of at least four inches by three and one-half inches [10.16 by 8.89 centimeters] square must be provided on the first or last page of each instrument for the recorder's recording information. If recording information can only be placed on the reverse side of an instrument, an additional page charge must be levied.
  - b. Instruments satisfying, releasing, assigning, subordinating, continuing, amending, or extending more than one instrument previously recorded in the county in which recording is requested, ten dollars for the first page and three dollars for each additional page plus three dollars for each such additional document number or book and page. In addition, for all documents recorded under this section which list more than five separate sections of land, a fee of one dollar for each additional section listed which is to be recorded in the tract index. Three dollars of the fee collected for the first page of

each instrument recorded under this subdivision must be placed in the document preservation fund.

- c. Plats, irregular tracts, or annexations, ten dollars for one lot plus ten cents for each additional lot, with the exception of auditor's lots which must be a single charge of seven dollars.
  - d. All instruments presented for recording after June 30, 2001, must contain a one-inch [2.54-centimeter] top, bottom, or side margin on each page of the instrument for the placement of computerized recording labels. An instrument that does not conform to this margin requirement may be recorded upon payment of an additional fee of ten dollars.
2. For filing any ~~non-central indexing system~~ instrument, ten dollars.
  3. For making certified copies of any recorded instrument or filed ~~non-central indexing system~~ instrument, the charge is five dollars for the first page and two dollars for each additional page. For making a noncertified copy of any recorded instrument or filed ~~non-central indexing system~~ instrument, a fee of not more than one dollar per instrument page. For providing any electronic data extracted from the recorded instrument, a fee of not more than fifty cents per instrument.
  4. ~~For filing, indexing, making, or completing any statement, abstract, or certificate under the Uniform Commercial Code central filing database, the computerized central notice system or the computerized statutory liens database, for receiving printouts, and for other services provided through the computerized system, the fee is the same as that provided in sections 41-09-06 and 54-09-11.~~
  5. The recorder may establish procedures for providing access for duplicating records under the recorder's control. Such records include paper, photostat, microfilm, microfiche, and electronic or computer-generated instruments created by governmental employees.
  - 6-5. Duplicate recorders' records stored offsite as a security measure are not accessible for reproduction.

**SECTION 3. AMENDMENT.** Section 35-13-02 of the North Dakota Century Code, as amended by House Bill No. 1340, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

**35-13-02. Lien statement - Contents - When required - Filing.**

1. The secretary of state shall prescribe ~~one form~~ an electronic system that can be used to obtain a lien under this section and also be entered in the central indexing system. A person entitled to a lien under this chapter who retains possession of the property made, altered, or repaired is not required to file any statement to perfect the lien. If the possession of the property so made, altered, or repaired is relinquished, the person shall file electronically, within ninety days, or if the property is used for agricultural purposes within one hundred twenty days, or in the exploration for or the production of oil or gas within six months, after the materials are furnished or the labor is completed, in the ~~office of the recorder of the county in which the owner or legal possessor of the property resides~~ central indexing system, a verified written statement showing:
  - a. The labor performed.
  - b. The materials furnished.

- c. The price agreed upon for the labor performed or materials furnished, or, if no price was agreed upon, the reasonable value thereof.
  - d. The name and address of the person for whom the labor was performed or to whom the materials were furnished.
  - e. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the labor was performed or to whom the materials were furnished.
  - f. The name and address of the person claiming the lien.
  - f.g. A description of the property upon which the lien is claimed.
2. A person filing a ~~verified~~-statement shall within thirty days serve notice of the filing, by registered mail, upon the owner or legal possessor of the property. A person entitled to the lien who fails to file a ~~verified~~-statement within the time limited in this section is deemed to have waived the right to a lien.
  3. A lienholder may file electronically an amendment to add or correct the social security number or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~provide a means to amend electronically the repairman's lien that has been filed pursuant to this section. The amendment of the lien does not affect the priority of the lien.

**SECTION 4. AMENDMENT.** Section 35-17-04 of the North Dakota Century Code is amended and reenacted as follows:

**35-17-04. Procedure to obtain lien - Statement filed - Contents - Waiver.**

Any person entitled to an agister's lien, within ninety days after taking possession of the animal, may file electronically in the ~~office of the recorder in any county in this state or in the office of the secretary of state~~central indexing system, a statement ~~signed by the filer~~ containing the following information:

1. The number of and a description of the animals subject to the lien and the legal description as to the location of the animals.
2. The name and address of the person for whom the animals are kept.
3. The name and address of the lienholder.
4. The price agreed upon for keeping the animals and, if no price was agreed upon, the reasonable value of the services.
5. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the animals are kept.

The secretary of state shall ~~prescribe one form that can be used to~~provide a means to obtain electronically a lien under this section or gain protection under the central notice system, or both. If the statement is not filed within ninety days as required by this section, the person entitled to the lien under section 35-17-03 waives the lien.

**SECTION 5. AMENDMENT.** Section 35-17-07 of the North Dakota Century Code is amended and reenacted as follows:

**35-17-07. Amendment of lien.**

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used to provide a means to electronically~~ amend or assign the agister's lien that has been filed pursuant to section 35-17-04. The amendment or assignment of a lien does not affect the priority of the lien.

**SECTION 6. AMENDMENT.** Section 35-17-08 of the North Dakota Century Code is amended and reenacted as follows:

**35-17-08. Fees - Penalty.**

The fee for filing electronically an agister's lien and related documents ~~with the secretary of state or the county recorder in the central notice system~~ is the same as that provided for in section 41-09-96. If a lienholder fails to file electronically a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

**SECTION 7. AMENDMENT.** Section 35-20-15.1 of the North Dakota Century Code is amended and reenacted as follows:

**35-20-15.1. Amendment of lien for unpaid earned property or casualty insurance premiums.**

A lienholder may file an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used to provide a means to amend electronically~~ or assign the unpaid earned property or casualty insurance premium lien that has been filed under section 35-20-15. The amendment or assignment of a lien does not affect the priority of the lien.

**SECTION 8. AMENDMENT.** Section 35-20-16 of the North Dakota Century Code is amended and reenacted as follows:

**35-20-16. Procedure to obtain unpaid earned property or casualty insurance premium lien - Filing.**

The secretary of state shall ~~prescribe a form that can be used to provide a means to obtain electronically~~ a lien under this section and also be entered in the central indexing system. Any person entitled to an unpaid earned property or casualty insurance premium lien, within ninety days after termination of coverage, shall file in the ~~office of the recorder of the county or counties in which the property covered by the policy is located~~ central indexing system and with any loss payee named in the policy, a ~~verified~~ an electronic statement ~~in writing~~ stating all of the following:

1. The name and address of the policyholder.
2. The name and address of the lienholder.
3. The nature and quantity of insurance coverage provided.
4. The amount of unpaid earned premium.
5. A description of the property covered by the insurance and subject to the lien.
6. That a lien is claimed upon the property described.
7. The name of the county or counties where the property is located.

8. The social security number of the debtor, or in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of that person.

**SECTION 9. AMENDMENT.** Section 35-29-02 of the North Dakota Century Code is amended and reenacted as follows:

**35-29-02. Place of filing.**

1. Notices of liens, certificates, and other notices affecting federal tax liens or other federal liens must be filed in accordance with this chapter.
2. Notices of liens upon real property for obligations payable to the United States and certificates and notices affecting the liens must be filed in the office of the recorder of central indexing system and associated to the county in which the real property subject to the liens is situated.
3. Notices of federal liens upon personal property, whether tangible or intangible, for obligations payable to the United States and certificates and notices affecting the liens must be filed as follows:
  - a. If the person against whose interest the lien applies is a corporation, limited liability company, or a partnership whose principal executive office is in this state, as these entities are defined in the internal revenue laws of the United States, in the office of the secretary of state.
  - b. If the person against whose interest the lien applies is a trust that is not covered by subdivision a, in the office of the secretary of state.
  - c. If the person against whose interest the lien applies is the estate of a decedent, in the office of the secretary of state.
  - d. In all other cases, in the office of the recorder of the county where the person against whose interest the lien applies resides at the time of filing of the notice of lien.
4. The secretary of state shall provide a means for the United States to file any documentation according to this chapter.

**SECTION 10. AMENDMENT.** Section 35-29-04 of the North Dakota Century Code is amended and reenacted as follows:

**35-29-04. Duties of filing officer.**

1. If a notice of federal lien, a refiling of a notice of federal lien, or a notice of revocation of any certificate described in subsection 2 is presented ~~to a filing officer who is:~~
  - a. The secretary of state, ~~the secretary~~ shall cause the notice to be marked, held, and indexed in accordance with the provisions of section 41-09-90 as if the notice were a financing statement within the meaning of title 41; or
  - b. ~~Any other officer described in section 35-29-02, the officer~~The secretary of state shall endorse thereon the officer's identification and the date and time of receipt and immediately file it alphabetically or enter it in an alphabetical index showing the name and address of the person named in the notice, the date and time of receipt, the title and address of the official or entity certifying the lien, and the total amount appearing on the notice of lien.
2. If a certificate of release, nonattachment, discharge, or subordination of any lien is presented to the secretary of state for filing, the secretary shall do all of the following:

- a. Cause a certificate of release or nonattachment to be marked, held, and indexed as if the certificate were a termination statement within the meaning of title 41, but the notice of lien to which the certificate relates may not be removed from the files.
  - b. Cause a certificate of discharge or subordination to be marked, held, and indexed as if the certificate were a release of collateral within the meaning of title 41.
3. If a refiled notice of federal lien referred to in subsection 1 or any certificate or notice referred to in subsection 2 is presented for filing ~~to any other filing officer specified in section 35-29-02, the officer~~secretary of state shall permanently attach the refiled notice or the certificate to the original notice of lien and enter the refiled notice or the certificate with the date of filing in any alphabetical lien index on the line where original notice of lien is entered.
  4. ~~Upon request of any~~Any person, ~~the filing officer shall issue the officer's certificate showing~~ may search the central indexing system to determine whether there is on file, on the date and hour stated therein, any notice of lien or certificate or notice affecting any lien filed under this chapter or chapter 35-28 as it existed prior to enactment of this chapter, naming a particular person, and if a notice or certificate is on file, giving the date and hour of filing of each notice or certificate. ~~The fee for a certificate is one dollar and twenty-five cents for each notice or certificate reported therein. Upon request, the filing officer shall furnish a copy of any notice of federal lien, or notice or certificate affecting a federal lien, for a fee of one dollar, plus seventy-five cents for the second and each succeeding page.~~
  5. The secretary of state shall fulfill any of the functions described in this section by electronic means with the same legal effect as if the function had been completed on a physical document.

**SECTION 11. AMENDMENT.** Section 35-29-05 of the North Dakota Century Code is amended and reenacted as follows:

**35-29-05. Fees.**

1. The fee for filing and indexing each notice of lien is:
  - a. ~~For a lien on real estate, ten dollars, plus three dollars for the second and each succeeding page.~~
  - b. ~~For a lien on tangible and intangible personal property, ten dollars, plus five dollars to record if filed with a county recorder.~~
  - c. ~~For all other notices, including a certificate of discharge, nonattachment, or subordination, ten dollars, plus ten dollars if filed toward a lien on real estate with a county recorder.~~
  - d. ~~For a nonstandard statement when presented for filing, an additional fee of five dollars plus one dollar per page, and if filed on a real estate lien with a county recorder, an additional ten dollars plus three dollars for the second and each succeeding page.~~
  - e. For a certificate of release, five dollars, which must be paid at the time the lien is filed in the central indexing system is established according to section 41-09-96. Fees to record liens with a county recorder are the same as provided for under section 11-18-05.
2. The officer may not file or record an instrument under this chapter unless the person offering the instrument for filing or recording has first paid the requisite filing or recording fee.

**SECTION 12. AMENDMENT.** Section 35-30-02 of the North Dakota Century Code is amended and reenacted as follows:

**35-30-02. Procedure to obtain lien.**

1. To obtain an agricultural processor's lien, the person entitled to the lien, within ninety days after the processing is completed, shall file electronically a statement signed by the filer in the office of the recorder in any county in this state or in the office of the secretary of state central indexing system. The statement must contain the following information:
  - a. The name and address of the person for whom the processing was done.
  - b. The name and address of the processor.
  - c. A description of the crops or agricultural products and their amount, if known, subject to the lien together with a reasonable description, including the county as to the location where the crops or agricultural products were grown and the year the crop is to be harvested or was harvested.
  - d. The price agreed upon for processing, or if no price was agreed upon, the reasonable value of the processing.
  - e. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person for whom the processing was done.
  - f. A description of the processing services and the first date the services were furnished.
2. ~~The secretary of state and the office of the recorder in any county in this state with which a statement signed by the filer under subsection 1 is submitted for filing shall reject the statement unless proof of mailing of notification of the lien to the debtor's last known address by registered or certified mail with return receipt requested is filed with the statement.~~
3. The secretary of state shall ~~prescribe one form that can be used~~ provide an electronic means to obtain a lien under this section or gain protection under the central notice system, or both. Before a processor's lien is filed, a billing statement for the services performed must include notice to the agricultural producer that if the amount due to the agricultural processor is not satisfied a lien may be filed.

**SECTION 13. AMENDMENT.** Section 35-30-05 of the North Dakota Century Code is amended and reenacted as follows:

**35-30-05. Amendment of lien.**

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~ provide an electronic means to amend or assign the agricultural processor's lien that has been filed pursuant to section 35-30-02. The amendment or assignment of a lien does not affect the priority of the lien.

**SECTION 14. AMENDMENT.** Section 35-30-06 of the North Dakota Century Code is amended and reenacted as follows:



**35-30-06. Fees - Penalty.**

The fee for filing electronically an agricultural processor's lien and related documents ~~with the secretary of state or the county recorder in the central indexing system~~ is the same as that provided for in section 41-09-96. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

**SECTION 15. AMENDMENT.** Section 35-31-02 of the North Dakota Century Code is amended and reenacted as follows:

**35-31-02. Procedure to obtain lien.**

To obtain an agricultural supplier's lien, except an agricultural supplier's lien for furnishing petroleum products, the person entitled to the lien, within one hundred twenty days after the supplies are furnished or the services performed, shall file electronically a statement signed by the filer in the office of the recorder of any county in this state or in the office of the secretary of state central notice system. To obtain an agricultural supplier's lien for furnishing and delivering petroleum products, the person entitled to the lien, within one hundred fifty days after the petroleum products are furnished or delivered, shall file electronically a statement signed by the filer in the office of the recorder of any county in the state or in the office of the secretary of state central notice system. The statement must contain the following information:

1. The name and address of the person to whom the supplies were furnished.
2. The name and address of the supplier.
3. A description of the crops, agricultural products, or livestock and their amount or number, if known, subject to the lien together with a reasonable description, including the county as to the location of the crops, agricultural products, or livestock and the year the crop is to be harvested or was harvested.
4. A description and value of the supplies and the first date furnished.
5. The social security number or, in the case of a debtor doing business other than as an individual, the internal revenue service taxpayer identification number of the person to whom the supplies were furnished.

The secretary of state shall ~~prescribe one form that can be used~~ provide an electronic means to obtain a lien under this section or gain protection under the central notice system, or both. Before a supplier's lien is filed, a billing statement for the supplies furnished must include notice to the agricultural producer that if the amount due to the agricultural supplier is not satisfied a lien may be filed.

**SECTION 16. AMENDMENT.** Section 35-31-05 of the North Dakota Century Code is amended and reenacted as follows:

**35-31-05. Amendment of lien.**

A lienholder may file electronically an amendment to correct the social security or internal revenue service taxpayer identification number of the debtor, to correct the spelling of the debtor's or lienholder's name, or to correct or change the address of the debtor or lienholder. The secretary of state shall ~~prescribe a form that may be used~~ provide an electronic means to amend or assign the agricultural supplier's lien that has been filed pursuant to section 35-31-02. The amendment or assignment of a lien does not affect the priority of the lien.

**SECTION 17. AMENDMENT.** Section 35-31-06 of the North Dakota Century Code is amended and reenacted as follows:

**35-31-06. Fees - Penalty.**

The fee for filing an agricultural supplier's lien and related documents ~~with the secretary of state or the county recorder~~ in the central notice system is the same as that provided for in section 41-09-96. If a lienholder fails to file a termination statement within sixty days after the lien has been satisfied, the lienholder is liable to the debtor for one hundred dollars.

**SECTION 18. AMENDMENT.** Section 35-34-04 of the North Dakota Century Code is amended and reenacted as follows:

**35-34-04. Vessel lien.**

1. In the case of a vessel, the child support agency may file electronically a notice of lien ~~with the secretary of state~~ in the central indexing system if the value of the vessel is estimated to be at least twice the cost of establishing the lien. The notice must contain a description of the make, model designation, and serial number of the vessel, including its identification or registration number, if any, and the name, social security number, and last-known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last-known address.
2. Upon filing of the notice of lien in accordance with this section, the notice of lien must be indexed ~~by the secretary of state~~ in the central indexing system and may be enforced and foreclosed in the same manner as a security agreement under the provisions of title 41.
3. The secretary of state shall remove and destroy the lien notification statement in the same manner as provided for other liens in section 11-18-14 for the recorder.
4. The child support agency may file electronically an amendment to correct the spelling of the obligor's name, to correct the obligor's social security number, or to correct or change the address of the obligor.

**SECTION 19. AMENDMENT.** Section 35-34-06 of the North Dakota Century Code is amended and reenacted as follows:

**35-34-06. Lien on other personal property.**

1. In the case of untitled personal property other than an account maintained in a financial institution, the child support agency may establish a lien on such personal property by filing electronically a notice of lien ~~with the office of the recorder in the county in which the personal property may be found, with the secretary of state,~~ in the central indexing system or with a third party who is in possession of the personal property. The notice must particularly describe the property to be subjected to the lien and the name and last-known address of the obligor. The notice of lien must state that the child support obligation is past due and that a copy of the notice of lien has been served on the obligor by first-class mail at the obligor's last-known address.
2. The information filed ~~with a recorder or with the secretary of state~~ under this section must be included in the computerized central indexing system maintained by the secretary of state under section 54-09-09 and must be accessible to the public on the same terms and conditions that apply to access other statutory lien information maintained in the computerized central indexing system.
3. Upon filing of the notice of lien in accordance with this section, the lien attaches to and is perfected against all personal property described in the notice.

**SECTION 20. AMENDMENT.** Section 35-35-03 of the North Dakota Century Code is amended and reenacted as follows:

**35-35-03. Filing officer may reject lien - Filing officer to accept notice of invalid lien - Filing officer not liable.**

1. Any filing officer may reject for filing or recording any nonconsensual common-law lien.
2. If a nonconsensual common-law lien has been accepted for filing or recording, the filing officer shall accept for filing any ~~sworn~~-notice of invalid lien ~~signed and submitted~~ electronically by the person against whom such a lien was filed or that person's attorney. The notice must be captioned "Notice of Invalid Lien" and must state the name and address of the person on whose behalf the notice is filed, the name and address of the lien claimant, and a clear reference to the document or documents the person believes constitute a nonconsensual common-law lien. The notice must be filed in such a manner that any search of the records which reveals the lien the notice refers to will also reveal the notice of invalid lien. The filing officer shall mail or deliver electronically a copy of the notice of invalid lien to the lien claimant at the lien claimant's last-known address within one business day.
3. A filing officer, county, or the state may not be held liable for filing a nonconsensual common-law lien, or for filing a ~~sworn~~-notice of invalid lien pursuant to this section.
4. A fee may not be charged for the filing of a notice of invalid lien against a field nonconsensual common-law lien.

**SECTION 21. AMENDMENT.** Section 35-37-04 of the North Dakota Century Code is amended and reenacted as follows:

**35-37-04. Perfection of lien - Verified notice - Effect of instruments - Effective date of lien.**

1. If the proceeds for oil or gas which are required to be paid are not paid to the interest owner when due, the interest owner may perfect the security interest and lien by filing electronically a ~~form~~-UCC-1A in the central indexing system and recording the lien in the real estate records in the office of the county recorder of the county in which the well is located. If the oil and gas owner's lien is not filed within ninety days from the date of production, the security interest is not perfected and does not give the interest owner priority over a perfected security interest in the same oil, gas, or proceeds of the oil or gas.
2. ~~All instruments that are presented to a county recorder for filing in accordance with subsection 1 are effective as financing statements even though the signature of the debtor may not appear on the lien.~~ Liens must be filed electronically in the central indexing system and recorded in the real estate records of the county according to sections 11-18-01 and 11-18-05. Liens may be terminated in the same manner as financing statements.
3. Upon perfection by filing, the security interest and lien of the interest owner takes priority over the rights of all persons whose rights or claims arise or attach thereafter to the oil or gas unpaid for, or the proceeds of oil or gas if the oil or gas has been sold, including those that arise or attach between the time the security interest and lien attaches and the time of filing. The security interest and lien created pursuant to this chapter do not have priority over the security interest and lien rights previously created and perfected or an operating agreement or other voluntary agreement for the development and operation of the property.

**SECTION 22. AMENDMENT.** Section 41-09-72 of the North Dakota Century Code is amended and reenacted as follows:

**41-09-72. (9-501) Filing office.**

1. Except as otherwise provided in subsection 2, if the local law of this state governs perfection of a security interest or agricultural lien, the office in which to file a financing statement to perfect the security interest or agricultural lien is:
  - a. The office designated for the filing or recording of a record of a mortgage on the related real property, if:
    - (1) The collateral is as-extracted collateral or timber to be cut; or
    - (2) The financing statement is filed as a fixture filing and the collateral is goods that are or are to become fixtures; or
  - b. The office of the recorder in any county in this state or in the office of the secretary of state, in all other cases, including a case in which the collateral is goods that are or are to become fixtures and the financing statement is not filed as a fixture filing.
2. The office in which to file a financing statement to perfect a security interest in collateral, including fixtures, of a transmitting utility is the office of the secretary of state. The financing statement also constitutes a fixture filing as to the collateral indicated in the financing statement which is or is to become fixtures.
3. The secretary of state shall provide an electronic means for filing any record required or permitted to be filed by this title. This may include use of business-to-business methods using a common data format and must include a web-based application. Any record that is not filed electronically must be rejected.

**SECTION 23. AMENDMENT.** Section 41-09-73 of the North Dakota Century Code is amended and reenacted as follows:

**41-09-73. (9-502) (Effective through June 30, 2013) Contents of financing statement - Record of mortgage as financing statement - Time of filing financing statement - Amending financing statement.**

1. Subject to subsection 2, a financing statement is sufficient only if the statement:
  - a. Provides the name of the debtor;
  - b. Provides the name of the secured party or a representative of the secured party;
  - c. Indicates the collateral covered by the financing statement;
  - d. If it is a financing statement that is to be filed to gain protection under the central notice system, includes a reasonable description of the property, including the county in which the property is located, and any other additional information required by the Food Security Act of 1985 [Pub. L. 99-198; Stat. 1535; 7 U.S.C. 1631], as prescribed by the secretary of state, and, to be sufficient a financing statement must include the name and address of the secured party; and unless electronically filed, the signatures of the debtor and secured parties;
  - e. Provides a mailing address for the secured party; and
  - f. Provides a mailing address for the debtor.

2. Except as otherwise provided in subsection 2 of section 41-09-72, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:
  - a. Indicate that it covers this type of collateral;
  - b. Indicate that it is to be filed for record in the real property records;
  - c. Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and
  - d. If the debtor does not have an interest of record in the real property, provide the name of a record owner.
3. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:
  - a. The record indicates the goods or accounts that it covers;
  - b. The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut;
  - c. The record satisfies the requirements for a financing statement in this section other than an indication that it is to be filed in the real property records; and
  - d. The record is duly recorded.
4. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.
5. A financing statement filed to gain protection under the central notice system must be amended within three months of a material change to reflect that change. The amended financing statement must be signed by both the debtor and secured party and filed in the same manner as the original financing statement. An electronically filed amendment does not need to be signed.
6. Any social security number or federal tax identification number submitted on a financing statement filed pursuant to this chapter as a central indexing filing prior to January 1, 2012, is an exempt record as defined by subsection 5 of section 44-04-17.1 and may not be disclosed as part of any search under section 41-09-94 or 41-09-96 or as part of a copy of the record. After December 31, 2011, a debtor's social security number or federal tax identification number may not be filed pursuant to this chapter in the filing office with the central indexing system and may not be recorded in the real property records.

**(Effective after June 30, 2013) Contents of financing statement - Record of mortgage as financing statement - Time of filing financing statement - Amending financing statement.**

1. Subject to subsection 2, a financing statement is sufficient only if the statement:
  - a. Provides the name and social security number or internal revenue service taxpayer identification number of the debtor;

- b. Provides the name of the secured party or a representative of the secured party;
  - c. Indicates the collateral covered by the financing statement;
  - d. If it is a financing statement that is to be filed to gain protection under the central notice system, includes a reasonable description of the property, including the county in which the property is located, and any other additional information required by the Food Security Act of 1985 [Pub. L. 99-198; Stat. 1535; 7 U.S.C. 1631], as prescribed by the secretary of state, and, to be sufficient a financing statement must include the name and address of the secured party; and unless electronically filed, the signatures of the debtor and secured parties;
  - e. Provides a mailing address for the secured party; and
  - f. Provides a mailing address for the debtor.
2. Except as otherwise provided in subsection 2 of section 41-09-72, to be sufficient, a financing statement that covers as-extracted collateral or timber to be cut, or which is filed as a fixture filing and covers goods that are or are to become fixtures, must satisfy subsection 1 and also:
- a. Indicate that it covers this type of collateral;
  - b. Indicate that it is to be filed for record in the real property records;
  - c. Provide a description of the real property to which the collateral is related sufficient to give constructive notice of a mortgage under the law of this state if the description were contained in a record of the mortgage of the real property; and
  - d. If the debtor does not have an interest of record in the real property, provide the name of a record owner.
3. A record of a mortgage is effective, from the date of recording, as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut only if:
- a. The record indicates the goods or accounts that it covers;
  - b. The goods are or are to become fixtures related to the real property described in the record or the collateral is related to the real property described in the record and is as-extracted collateral or timber to be cut; and
  - c. The record satisfies the requirements for a financing statement in this section, but:
    - (1) The record need not indicate that it is to be filed in the real property records; and
    - (2) The record sufficiently provides the name of a debtor who is an individual if the record provides the individual name of the debtor or the surname and first personal name of the debtor, even if the debtor is an individual to whom subdivision d of subsection 1 of section 41-09-74 applies; ~~and~~
  - d. ~~The record is duly recorded.~~
4. A financing statement may be filed before a security agreement is made or a security interest otherwise attaches.
5. A financing statement filed to gain protection under the central notice system must be amended within three months of a material change to

reflect that change. The amended financing statement must be signed by both the debtor and secured party and filed in the same manner as the original financing statement. An electronically filed amendment does not need to be signed.

6. Any social security number or ~~federal tax~~internal revenue service taxpayer identification number submitted on a financing statement filed pursuant to this chapter as a central indexing filing ~~prior to January 1, 2012,~~ is an exempt record as defined by subsection 5 of section 44-04-17.1 and may not be disclosed as part of any search under section 41-09-94 or 41-09-96 or as part of a copy of the record. ~~After December 31, 2011, a~~ debtor's social security number or ~~federal tax~~internal revenue service taxpayer identification number ~~may not be filed pursuant to this chapter in the filing office with the central indexing system and may not be recorded in the real property records as provided for under section 11-18-23.2.~~

**SECTION 24. AMENDMENT.** Section 41-09-84 of the North Dakota Century Code is amended and reenacted as follows:

**41-09-84. (9-513) Termination statement - Remedies - Fees.**

1. If a financing statement covering consumer goods is filed after December 31, 1973, then within one month or within ten days following written demand by the debtor after there is no outstanding secured obligation and no commitment to make advances, incur obligations, or otherwise give value, the secured party shall ~~file with each filing officer with whom the financing statement was filed~~electronically in the central indexing system, a termination statement to the effect that the secured party no longer claims a security interest under the financing statement, which must be identified by file number. In other cases when there is no outstanding secured obligation and no written commitment between the secured party and the debtor to make advances, incur obligations, or otherwise give value, the secured party, unless requested by the debtor in writing to continue the filing, ~~must send to each filing officer with whom the financing statement was filed,~~shall file electronically a termination statement to the effect that the secured party no longer claims a security interest under the financing statement nor under the central notice system, which shall be identified by file number. If the affected secured party fails to file a termination statement as required by this subsection within sixty days of when the secured obligation is fully satisfied, and the debtor has not requested in writing that the filing be continued, then under section 41-09-120 the secured party is liable to the debtor for one hundred dollars and for any loss caused to the debtor by such failure. The debtor's written request for a filing to be continued may be made at any time and be effective under this section. If the affected secured party fails to file a termination statement within ten days after proper written demand by the debtor, then under section 41-09-120 the secured party is liable to the debtor for one hundred dollars and for any loss caused to the debtor by such failure.
2. Except as otherwise provided in section 41-09-81, upon the filing of a termination statement ~~with the filing office~~, the financing statement to which the termination statement relates ceases to be effective. Except as provided in section 41-09-81, for purposes of subsection 7 of section 41-09-90, subsection 1 of section 41-09-93, and subsection ~~3~~2 of section 41-09-94, the electronic filing ~~with the filing office~~ of a termination statement relating to a financing statement that indicates that the debtor is a transmitting utility also causes the effectiveness of the financing statement to lapse.
3. The fee for filing and indexing a termination statement, ~~including sending or delivering the financing statement, is five dollars. For any financing statement filed after April 8, 1991, the fee must be paid at the time is~~ included in the fee for filing the financing statement ~~is paid.~~

**SECTION 25. AMENDMENT.** Subsection 2 of section 41-09-87 of the North Dakota Century Code is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:
  - a. The record is not communicated by a method or medium of communication authorized by the filing office;
  - b. An amount equal to or greater than the applicable filing fee is not tendered;
  - c. The filing office is unable to index the record because:
    - (1) In the case of an initial financing statement, the record does not provide a name for the debtor;
    - (2) In the case of an amendment or correction statement, the record:
      - (a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or
      - (b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;
    - (3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or
    - (4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;
  - d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;
  - e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:
    - (1) Provide a mailing address for the debtor;
    - (2) Indicate whether the debtor is an individual or an organization; or
    - (3) If the financing statement indicates that the debtor is an organization, provide:
      - (a) A type of organization for the debtor;
      - (b) A jurisdiction of organization for the debtor; or
      - (c) An organizational identification number for the debtor or indicate that the debtor has none;
  - f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment



filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; ~~or~~

- g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86; or
- h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor.

**SECTION 26. AMENDMENT.** Section 41-09-94 of the North Dakota Century Code is amended and reenacted as follows:

**41-09-94. (9-523) Information from filing office - Sale or license of records.**

1. ~~If a~~Any person that files a written record requests ~~may request~~ electronically an acknowledgment of the filing, ~~the filing office a filing.~~ The central indexing system shall send ~~provide~~ to the person detailed information and an image of the record, if not filed electronically, showing the number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90 and the date and time of the filing of the record. However, if the person furnishes a copy of the record to the filing office, ~~the filing office may instead:~~
  - a. ~~Note upon the copy the number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90 and the date and time of the filing of the record; and~~
  - b. ~~Send the copy to the person.~~
2. ~~If a person files a record other than a written record, the filing office shall communicate to the person an acknowledgment that provides:~~
  - a. ~~The information in the record;~~
  - b. ~~The number assigned to the record pursuant to subdivision a of subsection 1 of section 41-09-90; and~~
  - c. ~~The date and time of the filing of the record.~~
3. ~~The filing office~~central indexing system shall communicate ~~or otherwise make available in a record~~electronically the following information to any person that requests it:
  - a. ~~Whether there is on file on a date and time specified by the filing office~~central indexing system, but not a date earlier than three business days before the filing office receives the request, any ~~verified~~ statement of an agricultural lien created under chapter 35-17, 35-30, or 35-31 or any financing statement that:
    - (1) Designates a particular debtor or, if the request so states, designates a particular debtor at the address specified in the request;
    - (2) Has not lapsed under section 41-09-86 with respect to all secured parties of record; and
    - (3) Effective January 1, 2002, if the request so states, has lapsed under section 41-09-86 and a record of which is maintained by the ~~filing office~~central indexing system under subsection 1 of section 41-09-93;
  - b. ~~The date and time of filing of each verified statement and each financing statement; and~~

- c. ~~The information provided in each verified statement and each financing statement.~~
- 4. ~~In complying with its duty under subsection 3, the filing office may communicate information in any medium. However, if requested, the filing office shall communicate information by issuing a written certificate.~~
- 5.3. ~~The filing office~~ If a request to the central indexing system cannot be automatically accepted, the secretary of state shall perform the acts required by subsections 1 through 4 at the time and in the manner prescribed by filing office rule, but and 2 ~~not later than two business days after the filing office~~ central indexing system ~~receives the request.~~
- 6.4. ~~At least weekly, the secretary of state shall offer to sell or license to the public on a nonexclusive basis, in bulk, copies~~ detailed information of all records filed in it under this part, in every medium from time to time filed within the central indexing system.

**SECTION 27. AMENDMENT.** Section 41-09-96 of the North Dakota Century Code is amended and reenacted as follows:

**41-09-96. (9-525) Fees.**

- 1. ~~The fee for filing and indexing an original statement under this title is fifteen~~ forty-five ~~dollars plus one dollar per additional page. When a nonstandard statement is presented for filing, an additional fee of five dollars must be paid. An additional fee may not be charged for the same statement to gain protection under the central notice system.~~
- 2. ~~The fee for filing and indexing an amendment, including continuations, assignments, releases, or correction statements under this title is ten~~ forty-five ~~dollars plus one dollar per additional page. An additional fee may not be charged for the same document to gain protection under the central notice system.~~
- 3. ~~A fee may not be charged for responding to a~~ central indexing system response to an electronic request for information:
  - a. ~~Information from the filing office~~ central indexing system ~~communicating whether there is on file any financing statement or verified statement naming a particular debtor.~~
  - b. ~~Information on specific filings on a particular debtor.~~
  - c. ~~Copies of each filing on a particular debtor.~~
  - d. ~~Certified copies of filings on a particular debtor.~~
- 4. ~~The fee for a filing office~~ central indexing response providing information on specific filings ~~on submitted by a particular debtor~~ secured party ~~is seven~~ five hundred ~~dollars per debtor for the first five entries, plus two dollars for each additional five entries or fraction thereafter.~~
- 5. ~~The fee for a filing office providing copies of each filing for a particular debtor is seven dollars per debtor plus two dollars per page for each page over three pages.~~
- 6. ~~The fee for a filing office providing certified copies of filings on a particular debtor is ten dollars plus two dollars per page for attachments.~~
- 7. ~~Any fees collected by the secretary of state pursuant to this chapter and all other filings entered into the central indexing system must be deposited in the general fund in the state treasury, except with the exception of the fees collected under subsection 64 of section 41-09-94, subsection 4 of this section, and a portion of the filing fees specifically~~

identified in section 54-09-11, which must be deposited in the secretary of state's general services operating fund.

**SECTION 28. AMENDMENT.** Subsection 3 of section 41-09-135 of the North Dakota Century Code is amended and reenacted as follows:

3. The filing of a continuation statement after this Act takes effect does not continue the effectiveness of the financing statement filed before this Act takes effect. However, upon the timely filing of a continuation statement after this Act takes effect, no later than is required by section 41-09-86, and in accordance with the law of the jurisdiction governing perfection as provided in this chapter as amended by this Act, the effectiveness of a financing statement filed in the same office in that jurisdiction before this Act takes effect continues for the period provided by the law of that jurisdiction.

**SECTION 29. AMENDMENT.** Section 41-10-01 of the North Dakota Century Code is amended and reenacted as follows:

**41-10-01. Definitions.**

As used in this chapter:

1. "Authorized", when used with reference to a financing statement record, means that the financing statement record was filed by a person authorized to do so as provided in sections 41-09-80 and 41-09-130.
2. "Debtor" means a natural person whose name was provided in a financing statement record as an individual debtor or one of the types of persons listed in section 41-09-76.
3. "Filing office" or "filing officer" refers to the ~~appropriate office or office~~central indexing system, which must be provided by the secretary of state, where a financing statement record is to be filed electronically as provided by section 41-09-72, ~~including the county recorder, the secretary of state, and other designated filing officers.~~
4. "Financing statement record" means an initial financing statement, an amendment that adds collateral covered by a financing statement, and an amendment that adds a debtor to a financing statement as such terms are used in this title.

**SECTION 30. AMENDMENT.** Section 41-10-05 of the North Dakota Century Code is amended and reenacted as follows:

**41-10-05. Venue.**

An action under this chapter may be brought in any district court ~~in the county in which the financing statement record is presented for filing or~~ in a county where any of the persons who may bring an action under this chapter reside.

**SECTION 31. AMENDMENT.** Section 47-16-03 of the North Dakota Century Code is amended and reenacted as follows:

**47-16-03. Filing farm lease containing reservation of title to crop - Waiver of rights on failure to file.**

1. When a lease of a farm contains a provision reserving title in the lessor to any part of the crops in excess of the rental share of the lessor until the stated conditions of the lease have been complied with by the lessee, such lease must be filed in the office of the recorder in the county in which the land described therein is located if notice by a real estate recording is sought, and must be filed electronically in the central indexing system if recording in the central notice system is sought, prior to July first in the year in which the crops are raised to render such

reservation of title effective as to subsequent purchasers or encumbrancers of any part of the grain over and above the lessor's rental share produced upon the land.

2. The failure to file such lease or contract in accordance with this section constitutes a waiver by the lessor of all rights reserved by that person over and above that person's rental share in such crops as against any subsequent purchaser or encumbrancer of the lessee.
3. The secretary of state ~~may prescribe a form which shall provide an~~ electronic system that includes the pertinent information from the lease that may be filed in the central notice system. A lessor may file this ~~form~~ with the recorder's electronic statement and obtain the same rights under this section as if the lessor had filed the lease.
4. The fee required to file and index this notice of lease is:
  - a. As provided in section 11-18-05, if the notice of lease is only a real estate recording;
  - b. As provided in section ~~41-09-06~~ 41-09-96, if the notice of lease is filed only to gain protection under the central notice system; or
  - c. As provided in section 11-18-05, if ~~the notice of lease is both a real estate recording and filed to gain protection under the central notice system. An additional fee may not be charged for the same~~ statement a real estate recording is sought and according to section 41-09-96 if electronically filed to gain protection under the central notice system.

**SECTION 32. AMENDMENT.** Section 54-09-08 of the North Dakota Century Code is amended and reenacted as follows:

**54-09-08. Secretary of state's general services operating fund.**

The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under section 16.1-02-15, subsection ~~64~~ of section 41-09-94, subsection 4 of section 41-09-96, subsection ~~87~~ of section 54-09-04, and sections 10-35-33, 54-09-10, and 54-09-11. At the close of each biennium, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.

**SECTION 33. AMENDMENT.** Section 54-09-09 of the North Dakota Century Code is amended and reenacted as follows:

**54-09-09.**

**Computerized central indexing system - Rules.**

1. The secretary of state shall maintain a computerized central indexing system that contains the information filed ~~with the office of the secretary of state or with any of the offices of the recorder in this state~~ pursuant to sections 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 35-34-06, 41-09-72, ~~57-28-29, 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, 57-43.2-16.3, and 57-51-11.~~ ~~The system must connect each recorder's office to the secretary of state's office through the information technology department.~~ The system must allow access to financing statement information by equipment that conforms to requirements determined by the information technology department. The system must have safeguards to allow access to information that is in the system relating to security interests or liens and to prevent unauthorized alteration or deletion of that information and to allow access to other information in the system as prescribed by the secretary of state.

2. Within two working days of receipt of a financing statement, continuation statement, amendment, or termination statement filed electronically pursuant to chapter 41-09 or a statement filed electronically pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, or 35-31-02, the recorder or secretary of state shall file the information contained in the statement must be filed in the computerized central indexing system. A computer printout of information from the system is prima facie evidence of the existence or nonexistence of the filing of a financing statement or lien. The secretary of state shall ~~prescribe one form~~ provide an electronic means that can be used to perfect a security interest in farm products or gain protection under the central notice system, or both.
3. The secretary of state may adopt rules necessary to implement this section and sections 54-09-10 and 54-09-11.

**SECTION 34. AMENDMENT.** Section 54-09-10 of the North Dakota Century Code is amended and reenacted as follows:

**54-09-10. Secretary of state to compile lists for crops and livestock - Distribution of lists.**

1. From the computerized central indexing system, the secretary of state or a designee shall produce ~~each month one~~ electronically a list for crops and ~~one~~ list for livestock that each contain the information as filed ~~on the forms~~ pursuant to section 41-09-72. The secretary of state shall also include on the lists the information filed for crops and livestock pursuant to sections 35-17-04, 35-30-02, and 35-31-02. The lists must be in alphabetical order according to the last name of, or in numerical order according to the social security number of, the person engaged in farming operations. The lists may be prepared in categories according to county, regions as designated by the secretary of state, or on a statewide basis. If requested, the lists must be in printed form. Each list must conspicuously note the effective date of the list.
2. The secretary of state shall distribute ~~monthly by mail or deliver~~ electronically the lists prepared pursuant to subsection 1, ~~at least five business days in advance of the effective date of each of the lists.~~ If requested, the secretary of state shall mail ~~or deliver electronically~~ the lists to any person making a request at a fee as provided in section 54-09-11.
3. Upon a verbal request of any person, the secretary of state, ~~or a designee of the secretary of state, or a recorder~~ shall verbally provide information contained on a list generated through the computerized central indexing system if the collateral is crops or livestock. The requesting party may request electronically a certificate ~~from the secretary of state or the recorder and the secretary of state or the recorder shall~~ from the central indexing system to confirm the information given. Direct computer access is equivalent to oral confirmation, and a computer printout constitutes the written confirmation of the secretary of state, if use of this method of confirmation does not cause the central indexing system to lose federal certification. A computer printout from the computerized central indexing system constitutes the certificate of the secretary of state ~~or the recorder~~ as to whether there is on file, on the date and hour stated on the computer printout, a financing statement.

**SECTION 35. AMENDMENT.** Section 54-09-11 of the North Dakota Century Code is amended and reenacted as follows:

**54-09-11. Fees.**

1. The secretary of state shall establish fees for ~~placing data in the computerized central indexing system; for obtaining computer access to the computerized central indexing system, to the computerized Uniform Commercial Code central filing database, or to the computerized~~

- statutory liens database; for receiving printouts; for direct access to all or parts of the central indexing system; for lists sold or licensed under subsection 6 of section 41-09-94; for any other list provided by the secretary of state; for any programming charges specifically incurred to provide information requested by persons which is related to the central indexing system; and for other services provided through the computerized system.
2. ~~The~~ A fee may not be required for furnishing information on a verbal request pursuant to subsection 3 of section 54-09-10 ~~is seven dollars,~~ and the fee for furnishing a certificate under subsection 3 of section 54-09-10 ~~is seven~~ fifteen dollars.
  3. The secretary of state shall establish the fee for furnishing lists ~~under subsection 4 of section 54-09-10~~ from the central indexing system based on actual costs to produce the lists for distribution.
  4. Fees collected by the secretary of state under ~~subsections 1 and 3 and this section,~~ under subsection ~~64~~ of section 41-09-94, and subsection 4 of section 41-09-96, and ten dollars from each filing entered into the central indexing system must be deposited in the secretary of state's general services operating fund. Fees collected by the secretary of state under ~~subsection 2~~ must be deposited in the general fund in the state treasury ~~this section must be used for the programming and maintenance of the central indexing system.~~
  5. ~~The secretary of state may adopt rules regarding what portion of the filing fees and search fees collected by the recorder under section 41-09-96 must be submitted to the secretary of state for deposit into the secretary of state's general operating fund to meet the cost of the provision of services required under sections 54-09-09 and 54-09-10 shall pay ten dollars to the county recorder of the county of residence for the first debtor listed on each statement filed pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, or 41-09-72. The payment must be made monthly from the general fund in the state treasury.~~

**SECTION 36. AMENDMENT.** Subsection 5 of section 57-34-10 of the North Dakota Century Code is amended and reenacted as follows:

5. Any mortgagee, purchaser, judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in the state, prior to the tax commissioner filing in the central indexing system maintained by the secretary of state a notice of the lien provided for in subsection 4, takes free of, or has priority over, the lien. The tax commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. the next day following the indexing of the notice. The tax commissioner shall index any notice of lien with no payment of fees or costs to the secretary of state.

**SECTION 37. AMENDMENT.** Subsection 4 of section 57-36-09.5 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next day following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 38. AMENDMENT.** Section 57-38-49 of the North Dakota Century Code is amended and reenacted as follows:

**57-38-49. Preservation of lien.**

Any mortgagee, purchaser, judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in the state, prior to the commissioner filing in the central indexing system maintained by the secretary of state a notice of the lien provided for in section 57-38-48, takes free of, or has priority over, the lien. The commissioner shall index in the central indexing system the following data:

1. The name of the taxpayer.
2. The name "State of North Dakota" as claimant.
3. The date and time the notice of lien was indexed.
4. The amount of the lien.
5. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed. The commissioner shall index any notice of lien with no payment of fees or costs to the secretary of state.

**SECTION 39. AMENDMENT.** Subsection 4 of section 57-39.2-13 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 40. AMENDMENT.** Subsection 4 of section 57-40.2-16 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 41. AMENDMENT.** Subsection 3 of section 57-40.3-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed. The commissioner is exempt from the payment of fees otherwise provided by law for the indexing or the satisfaction of the lien.

**SECTION 42. AMENDMENT.** Subsection 4 of section 57-43.1-17.4 of the North Dakota Century Code is amended and reenacted as follows:

4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.



- e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 43. AMENDMENT.** Subsection 4 of section 57-43.2-16.3 of the North Dakota Century Code is amended and reenacted as follows:

- 4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 44. AMENDMENT.** Subsection 4 of section 57-43.3-22 of the North Dakota Century Code is amended and reenacted as follows:

- 4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. next following the indexing of the notice. Any notice of lien filed by the commissioner ~~with a recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 45. AMENDMENT.** Subsection 2 of section 57-51-11 of the North Dakota Century Code is amended and reenacted as follows:

- 2. Any judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in this state, prior to the commissioner filing in the central indexing system maintained by the secretary of state, a notice of the lien provided for in this section, takes free of, or has priority over, the lien. The commissioner shall index in the central indexing system the following data:
  - a. The name of the taxpayer.
  - b. The name "State of North Dakota" as claimant.

- c. The date and time the notice of lien was indexed.
- d. The amount of the lien.
- e. The internal revenue service taxpayer identification number or social security number of the taxpayer.

The notice of lien is effective as of eight a.m. of the first day following the indexing of the notice. A notice of lien filed by the commissioner ~~with a recorder~~ before August 1, 1997, may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 46. AMENDMENT.** Subsection 4 of section 57-63-10 of the North Dakota Century Code is amended and reenacted as follows:

- 4. The commissioner shall index in the central indexing system the following data:
  - a. The name of the facility.
  - b. The name "State of North Dakota" as claimant.
  - c. The date and time the notice of lien was indexed.
  - d. The amount of the lien.
  - e. The internal revenue service taxpayer identification number of the facility or the social security number of the owner, officer, or manager of the facility.

The notice of lien is effective as of eight a.m. the next day following the indexing of the notice. A notice of lien filed by the commissioner ~~with the recorder~~ may be indexed in the central indexing system without changing its original priority as to property in the county where the lien was filed.

**SECTION 47. REPEAL.** Section 57-28-29 of the North Dakota Century Code is repealed.

**SECTION 48. APPLICATION.** During the 2013-15 biennium, the secretary of state shall provide an electronic means for the central indexing system to accept an amendment to a statement filed before July 1, 2014, pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, 35-34-04, 41-09-72, 57-38-49, 57-39.2-13, 57-40.2-16, 57-40.3-07.1, 57-43.1-17.4, or 57-43.2-16. Before July 1, 2015, a secured party or lienholder may amend a filing under this section without a fee if the amendment is limited in scope to correcting the name of the debtor as required under section 41-09-135, or adding or correcting the social security or internal revenue service taxpayer identification number of the debtor, or both.

**SECTION 49. SECRETARY OF STATE REPORT TO LEGISLATIVE ASSEMBLY.** The secretary of state shall report to the sixty-fourth legislative assembly regarding the change in filing fees provided under this Act, including a comparison of the revenue collected under the new fee system versus the revenues collected under the previous fee system.

**SECTION 50. CONTINGENT EFFECTIVE DATE.** Sections 1 through 27 and sections 29 through 47 of this Act become effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of those provisions of this Act, in which case those sections become effective ninety days following the completion of the certificate requirement."

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1167**

Page 1, line 8, replace "interest" with "net"

Page 1, line 8, replace "and dividends and does not include" with "in accordance with generally accepted accounting principles, excluding"

Page 1, line 8, remove "on"

Page 1, line 9, replace "investments" with "or losses"

Renumber accordingly

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1205**

In lieu of the amendments adopted by the Senate as printed on pages 969 and 970 of the Senate Journal, Engrossed House Bill No. 1205 is amended as follows:

Page 1, line 2, after "number" insert "license"

Page 4, after line 5, insert:

**"SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,500, or so much of the sum as may be necessary, to the adjutant general to be divided equally between the veterans' cemetery trust fund and the veterans' cemetery maintenance fund, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1290**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "to provide for a legislative management study of controlling the growth in property tax levies.

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

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - CONTROLLING GROWTH OF PROPERTY TAX LEVIES.** During the 2013-14 interim, the legislative management shall consider studying controlling the growth of property tax levies, with emphasis on consideration of the following:

1. In recent years, the legislative assembly has diverted an enormous amount of state funds to benefit political subdivisions and provide property tax relief to taxpayers and an analysis should be made of whether the level of property tax relief received by taxpayers has been commensurate with the amount of state funds distributed.
2. The legislative assembly has provided for state assumption of funding for some social service functions previously funded by counties. Analysis is needed to determine the additional cost to the state of these functions in each county and compare that amount to the actual reduction in property taxes passed through to taxpayers in each county.
3. Consideration is needed of whether voter approval through referral or levy and budget restrictions should play a greater role in local taxing decisions.
4. Consideration is needed of the feasibility of establishing more restrictive statutory property tax limits to manage the growth of property taxes.

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

Renumber accordingly

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1306**

In addition to the amendments adopted by the Senate as printed on pages 987 and 988 of the Senate Journal, Reengrossed House Bill No. 1306 is further amended as follows:

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

Page 4, after line 20, insert:

**"SECTION 2. LEGISLATIVE MANAGEMENT STUDY - VETERANS' BENEFITS.** During the 2013-14 interim, the legislative management shall consider studying statutory changes that would benefit North Dakota veterans. The study must include possible changes to state income tax and property tax laws, the provision of veteran-focused incentives, assistance with obtaining and maintaining benefits, and assistance with obtaining and maintaining various life-enhancing services. In addition, the study must include current state and federal benefits available to North Dakota veterans. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 3. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of training service dogs to assist North Dakota veterans having posttraumatic stress disorder, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 4, line 21, replace "This" with "Section 1 of this"

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)  
MR. SPEAKER:** The Senate has amended and subsequently passed: HB 1319.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1319**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 of the North Dakota Century Code, relating to determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, 57-19-09, and 57-20-07.1 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide for a legislative management study; to provide for a suspension; to provide an effective date; and to provide an expiration date.

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

**SECTION 1. AMENDMENT.** Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

**15-39.1-28. Tax levy for teachers' retirement.**

Any school district by a resolution of its school board may ~~levy a tax pursuant to subdivision b of subsection 1 of use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share,~~

if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.

**SECTION 2. AMENDMENT.** Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-33. School board - Powers.**

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.
6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.

18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.
26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

**SECTION 3. AMENDMENT.** Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-39. Districts in bordering states - Contract.**

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.

3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.
7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

**SECTION 4. AMENDMENT.** Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-40. Sharing of levied taxes - Contract.**

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations ~~applicable to the property under chapter 57-15~~. The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

**SECTION 5. AMENDMENT.** Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-47. Board of education of city of Fargo - Taxing authority.**

- ~~1. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:
 
  - ~~a. To purchase, exchange, lease, or improve sites for schools.~~
  - ~~b. To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.~~
  - ~~c. To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.~~
  - ~~d. To provide fuel.~~
  - ~~e. To defray the contingent expenses of the board, including the compensation of employees.~~
  - ~~f. To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.~~~~
2. The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most

~~recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year per student times the number of additional students enrolled during the new year within the requirements of limitations of this title and title 57.~~

**SECTION 6. AMENDMENT.** Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-48. Board of education of city of Fargo - Tax collection.**

~~The board of education of the city of Fargo has the power to~~may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. ~~The business manager of the board of education shall cause~~certify the rate for each purpose ~~to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~The city auditor ~~to~~shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes are collected. If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~make an assessment roll and tax list ~~to be made and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.~~

**SECTION 7. AMENDMENT.** Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-09-49. Board of education of city of Fargo - Taxes for buildings.**

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected.~~

**SECTION 8. AMENDMENT.** Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-22-01. Kindergarten - Establishment by board - Request by parent -- Levy.**

- 4- The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.
- 2- ~~The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

**SECTION 9. AMENDMENT.** Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:



**15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015)  
Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
  - d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
  - e. 0.30 the number of full-time equivalent students who:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
    - (2) Are enrolled in a program of instruction for English language learners;
  - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
  - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
  - h. 0.20 the number of full-time equivalent students who:
    - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
    - (2) Are enrolled in a program of instruction for English language learners;
  - i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
  - j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
  - k. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the:
    - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and

- (2) The provision of special education services;
- I. 0.07 the number of full-time equivalent students who:
- (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
  - (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.**

1. For each school district, the superintendent of public instruction shall multiply by:
  - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
  - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
  - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

- d. ~~0-500.20~~ the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
- e. 0.30 the number of full-time equivalent students who:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
  - (2) Are enrolled in a program of instruction for English language learners;
- f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
- h. 0.20 the number of full-time equivalent students who:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
  - (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
- j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
- k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
- l. ~~0-0790.082~~ the number of students enrolled in average daily membership, in order to support the:
  - (1) Parentally authorized testing of a student, one time before the student's enrollment in the first grade, for the purpose of identifying learning disorders and disabilities; and
  - (2) The provision of special education services;
- m. 0.07 the number of full-time equivalent students who:
  - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;

- (2) Are enrolled in a program of instruction for English language learners; and
  - (3) Have not been in the third of six categories of proficiency for more than three years;
- n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.], provided that moneys received under this subdivision be used to support the provision of a daily snack beverage of milk or juice to students eligible for free or reduced lunches under the referenced federal law;
- o. ~~0.0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
- (1) Has acquired and is utilizing the PowerSchool student information system;
  - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
  - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

**SECTION 10. AMENDMENT.** Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-03.2. School district size weighting factor - Weighted student units.**

- 1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
  - a. ~~1.25~~1.35 if the students in average daily membership number fewer than ~~125~~125;
  - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
  - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
  - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
  - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
  - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;

- g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
- h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
- i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
- j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
- k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
- ~~h.~~l. 1.24 if the students in average daily membership number at least 185 but fewer than 200;
- ~~e.~~m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;
- ~~d.~~n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- ~~e.~~o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- ~~f.~~p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- ~~g.~~q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- ~~h.~~r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- ~~i.~~s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- ~~j.~~t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- ~~k.~~u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- ~~l.~~v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- ~~m.~~w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- ~~n.~~x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- ~~o.~~y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- ~~p.~~z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- ~~q.~~aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- ~~r.~~bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;

- ~~s~~.cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- ~~t~~.dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- ~~u~~.ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- ~~v~~.ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;
- ~~w~~.gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
- ~~x~~.hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
- ~~y~~.ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
- ~~z~~.jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- 1.25 if the students in average daily membership number fewer than 125;
  - 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
  - 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

**SECTION 11.** Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

**15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.**

- In order to determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
  - All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
  - The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;

- c. An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
  - d. An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
  - e. An amount equal to that raised by the district's 2012 alternative education program levy; and
  - f. An amount equal to:
    - (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
    - (2) Seventy-five percent of all tuition received by the school district and reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition received for the provision of an adult farm management program;
    - (3) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
    - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
    - (5) All revenue received by the school district from mobile home taxes;
    - (6) Seventy-five percent of all revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
    - (7) All telecommunications tax revenue received by the school district; and
    - (8) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
    - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or

- (b) One hundred percent of the district's baseline funding as established in subsection 1.
    - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
  - b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
    - (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
      - (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
      - (b) One hundred percent of the district's baseline funding as established in subsection 1.
    - (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to fifty mills multiplied by the taxable valuation of the school district, provided that after 2013, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and
  - b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 4, and 6 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 5, 7, and 8 of subdivision f of subsection 1.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

**SECTION 12.** Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

**15.1-27-04.2. State aid - Minimum local effort - Determination.**

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to fifty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

**SECTION 13. AMENDMENT.** Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:



**15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.**

1. Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:
  - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
  - b. ~~Any~~ any school district that reorganizes on or after July 1, 2007.
2.
  - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
  - b. The separate weighting factor must be computed to four decimal places.
  - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

**SECTION 14. AMENDMENT.** Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35. Average daily membership - Calculation.**

1.
  - a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
    - (1) ~~The school district's calendar; or~~
    - (2) ~~One hundred eighty.~~
  - b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
    - (1) ~~The school district's calendar; or~~
    - (2) ~~One hundred eighty one.~~
  - e. ~~Beginning with the 2011-12 school year, average~~ Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade,

school, or school district is absent during a school calendar, and then dividing the sum by the greater of:

- (1)a. The school district's calendar; or
  - (2)b. One hundred eighty-two.
2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
    - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
    - b. The two days set aside for professional development activities under section 15.1-06-04; and
    - c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
  3. For purposes of calculating average daily membership:
    - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
    - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
    - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

**SECTION 15. AMENDMENT.** Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-35.3. Payments to school districts - Unobligated general fund balance.**

1. a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.
- b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
- c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.

2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.

**SECTION 16. AMENDMENT.** Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-27-39. Annual salary - Minimum amount.**

1. ~~Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty two thousand dollars.~~
2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty two~~twenty-seven thousand five hundred dollars.

**SECTION 17.** Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

**15.1-27-45. Property tax relief fund.**

1. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to property tax relief fund as established by this section and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.
2. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

**SECTION 18. AMENDMENT.** Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-29-15. Levy for tuition payments.**

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision c of subsection 1 of section 57-15-14.2.~~

**SECTION 19. AMENDMENT.** Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-30-04. Provision of meals and lodging for high school students - Payment permitted—Levy.**

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

**SECTION 20. AMENDMENT.** Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-36-02. School construction projects - Loans.**

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
  - a. ~~Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and~~
Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and
  - b. ~~Two hundred million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.~~
Two hundred million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
  - a. Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
  - b. Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
  - c. Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
3. ~~The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's ~~imputed~~imputed taxable valuation per student is less than eighty percent of the state average ~~imputed~~imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~twelve~~twenty million dollars or ~~eighty~~ninety percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than ~~two~~four hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- 5.4. If an eligible school district's ~~imputed~~imputed taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~imputed taxable valuation per student, the district is entitled to receive:
  - a. A school construction loan equal to the lesser of ~~ten~~fifteen million dollars or ~~seventy~~eighty percent of the actual project cost;
  - b. An interest rate buydown equal to at least one hundred but not more than ~~two~~three hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.

- ~~6-5.~~ If an eligible school district's ~~imputed~~-taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~-taxable valuation per student, the district is entitled to receive:
- a. A school construction loan equal to the lesser of ~~fourteen~~ million dollars or ~~thirtyseventy~~ percent of the actual project cost;
  - b. An interest rate discount equal to at least one hundred but not more than ~~twothree~~ hundred ~~fifty~~-basis points below the prevailing tax-free bond rates; and
  - c. A term of repayment that may extend up to twenty years.
- ~~7-6.~~ The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- ~~8-7.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- ~~9-8.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
- ~~10.~~ ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
- ~~9.~~ a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
  - b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
  - c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
  - d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
- ~~11-10.~~ For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

**SECTION 21. AMENDMENT.** Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

**40-55-08. Election to determine desirability of establishing recreation system - How called.**

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision q of subsection 1 of ~~section 57-15-14.2.~~ using the proceeds of levies, as permitted by section 57-15-14.2.

**SECTION 22. AMENDMENT.** Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

**40-55-09. Favorable vote at election - Procedure.**

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 57-15-14.2.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

**SECTION 23. AMENDMENT.** Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-01.1. Protection of taxpayers and taxing districts.**

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
  - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;
  - b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
  - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
  - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
  - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.
  - b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
  - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
  - d. Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction

~~grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02~~ state aid under chapter 15.1-27 for the budget year.

- e. Reduced for a school district determining its levy limitation under this section, by the amount the school district's ~~mill levy reduction grant under section 57-64-02~~ state aid under chapter 15.1-27 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 and state aid under chapter 15.1-27 for the base year.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
  - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
  - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.
7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

**SECTION 24. AMENDMENT.** Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14. General fund levy limitations** ~~Voter approval of excess levies in school districts.~~

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
  - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.



2. b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
3. c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
4. d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
- e. For taxable years beginning after 2012:
- (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred thirty-five mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by sixty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.
- (3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is sixty mills on the dollar of the taxable valuation of the school district.
5. f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~ No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.

- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

**SECTION 25. AMENDMENT.** Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.2. Mill levies requiring board action – Proceeds to general fund accountSchool district levies.**

1. A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:
  - a. Board and lodging for high school students as provided in section 15-1-30-04.
  - b. The teachers' retirement fund as provided in section 15-39-1-28.
  - c. Tuition for students in grades seven through twelve as provided in section 15-1-29-15.
  - d. Special education program as provided in section 15-1-32-20.
  - e. The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12-1-08.
  - f. A final judgment obtained against a school district.
  - g. The district's share of contribution to the old age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.
  - h. The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.
  - i. Unemployment compensation benefits.
  - j. The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.
  - k. Participating in cooperative career and technical education programs approved by the state board.
  - l. Maintaining a career and technical education program approved by the state board and established only for that school district.
  - m. Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.
  - n. Establishing and maintaining school library services.

- ~~e. Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
  - ~~p. Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
  - ~~q. Establishing, maintaining, and conducting a public recreation system.~~
  - ~~r. The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~
2. ~~This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.~~
3. ~~All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.~~
1. The board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of sixty mills on the taxable valuation of the district for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund. For the 2013 taxable year levy only, the amount in dollars that the school district levied for the 2012 taxable year is determined by multiplying the 2012 taxable valuation of the school district by the sum of the 2012 mills levied for the district's general fund, high school tuition, and high school transportation.
2. The board of a school district may levy no more than twelve mills on the taxable valuation of the district for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
- a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and

- b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before January 1, 2013.

**SECTION 26. AMENDMENT.** Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-14.5. Long-distance learning and educational technology levy--  
Voter approval.**

1. ~~The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
2. ~~All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
3. ~~If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and~~On July 1, 2013, each school district shall transfer the remaining any balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.

**SECTION 27. AMENDMENT.** Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-17. Disposition of building fund tax.**

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
  - (1) The erectionconstruction of new school district buildings orand facilities, or additions to old;
  - (2) The renovation, repair, or expansion of school district buildings orand facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.;
  - (3) The improvement of school district buildings, facilities, and real property;
  - (4) The leasing of buildings and facilities;
  - (2)(5) The payment of rentals upon contracts with the state board of public school education.;

- ~~(3)~~(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57-
  - (4) ~~Within the limitations of school plans as provided in subsection 2 of section 57-15-16.; and~~
  - ~~(5)~~(7) The payment of principal, ~~premium, if any~~premiums, and interest on bonds issued ~~pursuant to~~in accordance with subsection 7 of section 21-03-07.
  - (6) ~~The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.~~
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
  3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
  4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

**SECTION 28. AMENDMENT.** Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-17.1. School board levies -- Multiyear mercury and hazardous substance abatement or removal -- Required remodeling -- Alternative education programs -- Heating, ventilation, and air-conditioning systemsDiscontinuation of special funds - Required transfers.**

1. ~~The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:~~
  - a. ~~Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection~~

- agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;
- b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;
  - c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;
  - d. Providing alternative education programs; and
  - e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air conditioning engineers, incorporated standards.
2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.
  3. All revenue accruing from up to five mills of the fifteen mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.
  4. All revenue accruing from up to ten mills of the fifteen mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.
  5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.
  6. Any On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, any funds, any moneys remaining in the required remodeling fund after completion of the remodeling projects, any funds, any moneys remaining in the alternative education program fund at the termination of the program, and any funds moneys remaining in the heating, ventilation, and air conditioning upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.

**SECTION 29. AMENDMENT.** Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-31. Determination of levy.**

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

**SECTION 30. AMENDMENT.** Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

**57-19-01. School district may establish special reserve fund.**

Each school district in this state may establish and maintain a special reserve fund ~~which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum.~~ The balance of moneys in the fund may not exceed that which could be produced by a levy of the maximum mill levynumber of mills allowed by law in that district for that year.

**SECTION 31. AMENDMENT.** Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-19-02. Special reserve fund - Separate trust fund.**

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

1. Moneys in the fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board,~~
2. Annually, the board of the school district shall transfer to the school district general fund any part or all of the investment income and interest earned by the principal amount of the school district's of the special reserve fund.
3. On July 1, 2013, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.

**SECTION 32. AMENDMENT.** Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

**57-19-09. When fund may be transferred.**

Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. ~~Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~ Any moneys remaining unexpended in ~~such~~ the special reserve fund must be transferred to the ~~building or~~ general fund of the school district. ~~The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

**SECTION 33. AMENDMENT.** Section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-07.1. County treasurer to mail real estate tax statement.**

1. On or before December twenty-sixth of each year, the county treasurer shall mail a real estate tax statement to the owner of each parcel of real property at the owner's last-known address. The statement must be provided in a manner that allows the taxpayer to retain a printed record of the obligation for payment of taxes and special assessments as provided in the statement.
2. If a parcel of real property is owned by more than one individual, the county treasurer shall send only one statement to one of the owners of that property. Additional copies of the tax statement will be sent to the other owners upon their request and the furnishing of their names and addresses to the county treasurer.
3. The tax statement must include a dollar valuation of the true and full value as defined by law of the property and the total mill levy applicable.
4. The tax statement must include, or be accompanied by a separate sheet, with three columns showing, for the taxable year to which the tax statement applies and the two immediately preceding taxable years, ~~the~~:
  - a. The property tax levy in dollars against the parcel by the county and school district and any city or township that levied taxes against the parcel; and
  - b. The amount in dollars by which the owner's tax liability has been reduced as a result of mill levy reduction grants provided by the legislative assembly.
5. Failure of an owner to receive a statement will not relieve that owner of liability, nor extend the discount privilege past the February fifteenth deadline.

**SECTION 34. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.**

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.



2. The committee shall:
  - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
  - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
  - c. Examine the distribution of financial and managerial responsibility for school construction;
  - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
  - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
  - f. Define what constitutes "adequacy" for purposes of funding education.
3. The committee shall:
  - a. Examine concepts of accountability in elementary and secondary education;
  - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
  - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

**SECTION 35. 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 legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 36. APPROPRIATION.** 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 department of career and technical education for the purpose of providing a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. For the 2014-15 school year, the amount of the grant must be determined by multiplying the per student payment rate established in subdivision b

of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.

2. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.

**SECTION 37. SUSPENSION.** Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

**SECTION 38. SUSPENSION.** Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

**SECTION 39. REPEAL.** Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

**SECTION 40. EXPIRATION DATE.** Sections 10 through 12, 15, 16, 20, and 31 of this Act are effective through June 30, 2015, and after that date are ineffective.

**SECTION 41. EFFECTIVE DATE - EXPIRATION DATE.** Sections 1, 5, 8, 19, and 21 through 29 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1019.

**SENATE AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1019**

Page 1, line 3, remove "and"

Page 1, line 3, after "exemption" insert "; and to declare an emergency"

Page 1, replace lines 15 through 22 with:

"Administration	\$2,484,885	\$235,132	\$2,720,017
Natural resources	12,768,203	9,738,206	22,506,409
Recreation	<u>7,489,091</u>	<u>(1,279,250)</u>	<u>6,209,841</u>
Total all funds	\$22,742,179	\$8,694,088	\$31,436,267
Less estimated income	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Total general fund	\$11,100,647	\$8,543,666	\$19,644,313
Full-time equivalent positions	54.00	1.00	55.00"

Page 2, replace lines 3 and 4 with:

"International Peace Garden	<u>\$773,699</u>	<u>\$2,700,000</u>	<u>\$3,473,699</u>
Total general fund	\$773,699	\$2,700,000	\$3,473,699"

Page 2, replace lines 9 through 11 with:

"Grand total general fund	\$11,874,346	\$11,243,666	\$23,118,012
Grand total special funds	<u>11,641,532</u>	<u>150,422</u>	<u>11,791,954</u>
Grand total all funds	\$23,515,878	\$11,394,088	\$34,909,966"

Page 2, replace lines 17 through 26 with:

"Parks capital projects and deferred maintenance	\$5,269,210		\$3,955,300
Parks equipment	116,000		375,000
Lewis and Clark interpretive center grant	0		3,150,000
Little Missouri state park trail leases	85,000		0
Parks SCORP plan	40,000		0

Parks strategic plans	0	100,000
Community grant program	0	600,000
International Peace Garden capital projects	<u>267,000</u>	<u>2,500,000</u>
Total all funds	\$5,777,210	\$10,680,300
Less estimated income	<u>1,028,000</u>	<u>1,282,800</u>
Total general fund	\$4,749,210	\$9,397,500"

Page 3, line 15, replace "\$400,000" with "\$600,000"

Page 3, remove lines 25 through 31

Page 4, replace lines 1 and 2 with:

**"SECTION 7. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS.** The sum of \$2,500,000 from the general fund included in subdivision 2 of section 1 of this Act is for capital projects at the International Peace Garden and is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources.

**SECTION 8. EMERGENCY.** The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$600,000 is from special funds derived from federal funds and other income, for various capital projects, which is declared to be an emergency measure."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### House Bill No. 1019 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Parks and Recreation Department				
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	<u>11,791,835</u>	<u>12,439,512</u>	<u>(647,558)</u>	<u>11,791,954</u>
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
International Peace Garden				
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Bill total				
Total all funds	\$28,936,484	\$31,037,080	\$3,872,886	\$34,909,966
Less estimated income	<u>11,791,835</u>	<u>12,439,512</u>	<u>(647,558)</u>	<u>11,791,954</u>
General fund	\$17,144,649	\$18,597,568	\$4,520,444	\$23,118,012

#### House Bill No. 1019 - Parks and Recreation Department - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administration	\$2,719,322	\$2,652,000	\$68,017	\$2,720,017
Natural resources	19,234,022	21,256,353	1,250,056	22,506,409
Recreation	6,009,441	5,973,451	236,390	6,209,841
Accrued leave payments		<u>181,577</u>	<u>(181,577)</u>	
Total all funds	\$27,962,785	\$30,063,381	\$1,372,886	\$31,436,267
Less estimated income	<u>11,791,835</u>	<u>12,439,512</u>	<u>(647,558)</u>	<u>11,791,954</u>
General fund	\$16,170,950	\$17,623,869	\$2,020,444	\$19,644,313
FTE	55.00	55.00	0.00	55.00

#### Department No. 750 - Parks and Recreation Department - Detail of Senate Changes

	Restores Executive Compensation Package <sup>1</sup>	Removes Separate Line Item for Accrued Leave Payments <sup>2</sup>	Restores Marina Funding <sup>3</sup>	Adds Funding for Military Artifact Collection <sup>4</sup>	Adds Funding for Equipment <sup>5</sup>	Adds Funding for Community Grants Program <sup>6</sup>
Administration	\$41,260	\$26,757				
Natural resources	290,386	142,170	350,000	42,500	75,000	

Recreation	23,740	12,650				200,000
Accrued leave payments		(181,577)				
Total all funds	\$355,386	\$0	\$350,000	\$42,500	\$75,000	\$200,000
Less estimated income	7,442	0	175,000	0	0	0
General fund	\$347,944	\$0	\$175,000	\$42,500	\$75,000	\$200,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adds Funding for Lewis and Clark Interpretive Center Grant <sup>7</sup>	Removes Funding for Walhalla Gorge Property <sup>8</sup>	Total Senate Changes
Administration			\$68,017
Natural resources	3,150,000	(2,800,000)	1,250,056
Recreation			236,390
Accrued leave payments			(181,577)
Total all funds	\$3,150,000	(\$2,800,000)	\$1,372,886
Less estimated income	0	(830,000)	(647,558)
General fund	\$3,150,000	(\$1,970,000)	\$2,020,444
FTE	0.00	0.00	0.00

<sup>1</sup> Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

<sup>2</sup> The accrued leave payments line item added by the House is removed, and the associated funding returned to line items with salaries and wages funding.

<sup>3</sup> Funding removed by the House for purchase of a marina is restored to the executive budget recommendation level.

<sup>4</sup> Funding is added for purchase of a military artifact collection currently on display at Fort Abraham Lincoln State Park.

<sup>5</sup> Funding is added for one-time equipment purchases of picnic tables (\$50,000) and fire rings (\$25,000).

<sup>6</sup> Funding is added to increase the community grant program from \$400,000 included in the executive budget recommendation to \$600,000.

<sup>7</sup> Funding is added for a one-time grant for expansion of the Lewis and Clark interpretive center.

<sup>8</sup> Funding added by the House for the purchase and operation of property in the Walhalla Gorge and Frost Fire area is removed.

A section is added to provide for an emergency clause for various capital projects.

House Bill No. 1019 - International Peace Garden - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
International Peace Garden	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Total all funds	\$973,699	\$973,699	\$2,500,000	\$3,473,699
Less estimated income	0	0	0	0
General fund	\$973,699	\$973,699	\$2,500,000	\$3,473,699
FTE	0.00	0.00	0.00	0.00

**Department No. 751 - International Peace Garden - Detail of Senate Changes**

	Adds Funding for Peace Garden Capital Projects <sup>1</sup>	Total Senate Changes
International Peace Garden	\$2,500,000	\$2,500,000
Total all funds	\$2,500,000	\$2,500,000
Less estimated income	0	0
General fund	\$2,500,000	\$2,500,000
FTE	0.00	0.00

<sup>1</sup> Funding is added for capital projects at the International Peace Garden.

A section is added requiring funds for capital projects of the International Peace Garden.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1291.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1291**

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact sections 15.1-21-02.4, 15.1-21-02.5, and 15.1-21-02.6 of the North Dakota Century Code, relating to the provision of North Dakota scholarships to students who receive home education; to provide for a transfer; to provide an appropriation; and to declare an emergency.

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

**SECTION 1. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year and any resident student who completes a program of home education supervised in accordance with chapter 15.1-23 during or after the 2012-13 school year is eligible to receive a North Dakota career and technical education scholarship provided the student:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. One unit of algebra II, as defined by the superintendent of public instruction; and
  - b. Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:

- a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5. a. Completed one unit of physical education; or  
b. One-half unit of physical education and one-half unit of health;
  6. Completed:
    - a. One unit selected from:
      - (1) Foreign languages;
      - (2) Native American languages;
      - (3) American sign language;
      - (4) Fine arts; or
      - (5) Career and technical education courses; and
    - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction;
  7. Completed any five additional units, two of which must be in the area of career and technical education;
  8. a. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or  
b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; and
  9. Received:
    - a. A composite score of at least twenty-four on an ACT; or
    - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 2. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year and any resident student who completes a program of home education supervised in accordance with chapter 15.1-23 during or after the 2012-13 school year is eligible to receive a North Dakota academic scholarship provided the student:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. One unit of algebra II, as defined by the superintendent of public instruction; and
  - b. One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5.
  - a. Completed one unit of physical education; or
  - b. One-half unit of physical education and one-half unit of health;
6.
  - a. Completed:
    - (1) Two units of the same foreign or native American language; or
    - (2) Two units of American sign language; and
  - b. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education;

7. Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
8. a. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit; or  
b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7; and  
(2) Obtained a grade of at least "C" in each unit or one-half unit;
9. Received a composite score of at least twenty-four on an ACT; and
10. a. Fulfilled any one unit requirement set forth in subsections 1 through 7 by means of an advanced placement course and examination; or  
b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 by means of a dual-credit course.

**SECTION 3. AMENDMENT.** Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.6. North Dakota scholarship - Amount - Applicability.**

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.  
b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state and maintains a cumulative grade point average of 2.75.
2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.
3. A student is not entitled to receive more than six thousand dollars under this section.
4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.
5. a. (1) This section does not require a student to be enrolled in consecutive semesters.  
(2) This section does not require a student to be enrolled in consecutive quarters.



- b. However, a scholarship under this section is valid only for six academic years after the student's graduation from high school and may not be applied to graduate programs.
6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who ~~graduates from~~:
- a. ~~A~~Graduates from a high school in this state;
  - b. ~~A~~Graduates from a high school in a bordering state under chapter 15.1-29; ~~or~~
  - c. ~~A~~Graduates from a nonpublic high school in a bordering state while residing with a custodial parent in this state; ~~or~~
  - d. Completes a program of home education supervised in accordance with chapter 15.1-23.
7. For purposes of North Dakota scholarship eligibility under this section, "full-time" means enrollment in at least twelve credits during a student's first two semesters and enrollment in at least fifteen credits during each semester thereafter or enrollment in the equivalent number of credits, as determined by the state board of higher education, with respect to students in a quarter system.

**SECTION 4. TRANSFER.** Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall transfer the first \$250,000 to the home education scholarship fund in the state treasury. Moneys in the home education scholarship fund are not subject to section 54-44.1-11.

**SECTION 5. APPROPRIATION.** There is appropriated out of any moneys in the home education scholarship 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 superintendent of public instruction for the purpose of providing scholarships to home-educated students in accordance with sections 1 through 3 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015.

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

Renumber accordingly

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has amended and subsequently failed to pass: HB 1294.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has failed to pass, unchanged: HB 1105.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate has failed to pass, unchanged: HB 1355.

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

**MR. PRESIDENT:** The House has concurred in the Senate amendments and subsequently passed: HB 1027 and HB 1451.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1061 and HB 1063, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1061:** Reps. Anderson; Silbernagel; S. Kelsh

**HB 1063:** Reps. Schmidt; Brabandt; Mock

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1261, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1261:** Reps. Rust; Schatz; Hunsakor

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

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

**HB 1061:** Sens. Unruh; Lyson; Murphy

**HB 1063:** Sens. Burckhard; Unruh; Triplett

**HB 1166:** Sens. Campbell; Cook; Triplett

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

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

**HB 1139:** Sens. Campbell; Sitte; Sinner

**HB 1440:** Sens. Andrist; J. Lee; Dotzenrod

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2005, SB 2008, SB 2011, SB 2016, SB 2021, SB 2022, SB 2023, SB 2024, and SB 2219, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2005:** Sens. Carlisle; Bowman; Warner

**SB 2008:** Sens. G. Lee; Bowman; Robinson

**SB 2011:** Sens. Krebsbach; Wanzek; O'Connell

**SB 2016:** Sens. Grindberg; Carlisle; Warner

**SB 2021:** Sens. Wanzek; G. Lee; Robinson

**SB 2022:** Sens. Kilzer; Carlisle; Warner

**SB 2023:** Sens. Erbele; Bowman; Warner

**SB 2024:** Sens. Kilzer; Grindberg; Mathern

**SB 2219:** Sens. Burckhard; Krebsbach; Murphy

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2171, SB 2338, and SCR 4030, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2171:** Sens. Miller; Oehlke; Dotzenrod

**SB 2338:** Sens. Cook; Burckhard; Triplett

**SCR 4030:** Sens. Cook; Campbell; Dotzenrod

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2211, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2211:** Sens. Miller; Klein; Heckaman

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

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

**SB 2115:** Reps. Boehning; Steiner; Hanson  
**SB 2132:** Reps. Louser; Ruby; Gruchalla  
**SB 2144:** Reps. Ruby; Kasper; Boschee  
**SB 2152:** Reps. Kasper; Rohr; Boschee  
**SB 2210:** Reps. Rohr; Karls; Strinden  
**SB 2225:** Reps. Paur; Toman; Hogan  
**SB 2299:** Reps. Louser; Laning; Mooney

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The House has appointed as a conference committee to act with a like committee from the Senate on:

**SB 2131:** Reps. Looyesen; Anderson; Mooney

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2108, SB 2125, SB 2214, SB 2229, SB 2251, SB 2323, SB 2345, SB 2356.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1263, HCR 3010.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1075, HB 1180, HB 1348, HB 1352, HB 1362, HB 1397, HB 1399.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2108, SB 2125, SB 2214, SB 2229, SB 2251, SB 2323, SB 2345, SB 2356.

**MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2108, SB 2125, SB 2214, SB 2229, SB 2251, SB 2323, SB 2345, SB 2356.

#### **DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 11, 2013: HB 1310, HB 1316, HB 1320, HB 1327, HB 1333, HB 1336, HB 1340, HB 1350, HB 1357, HB 1359, HB 1361, HB 1363, HB 1372, HB 1378, HB 1389, HB 1392, HB 1401, HB 1424, HB 1428, HB 1467.

#### **COMMUNICATION FROM GOVERNOR JACK DALRYMPLE**

This is to inform you that on April 10, 2013, I have signed the following: HB 1024, HB 1028, HB 1030, HB 1046, HB 1059, HB 1060, HB 1079, HB 1103, HB 1113, HB 1118, HB 1119, HB 1125, HB 1131, HB 1149, HB 1168, HB 1175, HB 1193, HB 1196, HB 1197, HB 1200, HB 1201, HB 1206, HB 1274, HB 1276, and HB 1278.

#### **MOTION**

**REP. VIGESAA MOVED** that the House be on the Fourth, Fifth, Seventh, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Friday, April 12, 2013, which motion prevailed.

#### **REPORT OF STANDING COMMITTEE**

**SB 2004, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2004 was placed on the Sixth order on the calendar.

Page 1, line 2, after "repeal" insert "chapter 23-17.5 and"

Page 1, line 2, after the second "to" insert "health care provider cooperative agreements and"

Page 1, replace lines 13 through 16 with:

"Salaries and wages	\$49,351,659	\$3,523,961	\$52,875,620
Accrued leave payments	0	2,223,289	2,223,289
Operating expenses	50,272,030	(13,755,947)	36,516,083
Capital assets	1,998,073	2,215	2,000,288
Grants	57,928,038	(6,705,309)	51,222,729"

Page 1, replace lines 20 through 23 with:

"Total all funds	\$189,870,305	(\$14,673,184)	\$175,197,121
Less estimated income	<u>156,956,525</u>	<u>(18,028,735)</u>	<u>138,927,790</u>
Total general fund	\$32,913,780	\$3,355,551	\$36,269,331
Full-time equivalent positions	344.00	6.00	350.00"

Page 2, replace lines 11 and 12 with:

"Less estimated income		<u>3,992,228</u>	<u>265,000</u>
Total general fund		\$1,100,000	\$500,000"

Page 2, after line 16, insert:

**"SECTION 3. FAMILY VIOLENCE GRANTS - CONTINGENT FUNDING.** The grants line item in section 1 of this Act includes \$80,000 from the general fund for family violence services and prevention grants. This funding is contingent on the state department of health certifying to the director of the office of management and budget that federal funds available to the department for family violence grants have been reduced due to federal sequestration. The department may spend these funds to the extent that federal funds are reduced."

Page 2, remove lines 23 through 25

Page 3, line 3, replace "Section" with "Chapter 23-17.5 and section"

Page 3, line 3, replace "is" with "are"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2004 - State Department of Health - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$58,149,478	\$58,191,244	(\$5,315,624)	\$52,875,620
Operating expenses	38,152,557	38,527,557	(2,011,474)	36,516,083
Capital assets	2,224,288	2,224,288	(224,000)	2,000,288
Grants	57,316,529	57,484,729	(6,262,000)	51,222,729
Tobacco prevention	5,544,251	5,544,251		5,544,251
WIC food payments	24,659,861	24,659,861		24,659,861
Federal stimulus funds	155,000	155,000		155,000
Accrued leave payments			2,223,289	2,223,289
Total all funds	\$186,201,964	\$186,786,930	(\$11,589,809)	\$175,197,121
Less estimated income	<u>140,216,701</u>	<u>140,618,913</u>	<u>(1,691,123)</u>	<u>138,927,790</u>
General fund	\$45,985,263	\$46,168,017	(\$9,898,686)	\$36,269,331
FTE	354.00	354.00	(4.00)	350.00

**Department No. 301 - State Department of Health - Detail of House Changes**

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Workforce Safety Insurance for Volunteers <sup>3</sup>	Removes Funding for Oil Impact Grants <sup>4</sup>	Decreases Funding for Operating Expenses <sup>5</sup>	Removes Funding for School of Medicine Autopsy Services <sup>6</sup>
Salaries and wages	(\$2,429,853)	(\$2,223,289)				
Operating expenses			(84,000)		(250,000)	(640,000)
Capital assets						
Grants				(1,184,000)		
Tobacco prevention						

WIC food payments						
Federal stimulus funds						
Accrued leave payments		2,223,289				
Total all funds	(\$2,429,853)	\$0	(\$84,000)	(\$1,184,000)	(\$250,000)	(\$640,000)
Less estimated income	(1,118,123)	0	0	0	(200,000)	0
General fund	(\$1,311,730)	\$0	(\$84,000)	(\$1,184,000)	(\$50,000)	(\$640,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for Community Paramedic <sup>7</sup>	Adjusts Funding Source of Food and Lodging Licensing System <sup>8</sup>	Removes Funding for Environmental Health FTE Positions <sup>9</sup>	Decreases Funding for Emergency Medical Services Grants <sup>10</sup>	Removes Funding for Emergency Medical Services Manager <sup>11</sup>	Decreases Funding for Statewide Stroke System of Care <sup>12</sup>
Salaries and wages	(\$135,000)		(\$388,386)		(\$139,096)	
Operating expenses	(141,600)		(359,970)		(60,904)	(375,000)
Capital assets			(224,000)			
Grants				(5,150,000)		(8,000)
Tobacco prevention						
WIC food payments						
Federal stimulus funds						
Accrued leave payments						
Total all funds	(\$276,600)	\$0	(\$972,356)	(\$5,150,000)	(\$200,000)	(\$383,000)
Less estimated income	0	110,000	0	0	0	(383,000)
General fund	(\$276,600)	(\$110,000)	(\$972,356)	(\$5,150,000)	(\$200,000)	\$0
FTE	(1.00)	0.00	(3.00)	0.00	0.00	0.00

	Adds Contingent Funding for Family Violence Services and Prevention Grants <sup>13</sup>	Removes Funding Related to Health Care Provider Cooperative Agreements <sup>14</sup>	Total House Changes
Salaries and wages			(\$5,315,624)
Operating expenses		(100,000)	(2,011,474)
Capital assets			(224,000)
Grants	80,000		(6,262,000)
Tobacco prevention			
WIC food payments			
Federal stimulus funds			
Accrued leave payments			2,223,289
Total all funds	\$80,000	(\$100,000)	(\$11,589,809)
Less estimated income	0	(100,000)	(1,691,123)
General fund	\$80,000	\$0	(\$9,898,686)
FTE	0.00	0.00	(4.00)

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$707,673) and from other funds (\$1,515,616) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> Removes funding for workforce safety insurance for volunteers included in the executive recommendation. The additional payment was determined to be unnecessary by Workforce Safety and Insurance.

<sup>4</sup> Oil impact funding for grants to local public health units in oil-impacted areas of the state

included in the executive recommendation and approved by the Senate is removed.

<sup>5</sup> Operating expenses are reduced departmentwide.

<sup>6</sup> Professional services to contract with the University of North Dakota School of Medicine and Health Sciences to perform autopsies in the eastern part of the state, included in the executive recommendation and approved by the Senate are removed.

<sup>7</sup> Funding for 1 FTE position to implement a community paramedic/community health care worker pilot project and for educational startup costs is removed.

<sup>8</sup> The funding source of one-time funding for a food and lodging licensing management system included in the executive recommendation and approved by the Senate is changed from the general fund to special funds from food and lodging fees.

<sup>9</sup> Funding for 3 environmental health FTE positions, included in the executive recommendation and approved by the Senate is removed as follows:

- 1 FTE laboratory services position (\$101,638) and related operating expenses (\$335,543) and capital assets (\$224,000), and
- 2 FTE municipal facilities positions (\$286,748) and related operating expenses (\$24,427).

<sup>10</sup> Funding for rural emergency medical services grants is reduced to provide a total of \$2.19 million, of which \$940,000 is from the general fund and \$1.25 million is from the insurance tax distribution fund. The executive recommendation included \$7.34 million, of which \$6.09 million is from the general fund and \$1.25 million is from the insurance tax distribution fund, \$2.35 million more than the 2011-13 biennium.

<sup>11</sup> Funding increases provided in the executive recommendation in the salaries and wages line item and the operating expenses line item for an emergency medical services grants manager are removed.

<sup>12</sup> Funding added by the Senate from the tobacco prevention and control trust fund to provide an increase in funding for the continued implementation of the statewide integrated stroke system of care is removed. The executive recommendation included \$473,324 from the general fund for the statewide integrated stroke system of care. Funding was added by the Senate to provide a total of \$856,324 for the statewide integrated stroke system of care, of which \$473,324 is from the general fund.

<sup>13</sup> Contingent funding is added for family violence services and prevention grants. The funding is contingent on a reduction in federal funds resulting from sequestration.

<sup>14</sup> Operating expenses are reduced due to the repeal of Chapter 23-17.5 related to health care provider cooperative agreements.

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In addition, this amendment:

- Adds a section to provide the additional funding in the grants line item for family violence services and prevention grants of \$80,000 from the general fund is contingent on the State Department of Health certifying to the Director of the Office of Management and Budget that federal funds available to the department for family violence grants has been reduced due to federal sequestration. The department may spend these funds to the extent that federal funds are reduced.
- Adds a section to repeal Chapter 23-17.5 related to health care provider cooperative agreements.
- Removes a section added by the Senate to provide \$383,000 from the tobacco prevention and control trust fund for the continued implementation of the statewide integrated stroke system of care.

#### REPORT OF STANDING COMMITTEE

**SB 2020, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)**  
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends

**DO PASS** (20 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2020 was placed on the Sixth order on the calendar.

Page 1, remove lines 22 through 24

Page 2, replace lines 1 and 2 with:

"Extension service	\$47,026,654	\$3,306,689	\$50,333,343
Soil conservation committee	987,800	75,000	1,062,800
Accrued leave payments	<u>0</u>	<u>1,716,289</u>	<u>1,716,289</u>
Total all funds	\$48,014,454	\$5,097,978	\$53,112,432
Less estimated income	<u>23,128,810</u>	<u>1,431,810</u>	<u>24,560,620</u>
Total general fund	\$24,885,644	\$3,666,168	\$28,551,812"

Page 2, replace lines 8 through 10 with:

"Northern crops institute	\$3,347,307	\$444,213	\$3,791,520
Accrued leave payments	<u>0</u>	<u>42,195</u>	<u>42,195</u>
Total all funds	\$3,347,307	\$486,408	\$3,833,715
Less estimated income	<u>1,654,725</u>	<u>127,614</u>	<u>1,782,339</u>
Total general fund	\$1,692,582	\$358,794	\$2,051,376"

Page 2, replace lines 16 through 18 with:

"Upper great plains transportation institute	\$24,069,961	\$2,052,462	\$26,122,423
Accrued leave payments	<u>0</u>	<u>241,627</u>	<u>241,627</u>
Total all funds	\$24,069,961	\$2,294,089	\$26,364,050
Less estimated income	<u>22,150,333</u>	<u>166,272</u>	<u>22,316,605</u>
Total general fund	\$1,919,628	\$2,127,817	\$4,047,445"

Page 2, replace lines 24 through 27 with:

"Main research center	\$89,012,990	\$19,234,128	\$108,247,118
Accrued leave payments	<u>0</u>	<u>2,561,394</u>	<u>2,561,394</u>
Total all funds	\$89,012,990	\$21,795,522	\$110,808,512
Less estimated income	<u>41,630,644</u>	<u>11,841,303</u>	<u>53,471,947</u>
Total general fund	\$47,382,346	\$9,954,219	\$57,336,565
Full-time equivalent positions	349.01	2.48	351.49"

Page 3, replace lines 1 through 10 with:

"Dickinson research center	\$5,588,562	\$487,453	\$6,076,015
Central grasslands research center	2,865,847	341,369	3,207,216
Hettinger research center	3,373,175	1,261,401	4,634,576
Langdon research center	2,378,807	433,988	2,812,795
North central research center	4,399,821	162,575	4,562,396
Williston research center	3,410,089	316,898	3,726,987
Carrington research center	7,126,488	718,896	7,845,384
Accrued leave payments	<u>0</u>	<u>503,916</u>	<u>503,916</u>
Total all funds	\$29,142,789	\$4,226,496	\$33,369,285
Less estimated income	<u>14,997,581</u>	<u>963,849</u>	<u>15,961,430</u>
Total general fund	\$14,145,208	\$3,262,647	\$17,407,855"

Page 3, replace lines 16 and 17 with:

"Agronomy seed farm	\$1,435,168	\$23,681	\$1,458,849
Accrued leave payments	<u>0</u>	<u>5,741</u>	<u>5,741</u>
Total special funds	\$1,435,168	\$29,422	\$1,464,590"

Page 3, replace lines 23 through 25 with:

"Grand total general fund	\$90,025,408	\$19,369,645	\$109,395,053
Grand total special funds	<u>104,997,261</u>	<u>14,560,270</u>	<u>119,557,531</u>
Grand total all funds	\$195,022,669	\$33,929,915	\$228,952,584"

Page 4, after line 4, insert:

"Upper great plains transportation institute state match for federal funds"	0	1,250,000
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Page 4, remove line 7

Page 4, replace lines 11 through 13 with:

"Total all funds	\$10,726,983	\$9,685,000
Total other funds	<u>2,852,931</u>	<u>1,950,000</u>
Total general fund	\$7,874,052	\$7,735,000"

Page 4, after line 25, insert:

**"SECTION 4. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME.** The Dickinson research extension center may spend revenues received from mineral royalties, leases, or easements only for one-time items and not for ongoing operational expenses, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, after line 4, insert:

**"SECTION 7. EXTENSION SERVICE - NEW TECHNICAL SUPPORT FULL-TIME EQUIVALENT POSITION.** The North Dakota state university extension service may utilize the new full-time equivalent technical support position recommended in the 2013-15 executive budget and included in subdivision 1 of section 1 of this Act, in either the weed science or potato program during the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 5, line 5, remove "GENERAL FUND -"

Page 5, line 5, remove "unexpended"

Page 5, line 6, remove "general fund appropriation authority to and any"

Page 5, line 8, remove "from these appropriations"

Page 5, line 16, remove "MATCHING FUNDS"

Page 5, line 27, replace "\$4,300,000" with "\$5,925,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2020 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
Transportation Institute				
Total all funds	\$25,353,629	\$25,353,629	\$1,010,421	\$26,364,050
Less estimated income	<u>22,525,054</u>	<u>22,525,054</u>	(208,449)	<u>22,316,605</u>
General fund	\$2,828,575	\$2,828,575	\$1,218,870	\$4,047,445
Branch Research Centers				
Total all funds	\$33,746,878	\$33,746,878	(\$377,593)	\$33,369,285
Less estimated income	<u>16,021,866</u>	<u>16,021,866</u>	(60,436)	<u>15,961,430</u>
General fund	\$17,725,012	\$17,725,012	(\$317,157)	\$17,407,855
NDSU Extension Service				
Total all funds	\$54,088,058	\$54,288,058	(\$1,175,626)	\$53,112,432
Less estimated income	<u>25,437,414</u>	<u>24,987,414</u>	(426,794)	<u>24,560,620</u>
General fund	\$28,650,644	\$29,300,644	(\$748,832)	\$28,551,812
Northern Crops Institute				
Total all funds	\$3,874,651	\$3,874,651	(\$40,936)	\$3,833,715
Less estimated income	<u>1,800,307</u>	<u>1,800,307</u>	(17,968)	<u>1,782,339</u>
General fund	\$2,074,344	\$2,074,344	(\$22,968)	\$2,051,376



Main Research Center				
Total all funds	\$110,293,322	\$112,320,622	(\$1,512,110)	\$110,808,512
Less estimated income	53,255,585	53,255,585	216,362	53,471,947
General fund	\$57,037,737	\$59,065,037	(\$1,728,472)	\$57,336,565
Agronomy Seed Farm				
Total all funds	\$1,474,961	\$1,474,961	(\$10,371)	\$1,464,590
Less estimated income	1,474,961	1,474,961	(10,371)	1,464,590
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$228,831,499	\$231,058,799	(\$2,106,215)	\$228,952,584
Less estimated income	120,515,187	120,065,187	(507,656)	119,557,531
General fund	\$108,316,312	\$110,993,612	(\$1,598,559)	\$109,395,053

### Senate Bill No. 2020 - Transportation Institute - House Action

	Executive Budget	Senate Version	House Changes	House Version
Upper Great Plains Trans. Institute	\$25,353,629	\$25,353,629	\$768,794	\$26,122,423
Accrued leave payments			241,627	241,627
Total all funds	\$25,353,629	\$25,353,629	\$1,010,421	\$26,364,050
Less estimated income	22,525,054	22,525,054	(208,449)	22,316,605
General fund	\$2,828,575	\$2,828,575	\$1,218,870	\$4,047,445
FTE	53.75	53.75	0.00	53.75

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Removes Separate Line Item for Accrued Leave Payments <sup>2</sup>	Increases Funding for Matching Grants <sup>3</sup>	Total House Changes
Upper Great Plains Trans. Institute	(\$239,579)	(\$241,627)	\$1,250,000	\$768,794
Accrued leave payments		241,627		241,627
Total all funds	(\$239,579)	\$0	\$1,250,000	\$1,010,421
Less estimated income	(208,449)	0	0	(208,449)
General fund	(\$31,130)	\$0	\$1,250,000	\$1,218,870
FTE	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$42,266) and from other funds (\$199,361) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> This amendment increases funding to match new federal grants received by the agency to provide a total of \$2 million, all of which is from the general fund. This increase of \$1.25 million added by the House is one-time funding.

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

	Executive Budget	Senate Version	House Changes	House Version
Dickinson Research Center	\$6,231,325	\$6,231,325	(\$155,310)	\$6,076,015

Central Grasslands Research Center	3,297,559	3,297,559	(90,343)	3,207,216
Hettinger Research Center	4,746,234	4,746,234	(111,658)	4,634,576
Langdon Research Center	2,886,763	2,886,763	(73,968)	2,812,795
North Central Research Center	4,661,679	4,661,679	(99,283)	4,562,396
Williston Research Center	3,869,023	3,869,023	(142,036)	3,726,987
Carrington Research Center	8,054,295	8,054,295	(208,911)	7,845,384
Accrued leave payments			503,916	503,916
Total all funds	\$33,746,878	\$33,746,878	(\$377,593)	\$33,369,285
Less estimated income	16,021,866	16,021,866	(60,436)	15,961,430
General fund	\$17,725,012	\$17,725,012	(\$317,157)	\$17,407,855
FTE	107.04	107.04	0.00	107.04

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total House Changes
Dickinson Research Center	(\$68,302)	(\$87,008)	(\$155,310)
Central Grasslands Research Center	(38,980)	(51,363)	(90,343)
Hettinger Research Center	(47,485)	(64,173)	(111,658)
Langdon Research Center	(32,828)	(41,140)	(73,968)
North Central Research Center	(39,332)	(59,951)	(99,283)
Williston Research Center	(64,653)	(77,383)	(142,036)
Carrington Research Center	(86,013)	(122,898)	(208,911)
Accrued leave payments		503,916	503,916
Total all funds	(\$377,593)	\$0	(\$377,593)
Less estimated income	(60,436)	0	(60,436)
General fund	(\$317,157)	\$0	(\$317,157)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$407,680) and from other funds (\$96,236) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees for each branch center as follows:

Branch Research Centers	General Fund	Estimated Income	Total
Dickinson Research Center	(\$70,391)	(\$16,617)	(\$87,008)
Central Grasslands Research Center	(41,554)	(9,809)	(51,363)
Hettinger Research Center	(51,917)	(12,256)	(64,173)
Langdon Research Center	(33,283)	(7,857)	(41,140)
North Central Research Center	(48,502)	(11,449)	(59,951)
Williston Research Center	(62,604)	(14,779)	(77,383)
Carrington Research Center	(99,429)	(23,469)	(122,898)
Accrued leave payments	407,680	96,236	503,916

A section is added providing that the Dickinson Research Extension Center may only spend revenue from mineral royalties, leases, or easements for one-time items and not for operations during the 2013-15 biennium.

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

	Executive Budget	Senate Version	House Changes	House Version
Extension Service	\$53,025,258	\$53,150,258	(\$2,816,915)	\$50,333,343
Soil Conservation Committee	1,062,800	1,137,800	(75,000)	1,062,800
Accrued leave payments			1,716,289	1,716,289
Total all funds	\$54,088,058	\$54,288,058	(\$1,175,626)	\$53,112,432
Less estimated income	25,437,414	24,987,414	(426,794)	24,560,620
General fund	\$28,650,644	\$29,300,644	(\$748,832)	\$28,551,812
FTE	258.26	258.26	0.00	258.26

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Partial Salary Support <sup>3</sup>	Reduces Funding for Soil Conservation Committee <sup>4</sup>	Provides Funding for Burleigh County Extension Service Summer Internships <sup>5</sup>	Total House Changes
Extension Service	(\$865,626)	(\$1,716,289)	(\$260,000)		\$25,000	(\$2,816,915)
Soil Conservation Committee				(75,000)		(75,000)
Accrued leave payments		1,716,289				1,716,289
Total all funds	(\$865,626)	\$0	(\$260,000)	(\$75,000)	\$25,000	(\$1,175,626)
Less estimated income	(426,794)	0	0	0	0	(426,794)
General fund	(\$438,832)	\$0	(\$260,000)	(\$75,000)	\$25,000	(\$748,832)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$852,203) and from other funds (\$864,086) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> This amendment removes funding included in the executive budget to provide partial general fund salary support for the following existing positions:

- Integrated pest management and plant diagnostic laboratory coordinator.
- State water quality specialist.

<sup>4</sup> This amendment removes funding added by the Senate for Soil Conservation Committee operations.

<sup>5</sup> This amendment provides funding for salaries and wages for a Junior Master Gardener internship program through the Burleigh County Extension Service for the summer of 2013 and the summer of 2014.

This amendment provides the NDSU Extension Service flexibility to use the new FTE technical support position, recommended in the executive budget, in either the weed science or potato program.

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

	Executive Budget	Senate Version	House Changes	House Version
Northern Crops Institute	\$3,874,651	\$3,874,651	(\$83,131)	\$3,791,520
Accrued leave payments			42,195	42,195
Total all funds	\$3,874,651	\$3,874,651	(\$40,936)	\$3,833,715
Less estimated income	1,800,307	1,800,307	(17,968)	1,782,339
General fund	\$2,074,344	\$2,074,344	(\$22,968)	\$2,051,376
FTE	12.00	12.00	0.00	12.00

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total House Changes
Northern Crops Institute	(\$40,936)	(\$42,195)	(\$83,131)
Accrued leave payments		42,195	42,195
Total all funds	(\$40,936)	\$0	(\$40,936)
Less estimated income	(17,968)	0	(17,968)
General fund	(\$22,968)	\$0	(\$22,968)
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$37,172) and from other funds (\$5,023) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

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

	Executive Budget	Senate Version	House Changes	House Version
Main Research Center	\$110,293,322	\$112,320,622	(\$4,073,504)	\$108,247,118
Accrued leave payments			2,561,394	2,561,394
Total all funds	\$110,293,322	\$112,320,622	(\$1,512,110)	\$110,808,512
Less estimated income	53,255,585	53,255,585	216,362	53,471,947
General fund	\$57,037,737	\$59,065,037	(\$1,728,472)	\$57,336,565
FTE	351.49	351.99	(0.50)	351.49

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Removes Funding for Oil-Impacted Centers <sup>3</sup>	Reduces Funding for Flooded Lands Study <sup>4</sup>	Adjusts Funding for Capital Projects <sup>5</sup>	Removes Animal Science Position <sup>6</sup>
Main Research Center	(\$1,331,810)	(\$2,561,394)	(\$100,000)	(\$80,300)		
Accrued leave payments		2,561,394				
	(\$1,331,810)	\$0	(\$100,000)	(\$80,300)	\$0	\$0

Total all funds						
Less estimated income	(783,638)	0	0	0	1,000,000	0
General fund	(\$548,172)	\$0	(\$100,000)	(\$80,300)	(\$1,000,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	(0.50)

	<b>Total House Changes</b>
Main Research Center	(\$4,073,504)
Accrued leave payments	2,561,394
Total all funds	(\$1,512,110)
Less estimated income	216,362
General fund	(\$1,728,472)
FTE	(0.50)

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from the general fund (\$1,748,140) and from other funds (\$813,254) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

<sup>3</sup> This amendment removes the funding added by the Senate for oil-impacted research extension centers for housing allowances or hiring bonuses.

<sup>4</sup> This amendment reduces the funding added by the Senate for the research relating to the recovery of grasslands affected by Souris River flooding to provide a total of \$82,000, all of which is from the general fund.

<sup>5</sup> This amendment:

- Provides a total of \$5,925,000 for replacement of agronomy laboratories, the same as the Senate version and \$1,625,000 more than the executive budget.
- Reduces funding from the general fund for the replacement of agronomy laboratories to provide a total of \$4,925,000, \$1,000,000 less than the Senate version but \$625,000 more than the executive budget.
- Provides authority for the agency to raise funds from the private industry of up to \$1 million for all of the agronomy laboratory projects. Neither the Senate nor the executive budget included other funds for the projects.

<sup>6</sup> The .5 FTE animal science position added by the Senate is removed. The funding of \$140,000 from the general fund added by the Senate relating to the position is not changed.

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

	Executive Budget	Senate Version	House Changes	House Version
Agronomy Seed Farm	\$1,474,961	\$1,474,961	(\$16,112)	\$1,458,849
Accrued leave payments			5,741	5,741
Total all funds	\$1,474,961	\$1,474,961	(\$10,371)	\$1,464,590
Less estimated income	1,474,961	1,474,961	(10,371)	1,464,590
General fund	\$0	\$0	\$0	\$0
FTE	3.00	3.00	0.00	3.00

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

	Adjusts State Employee Compensation and Benefits Package <sup>1</sup>	Provides Separate Line Item for Accrued Leave Payments <sup>2</sup>	Total House Changes
Agronomy Seed Farm			
Accrued leave payments	(\$10,371)	(\$5,741) 5,741	(\$16,112) 5,741
Total all funds	(\$10,371)	\$0	(\$10,371)
Less estimated income	(10,371)	0	(10,371)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

<sup>1</sup> This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

<sup>2</sup> A portion of salaries and wages funding from other funds (\$5,741) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

**Senate Bill No. 2020 - Other Changes - House Action**

Section 8 is amended to remove the general fund carryover authority.

**REPORT OF STANDING COMMITTEE**

**SB 2193, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (17 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING).** Engrossed SB 2193, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1175 and 1176 of the House Journal, Engrossed Senate Bill No. 2193 is amended as follows:

Page 1, line 1, remove "and"

Page 1, line 2, remove "an autism spectrum disorder voucher program"

Page 1, line 3, remove the second "and"

Page 1, line 3, after "appropriation" insert "; and to provide an expiration date"

Page 2, remove lines 13 through 31

Page 3, replace lines 1 through 5 with:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES AUTISM SPECTRUM DISORDER MEDICAID WAIVER.** The department of human services, by January 1, 2014, shall seek approval from the federal centers for medicare and medicaid services to expand the department's autism spectrum disorder medicaid waiver to cover twenty additional individuals from birth through age thirteen and to provide appropriate behavior intervention and treatment services that may include evidence-based and promising practices, case management services, technology and technology-based support, in-home support, equipment and supplies, home

monitoring, respite care, residential supports and services, and behavioral consultation.

**SECTION 3. DEPARTMENT OF PUBLIC INSTRUCTION - AUTISM SPECTRUM DISORDER EDUCATIONAL TRAINING AND SUPPORT.** The department of public instruction shall provide training and support to general education classroom teachers and other school staff regarding the most effective methods of educating and providing services and support to individuals with autism spectrum disorder."

Page 3, line 16, replace "\$200,648" with "\$148,132"

Page 3, line 23, replace "\$400,000" with "\$265,136"

Page 4, line 4, replace "\$500,000" with "\$250,000"

Page 4, after line 7, insert:

**"SECTION 8. EXPIRATION DATE.** This Act is effective through June 30, 2015, and after that date is ineffective."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2193 - Summary of House Action**

	Executive Budget	Senate Version	House Changes	House Version
State Department of Health				
Total all funds	\$0	\$200,648	(\$52,516)	\$148,132
Less estimated income	0	0	0	0
General fund	\$0	\$200,648	(\$52,516)	\$148,132
Department of Human Services				
Total all funds	\$0	\$900,000	(\$384,864)	\$515,136
Less estimated income	0	0	0	0
General fund	\$0	\$900,000	(\$384,864)	\$515,136
Bill total				
Total all funds	\$0	\$1,100,648	(\$437,380)	\$663,268
Less estimated income	0	0	0	0
General fund	\$0	\$1,100,648	(\$437,380)	\$663,268

**Senate Bill No. 2193 - State Department of Health - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Autism spectrum database		\$200,648	(\$52,516)	\$148,132
Total all funds	\$0	\$200,648	(\$52,516)	\$148,132
Less estimated income	0	0	0	0
General fund	\$0	\$200,648	(\$52,516)	\$148,132
FTE	0.00	1.00	0.00	1.00

**Department No. 301 - State Department of Health - Detail of House Changes**

	Reduces Funding for Autism Spectrum Disorder Database <sup>1</sup>	Total House Changes
Autism spectrum database	(\$52,516)	(\$52,516)
Total all funds	(\$52,516)	(\$52,516)
Less estimated income	0	0
General fund	(\$52,516)	(\$52,516)
FTE	0.00	0.00

<sup>1</sup> Funding is reduced for the autism spectrum disorder database.

**Senate Bill No. 2193 - Department of Human Services - House Action**

	Executive Budget	Senate Version	House Changes	House Version
State autism coordinator		\$400,000	(\$134,864)	\$265,136
Autism spectrum training		500,000	(250,000)	250,000
Total all funds	\$0	\$900,000	(\$384,864)	\$515,136
Less estimated income	0	0	0	0
General fund	\$0	\$900,000	(\$384,864)	\$515,136
FTE	0.00	1.00	0.00	1.00

**Department No. 325 - Department of Human Services - Detail of House Changes**

	Reduces Funding for State Autism Coordinator <sup>1</sup>	Reduces Funding for Autism Spectrum Disorder Training <sup>2</sup>	Total House Changes
State autism coordinator	(\$134,864)		(\$134,864)
Autism spectrum training		(250,000)	(250,000)
Total all funds	(\$134,864)	(\$250,000)	(\$384,864)
Less estimated income	0	0	0
General fund	(\$134,864)	(\$250,000)	(\$384,864)
FTE	0.00	0.00	0.00

<sup>1</sup> Funding is reduced for the state autism coordinator.

<sup>2</sup> Funding is reduced for statewide autism spectrum disorder training to be implemented by the Department of Human Services.

A section is added regarding an autism spectrum disorder Medicaid waiver.

A section is added regarding training provided by the Department of Public Instruction for classroom teachers and other school staff.

A section is added providing that the bill is effective for the 2013-15 biennium only.

**REPORT OF STANDING COMMITTEE**

**SB 2222, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman) recommends AMENDMENTS AS FOLLOWS and when so amended, recommends DO PASS (22 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2222, as amended, was placed on the Sixth order on the calendar.**

In addition to the amendments adopted by the House as printed on page 1009 of the House Journal, Engrossed Senate Bill No. 2222 is further amended as follows:

Page 1, line 1, replace "section" with "sections 15.1-21-02.4, 15.1-21-02.5, and"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Section 15.1-21-02.4 of the North Dakota Century Code is amended and reenacted as follows:



**15.1-21-02.4. North Dakota career and technical education scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota career and technical education scholarship provided the student:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. One unit of algebra II, as defined by the superintendent of public instruction; and
  - b. Two units of any other mathematics;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or  
(2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or  
(2) One unit of problems of democracy; and
  - c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
5.
  - a. Completed one unit of physical education; or
  - b. One-half unit of physical education and one-half unit of health;
6. Completed:
  - a. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education courses; and
  - b. Two units of a coordinated plan of study recommended by the department of career and technical education and approved by the superintendent of public instruction;
7. Completed any five additional units, two of which must be in the area of career and technical education;

8. a. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
    - (2) Obtained a grade of at least "C" in each unit or one-half unit; or
  - b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7; and
    - (2) Obtained a grade of at least "C" in each unit or one-half unit; and
9. Received:
- a. A composite score of at least twenty-four on an ACT, or in the case of a student who graduated during or after the 2012-13 school year, a composite score of at least twenty-three on an ACT; or
  - b. A score of at least five on each of three WorkKeys assessments recommended by the department of career and technical education and approved by the superintendent of public instruction.

**SECTION 2. AMENDMENT.** Section 15.1-21-02.5 of the North Dakota Century Code is amended and reenacted as follows:

**15.1-21-02.5. North Dakota academic scholarship.**

Any resident student who graduates from a high school during or after the 2010-11 school year is eligible to receive a North Dakota academic scholarship provided the student:

1. Completed four units of English language arts from a sequence that includes literature, composition, and speech;
2. Completed three units of mathematics, including:
  - a. One unit of algebra II, as defined by the superintendent of public instruction; and
  - b. One unit of mathematics for which algebra II, as defined by the superintendent of public instruction, is a prerequisite;
3. Completed three units of science, including:
  - a. One unit of physical science;
  - b. One unit of biology; and
  - c. (1) One unit of any other science; or
    - (2) Two one-half units of any other science;
4. Completed three units of social studies, including:
  - a. One unit of United States history;
  - b. (1) One-half unit of United States government and one-half unit of economics; or
    - (2) One unit of problems of democracy; and

- c. One unit or two one-half units of any other social studies, which may include civics, civilization, geography and history, multicultural studies, North Dakota studies, psychology, sociology, and world history;
- 5. a. Completed one unit of physical education; or
- b. One-half unit of physical education and one-half unit of health;
- 6. a. Completed:
  - a. (1) Two units of the same foreign or native American language; or
  - (2) Two units of American sign language; and
  - b. One unit selected from:
    - (1) Foreign languages;
    - (2) Native American languages;
    - (3) American sign language;
    - (4) Fine arts; or
    - (5) Career and technical education;
- 7. Completed any five additional units, one of which must be in the area of fine arts or career and technical education;
- 8. a. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based on all high school units in which the student was enrolled; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit; or
- b. (1) Obtained a cumulative grade point average of at least 3.0 on a 4.0 grading scale, as determined by the superintendent of public instruction, based only on the units required by subsections 1 through 7; and
- (2) Obtained a grade of at least "C" in each unit or one-half unit;
- 9. Received a composite score of at least twenty-four on an ACT, or in the case of a student who graduated during or after the 2012-13 school year, a composite score of at least twenty-three on an ACT; and
- 10. a. Fulfilled any one unit requirement set forth in subsections 1 through 7 by means of an advanced placement course and examination; or
- b. Fulfilled any one-half unit requirement set forth in subsections 1 through 7 by means of a dual-credit course."

Page 2, line 1, remove "two hundred"

Page 2, line 2, remove "fifty"

Page 2, line 9, replace "eight" with "six"

Page 2, line 9, replace "thirty-three" with "sixty-six"

Page 2, line 20, replace "ten" with "eight"

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2226: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2226 was placed on the Sixth order on the calendar.

Page 1, line 14, replace "\$709,000" with "\$240,000"

Page 1, replace lines 18 through 24 with:

"Contracted emergency medical services and trauma medical director \$100,000  
 Advanced trauma life support training \$40,000  
 Development of the rural trauma team development course \$50,000  
 Trauma designation visits  
 \$50,000"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2226 - State Department of Health - House Action**

	Executive Budget	Senate Version	House Changes	House Version
Comprehensive state trauma system		\$709,000	(\$469,000)	\$240,000
Total all funds	\$0	\$709,000	(\$469,000)	\$240,000
Less estimated income	0	0	0	0
General fund	\$0	\$709,000	(\$469,000)	\$240,000
FTE	0.00	1.00	(1.00)	0.00

**Department No. 301 - State Department of Health - Detail of House Changes**

	Reduces Funding for the Comprehensive State Trauma System <sup>1</sup>	Total House Changes
Comprehensive state trauma system	(\$469,000)	(\$469,000)
Total all funds	(\$469,000)	(\$469,000)
Less estimated income	0	0
General fund	(\$469,000)	(\$469,000)
FTE	(1.00)	(1.00)

<sup>1</sup> This amendment reduces the funding for the comprehensive state trauma system, providing a total of \$240,000, all of which is from the general fund. This reduction also includes the removal of the associated trauma coordinator FTE position.

**REPORT OF STANDING COMMITTEE**

**SB 2344, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (16 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2344, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on page 1235 and divided on page 1243 of the House Journal, Engrossed Senate Bill No. 2344 is amended as follows:

Page 1, after line 8, insert:

- "1. A payment under this section may be made by the department of veterans' affairs only upon the completion of a service dog's training.

2. Payment may not exceed \$12,500 per service dog.

**SECTION 2. VETERANS SERVICE DOG TRAINING - LEGISLATIVE MANAGEMENT REPORT.** The department of veterans' affairs shall provide a report to the legislative management during the 2013-14 interim regarding the status of the service dog training program, including benefits to veterans, number of applicants, and number of service dogs provided."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2359, as engrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman)** recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2359 was placed on the Fourteenth order on the calendar.

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

**Buell J. Reich, Chief Clerk**

