

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2014

That the House recede from its amendments as printed on pages 1215-1222 of the Senate Journal and pages 1335-1342 of the House Journal and that Engrossed Senate Bill No. 2014 be amended as follows:

Page 1, line 3, remove the third "to"

Page 1, remove lines 4 through 7

Page 1, line 8, remove "tax credits;"

Page 1, line 8, after the third comma insert "54-18-19,"

Page 1, line 9, after "Code" insert "and section 26 of chapter 14 of the 2015 Session Laws"

Page 1, line 9, remove "occupational or"

Page 1, line 10, replace "professional" with "recreational"

Page 1, line 10, replace "and" with "North Dakota mill and elevator profits,"

Page 1, line 10, after "allocations" insert ", and a financial center project"

Page 1, line 12, after the second semicolon insert "to provide for reports;"

Page 1, line 12, remove "to provide an effective"

Page 1, line 13, remove "date; and"

Page 1, line 13, after the second "date" insert "; and to declare an emergency"

Page 2, replace lines 1 through 8 with:

"Salaries and wages	\$22,132,229	(\$118,145)	\$22,014,084
Operating expenses	4,779,135	1,526,753	6,305,888
Grants - bond payments	15,040,829	(1,830,345)	13,210,484
Contingencies	<u>0</u>	<u>221,737</u>	<u>221,737</u>
Total all funds	\$41,952,193	(\$200,000)	\$41,752,193
Less estimated income	<u>16,994,447</u>	<u>(651,241)</u>	<u>16,343,206</u>
Total general fund	\$24,957,746	\$451,241	\$25,408,987
Full-time equivalent positions	116.75	(6.50)	110.25"

Page 2, replace lines 13 through 15 with:

"Bank of North Dakota operations	\$58,542,301	(\$53,097)	\$58,489,204
Capital assets	<u>745,000</u>	<u>65,000</u>	<u>810,000</u>
Total special funds	\$59,287,301	\$11,903	\$59,299,204"

Page 2, replace lines 21 through 25 with:

"Salaries and wages	\$36,278,898	\$3,029,621	\$39,308,519
Operating expenses	27,327,000	868,000	28,195,000
Contingencies	500,000	0	500,000

Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total from mill and elevator fund	\$64,315,898	\$3,897,621	\$68,213,519"

Page 2, remove line 31

Page 3, replace lines 1 through 5 with:

"Salaries and wages	\$7,745,034	\$147,022	\$7,892,056
Operating expenses	3,744,275	999,080	4,743,355
Grants	25,930,780	5,864,048	31,794,828
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$37,520,089	\$7,010,150	\$44,530,239
Full-time equivalent positions	46.00	(2.00)	44.00"

Page 3, replace lines 10 through 12 with:

"Grand total general fund	\$24,957,746	\$451,241	\$25,408,987
Grand total special funds	<u>178,117,735</u>	<u>10,268,433</u>	<u>188,386,168</u>
Grand total all funds	\$203,075,481	\$10,719,674	\$213,795,155

SECTION 2. HEALTH INSURANCE INCREASE. Section 1 of this Act includes the sum of \$1,319,354, of which \$292,009 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 5, line 5, replace "\$1,254,462" with "\$221,737"

Page 5, line 5, replace "six" with "two"

Page 5, line 9, remove "the thresholds identified in this section. Of the \$1,254,462 and the six full-time"

Page 5, replace lines 10 through 18 with:

"eighteen thousand two hundred. Subject to budget section approval, the industrial commission may spend \$221,737 from the contingencies line item and may hire two full-time equivalent positions if the total number of wells capable of production and injection exceeds eighteen thousand two hundred."

Page 5, line 20, replace "\$1,103,986" with "\$1,103,779"

Page 7, line 11, replace "thirteen" with "eighteen"

Page 7, line 20, remove the overstrike over "~~Suspension of~~"

Page 7, line 21, after "**license**" insert "**recreational licenses**"

Page 7, line 21, remove the overstrike over "~~for nonpayment of defaulted state guaranteed student loans~~"

Page 7, line 22, remove the overstrike over "4:"

Page 7, line 29, remove the overstrike over "2:"

Page 8, line 15, after the overstruck period insert "The court may withhold or suspend any certificate, permit, or license issued by lottery, tag, electronically, or over the counter by the director of the game and fish department which the judgment debtor is required to obtain before engaging in a recreational activity. Following a decision to withhold or suspend a judgment debtor's certificate, permit, or license for failure to repay a state guaranteed student loan, the court shall notify the judgment debtor that the decision

becomes final thirty days after the notification unless the judgment debtor satisfies or makes arrangements to pay the entire outstanding payment due or makes regular payment on the judgment in a manner and at times satisfactory to the court. The court shall notify the director of the game and fish department of the court's decision to withhold or suspend a debtor's certificate, permit, or license. A certificate, permit, or license withheld or suspended by an order issued under this section may be reissued only by order of the court. An appeal by a debtor who has had a certificate, permit, or license suspended or withheld under this section is an appeal from the court's order and may not be appealed to the director of the game and fish department."

Page 8, remove lines 16 through 21

Page 10, remove lines 30 and 31

Page 11, remove lines 1 through 30

Page 12, remove lines 1 through 30

Page 13, remove lines 1 through 31

Page 14, replace lines 1 through 22 with:

"SECTION 20. AMENDMENT. Section 54-18-19 of the North Dakota Century Code is amended and reenacted as follows:

54-18-19. Transfer of North Dakota mill and elevator profits to general fund.

The industrial commission shall transfer to the state general fund ~~fiftyseveny-five~~ percent of the annual earnings and undivided profits of the North Dakota mill and elevator association after any transfers to other state agricultural-related programs. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget."

Page 19, after line 2 insert:

"SECTION 22. AMENDMENT. Section 26 of chapter 14 of the 2015 Session Laws is amended and reenacted as follows:

SECTION 26. CONTINGENT FUNDING - BANK OF NORTH DAKOTA - NORTH DAKOTA FINANCIAL CENTER - EXEMPTION - LEGISLATIVE MANAGEMENT REPORT. The capital assets line item in subdivision 2 of section 1 of this Act includes \$17,000,000 from the assets of the Bank of North Dakota for the purpose of constructing a North Dakota financial center on a site adjacent to the existing building in which the Bank is located. The Bank may spend the funding only if the Bank's net income, reported in accordance with financial accounting standards board accounting standards, for calendar year 2015 exceeds \$125,000,000. The funding appropriated for this purpose is not subject to section 54-44.1-11 and any unexpended funds are available ~~during the biennium beginning July 1, 2017, and ending June 30, 2019~~ through June 30, 2021. The Bank of North Dakota shall report to the legislative management and to the appropriations committees of the sixty-fifth legislative assembly on the use of the funding provided for the North Dakota financial center, including the amounts spent to date and the amounts anticipated to be continued into the 2017-19 biennium, and on the progress of the project."

Page 19, remove lines 21 through 26

Page 20, replace lines 13 through 15 with:

"SECTION 28. PROHIBITION - NORTH DAKOTA FINANCIAL CENTER - BANK OF NORTH DAKOTA. The Bank of North Dakota may not construct a North Dakota financial center on a site adjacent to the existing building on which the Bank of North Dakota is located related to the funding provided in section 1 of chapter 14 of the 2015 Session Laws and identified in sections 2 and 26 of chapter 14 of the 2015 Session Laws until after June 30, 2019.

SECTION 29. LAKE BED SEDIMENTATION STUDY - REPORT TO THE LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the industrial commission shall conduct a study in consultation with the game and fish department, the state department of health, the state water commission, and any other state agencies as necessary, regarding the feasibility of and appropriate jurisdiction for regulation of sediment studies and dredging operations from the beds of reservoirs that retain more than fifty acre-feet of surface water. The study must include consideration of best practices in other states, an outline of any proposed regulations, and a plan to implement a uniform permitting process. The industrial commission shall report to the legislative management by September 30, 2018, regarding the results and recommendations of the study.

SECTION 30. GAIN-SHARING PROGRAM STUDY - REPORT TO LEGISLATIVE MANAGEMENT. During the 2017-18 interim, the industrial commission shall conduct a study in consultation with the North Dakota mill and elevator association regarding the gain-sharing program. The study must include consideration of the costs and benefits of the gain-sharing program, best practices in other milling operations, and the estimated fiscal impact of repealing or modifying the gain-sharing program. The industrial commission shall report to the legislative management by July 1, 2018, regarding the results and recommendations of the study.

SECTION 31. BANK OF NORTH DAKOTA EFFICIENCY STUDY - REPORT. During the 2017-18 interim, the Bank of North Dakota shall conduct a study regarding potential efficiencies in operations. The Bank of North Dakota shall report to the appropriations committees of the sixty-sixth legislative assembly regarding the results and recommendations of the study.

SECTION 32. EXPIRATION DATE. Section 20 of this Act is effective through June 30, 2019, and after that date is ineffective.

SECTION 33. EMERGENCY. Section 28 of this Act is declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Summary of Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Industrial Commission						
Total all funds	\$41,952,193	\$42,809,180	(\$1,056,987)	\$41,752,193	\$41,752,193	\$0
Less estimated income	16,994,447	16,344,658	(1,452)	16,343,206	16,343,206	0
General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987	\$25,408,987	\$0

Bank of North Dakota						
Total all funds	\$59,287,301	\$59,336,944	(\$37,740)	\$59,299,204	\$59,099,204	\$200,000
Less estimated income	59,287,301	59,336,944	(37,740)	59,299,204	59,099,204	200,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Housing Finance Agency						
Total all funds	\$37,520,089	\$44,539,570	(\$9,331)	\$44,530,239	\$44,275,562	\$254,677
Less estimated income	37,520,089	44,539,570	(9,331)	44,530,239	44,275,562	254,677
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Mill and Elevator						
Total all funds	\$64,315,898	\$68,245,245	(\$31,726)	\$68,213,519	\$68,213,519	\$0
Less estimated income	64,315,898	68,245,245	(31,726)	68,213,519	68,213,519	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$203,075,481	\$214,930,939	(\$1,135,784)	\$213,795,155	\$213,340,478	\$454,677
Less estimated income	178,117,735	188,466,417	(80,249)	188,386,168	187,931,491	454,677
General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987	\$25,408,987	\$0

Senate Bill No. 2014 - Industrial Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$22,132,229	\$22,038,346	(\$24,262)	\$22,014,084	\$22,014,084	
Operating expenses	4,779,135	6,305,888		6,305,888	6,305,888	
Grants - Bond payments	15,040,829	13,210,484		13,210,484	13,210,484	
Contingencies		1,254,462	(1,032,725)	221,737	221,737	
Total all funds	\$41,952,193	\$42,809,180	(\$1,056,987)	\$41,752,193	\$41,752,193	\$0
Less estimated income	16,994,447	16,344,658	(1,452)	16,343,206	16,343,206	0
General fund	\$24,957,746	\$26,464,522	(\$1,055,535)	\$25,408,987	\$25,408,987	\$0
FTE	116.75	114.25	(4.00)	110.25	110.25	0.00

Department No. 405 - Industrial Commission - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Contingent FTE Positions ²	Total Conference Committee Changes
Salaries and wages	(\$24,262)		(\$24,262)
Operating expenses			
Grants - Bond payments			
Contingencies		(1,032,725)	(1,032,725)
Total all funds	(\$24,262)	(\$1,032,725)	(\$1,056,987)
Less estimated income	(1,452)	0	(1,452)
General fund	(\$22,810)	(\$1,032,725)	(\$1,055,535)
FTE	0.00	(4.00)	(4.00)

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

² Contingent funding and authorization for FTE positions are adjusted to provide \$221,737 from the general fund and 2 FTE positions. The funding and FTE positions are authorized, subject to Budget Section approval, if the total number of wells capable of production and injection exceeds 18,200 wells as identified in Section 7 of the bill. The Senate provided \$1,254,462 for 6 FTE positions. The House provided \$221,737 and 2 FTE positions.

This amendment also includes the following changes related to the Industrial Commission:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.
- Identifies \$221,737 from the general fund and 2 FTE positions included in the appropriation as contingent funding and contingent FTE position authorization. The funding and FTE positions are authorized, subject to Budget Section approval, if the total number of wells capable of production and injection exceeds 18,200 wells. The House provided that one position may be hired after May 31, 2018, and another position may be hired after November 30, 2018. The Senate provided \$1,254,462 from the general fund and 6 FTE positions.
- Allows the Industrial Commission to transfer up to \$1,103,779 from special funds from the entities under the control of the Industrial Commission for administrative services, the same as the House. The transfer was adjusted for the health insurance adjustment compared to the transfer of \$1,103,986 provided by the Senate.
- Adds a section requiring the Industrial Commission, in consultation with the Game and Fish Department, the State Department of Health, the State Water Commission, and any other state agencies as necessary, to study lake bed sedimentation and to report the results to the Legislative Management. The House also included the study.

Senate Bill No. 2014 - Bank of North Dakota - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Capital assets	\$745,000	\$810,000		\$810,000	\$810,000	
Bank of North Dakota operations	58,542,301	58,526,944	(37,740)	58,489,204	58,289,204	200,000
Total all funds	\$59,287,301	\$59,336,944	(\$37,740)	\$59,299,204	\$59,099,204	\$200,000
Less estimated income	59,287,301	59,336,944	(37,740)	59,299,204	59,099,204	200,000
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50	181.50	0.00

Department No. 471 - Bank of North Dakota - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Conference Committee Changes
Capital assets		
Bank of North Dakota operations	(37,740)	(37,740)
Total all funds	(\$37,740)	(\$37,740)
Less estimated income	(37,740)	(37,740)
General fund	\$0	\$0
FTE	0.00	0.00

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

This amendment also includes the following changes related to the Bank of North Dakota:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.
- Authorizes the Bank of North Dakota to charge up to 18 percent of accumulated principal and interest on defaulted student loans. The Senate provided authorization to charge up to

13 percent, and the House provided authorization to charge up to 30 percent.

- Provides the authority to suspend a recreational license when the licensee's student loans are in default, the same as the House. The Senate removed the authority to suspend an occupational or professional license.
- Amends a reference to the North Dakota financial center, which was included in 2015 House Bill No. 1014, to extend the authorization for the project through the 2019-21 biennium. The House repealed the references to the financial center project.
- Prohibits the Bank of North Dakota from constructing a financial center until after June 30, 2019, and provides an emergency clause related to the prohibition. The House also included the prohibition.
- Requires the Bank of North Dakota to study potential efficiencies in operations and to report to the 66th Legislative Assembly.

Senate Bill No. 2014 - Housing Finance Agency - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$7,745,034	\$7,901,387	(\$9,331)	\$7,892,056	\$7,637,379	\$254,677
Operating expenses	3,744,275	4,743,355		4,743,355	4,743,355	
Grants	25,930,780	31,794,828		31,794,828	31,794,828	
HFA contingencies	100,000	100,000		100,000	100,000	
Total all funds	\$37,520,089	\$44,539,570	(\$9,331)	\$44,530,239	\$44,275,562	\$254,677
Less estimated income	37,520,089	44,539,570	(9,331)	44,530,239	44,275,562	254,677
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	46.00	46.00	(2.00)	44.00	42.00	2.00

Department No. 473 - Housing Finance Agency - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes FTE Positions ²	Total Conference Committee Changes
Salaries and wages	(\$9,331)		(\$9,331)
Operating expenses			
Grants			
HFA contingencies			
Total all funds	(\$9,331)	\$0	(\$9,331)
Less estimated income	(9,331)	0	(9,331)
General fund	\$0	\$0	\$0
FTE	0.00	(2.00)	(2.00)

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

² Authorization for 2 FTE positions is removed, the same as the House. Funding for a housing program administrator and a housing program representative was removed by the Senate; however, the Senate did not remove the FTE authorization for these positions.

This amendment also includes the following changes related to the Housing Finance Agency:

- Continues the housing incentive fund, the same as the Senate. The House continued the housing incentive fund through December 31, 2018, after which all references to the housing incentive fund were to be repealed.

- Removes a section added by the Senate to provide up to \$5 million of income tax credits for contributions to the housing incentive fund which would have reduced general fund revenues by \$2.5 million for individual income tax collections and \$2.5 million for corporate income tax collections. The House also removed this section.
- Removes a section added by the Senate to establish the essential service worker home ownership incentive fund and to identify the uses of the fund, the same as the House.
- Removes a section added by the Senate to provide up to \$500,000 of income tax credits for contributions to the essential service worker home ownership incentive fund which would have reduced general fund revenues by \$250,000 for individual income tax collections and \$250,000 for corporate income tax collections. The House also removed this section.
- Removes a section added by the Senate to identify 50 percent of the contributions to the essential service worker home ownership fund for planning regions 1 and 8 and the remaining contributions for the other planning areas. The House also removed this section.
- Removes a section added by the Senate to provide an effective date and expiration date related to the housing incentive fund and the essential service worker home ownership incentive fund tax credits, the same as the House.

Senate Bill No. 2014 - Mill and Elevator - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$36,278,898	\$39,340,245	(\$31,726)	\$39,308,519	\$39,308,519	
Operating expenses	27,327,000	28,195,000		28,195,000	28,195,000	
Contingencies	500,000	500,000		500,000	500,000	
Agriculture promotion	210,000	210,000		210,000	210,000	
Total all funds	\$64,315,898	\$68,245,245	(\$31,726)	\$68,213,519	\$68,213,519	\$0
Less estimated income	64,315,898	68,245,245	(31,726)	68,213,519	68,213,519	0
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	147.00	153.00	0.00	153.00	153.00	0.00

Department No. 475 - Mill and Elevator - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Total Conference Committee Changes
Salaries and wages	(\$31,726)	(\$31,726)
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	(\$31,726)	(\$31,726)
Less estimated income	(31,726)	(31,726)
General fund	\$0	\$0
FTE	0.00	0.00

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

This amendment also includes the following changes related to the Mill and Elevator Association:

- Identifies the funding increase for health insurance premium increases included in the agency's appropriation.
- Amends North Dakota Century Code Section 54-18-19 to increase the annual transfer of Mill and

Elevator profits to the general fund from 50 to 75 percent for the 2017-19 biennium resulting in an increase of \$6,188,868 to 2017-19 biennium estimated general fund revenue, from \$12,377,736 to \$18,566,604. The House also included these provisions.

- Removes a section added by the House to repeal Section 54-18-20, which authorizes a gain-sharing program, allowing the gain-sharing program to continue.
- Adds a section requiring the Industrial Commission, in consultation with the Mill and Elevator Association, to study the gain-sharing program and to report to the Legislative Management.