

## JOURNAL OF THE SENATE

## Sixty-fifth Legislative Assembly

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Bismarck, April 24, 2017

The Senate convened at 1:00 p.m., with President Sanford presiding.

The prayer was offered by Senator Myrdal, District 10.

The roll was called and all members were present except Senator Nelson.

A quorum was declared by the President.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. PRESIDENT:** Your **Committee on Correction and Revision of the Journal (Sen. Davison, Chairman)** has carefully examined the Journal of the Forty-third, Fifty-third, and Sixty-third Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 710, remove lines 20 through 31

Page 710, after line 19 insert:

**"COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on March 9, 2017, I have signed the following: SB 2048, SB 2092, SB 2095, SB 2103, SB 2108, SB 2109, SB 2112, SB 2118, SB 2122, SB 2126, and SB 2140."

Page 866, line 28, remove "and has committee recommendation of DO PASS,"

Page 866, line 37, remove ", as amended,"

Page 867, line 7, remove "and has committee recommendation of DO PASS,"

Page 867, line 16, remove ", as amended,"

Page 867, line 26, remove "and has committee recommendation of DO PASS,"

Page 867, line 35, remove ", as amended,"

Page 867, line 46, remove "and has committee recommendation of DO PASS,"

Page 868, line 6, remove ", as amended,"

Page 868, line 21, remove "and has committee recommendation of DO PASS,"

Page 868, line 31, remove ", as amended,"

Page 868, line 46, remove "and has committee recommendation of DO PASS,"

Page 869, line 5, remove ", as amended,"

Page 869, line 16, remove "and has committee recommendation of DO PASS,"

Page 869, line 25, remove ", as amended,"

Page 869, line 36, remove "and has committee recommendation of DO PASS,"

Page 869, line 45, remove ", as amended,"

Page 870, line 9, remove "and has committee recommendation of DO PASS,"

Page 870, line 19, remove ", as amended,"

Page 871, remove lines 14 and 15

Page 1277, line 6, replace "D. Larson, Luick, Myrdal" with "Myrdal, Luick, D. Larson"

Page 1277, line 11, replace "Nelson, Osland" with "Osland, Nelson"

**SEN. ANDERSON MOVED** that the report be adopted, which motion prevailed.

**REPORT OF STANDING COMMITTEE**

**HB 1015, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1015 was placed on the Sixth order on the calendar.

Page 1, line 2, after "budget" insert "; to provide an appropriation to Dickinson state university"

Page 1, line 3, after the semicolon insert "to create and enact a new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city;"

Page 1, line 3, replace "section" with "sections 6-09-15.1 and 15-18.2-06, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections"

Page 1, line 3, after "54-06-04.3" insert "and 57-20-04"

Page 1, line 4, after the first "to" insert "temporary loans to the general fund, higher education funding formula minimums, criminal history record checks,"

Page 1, line 4, after "fees" insert ", and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications"

Page 1, line 4, replace "an exemption" with "exemptions"

Page 1, line 5, replace "and" with "to provide for a legislative management study; to provide for a report to the legislative management;"

Page 1, line 5, after "report" insert "; to provide an effective date; and to declare an emergency"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 through 3 with:

|                                       |              |             |              |
|---------------------------------------|--------------|-------------|--------------|
| "Salaries and wages                   | \$19,798,254 | \$2,242,970 | \$22,041,224 |
| Operating expenses                    | 13,855,260   | 213,178     | 14,068,438   |
| Emergency commission contingency fund | 500,000      | (150,000)   | 350,000      |
| Capital assets                        | 200,000      | 1,573,477   | 1,773,477    |
| Grants                                | 555,000      | (501,000)   | 54,000       |
| Guardianship grants                   | 1,328,600    | 200,000     | 1,528,600    |
| Prairie public broadcasting           | 1,600,000    | (200,000)   | 1,400,000    |
| State student internship program      | 200,000      | (200,000)   | 0            |
| Cybersecurity remediation pool        | 0            | 1,000,000   | 1,000,000    |
| Total all funds                       | \$38,037,114 | \$4,178,625 | \$42,215,739 |
| Less estimated income                 | 7,210,390    | 4,023,697   | 11,234,087   |
| Total general fund                    | \$30,826,724 | \$154,928   | \$30,981,652 |
| Full-time equivalent positions        | 122.50       | (4.50)      | 118.00"      |

Page 2, line 5, replace "\$340,576" with "\$315,900"

Page 2, line 5, replace "\$279,990" with "\$259,704"

Page 2, line 6, replace "\$1,249" with "\$1,241"

Page 2, replace lines 12 through 24 with:

|   |                  |                  |
|---|------------------|------------------|
| "Student internship                       | \$50,000         | \$0              |
| Facilities projects                       | 205,000          | 0                |
| Signage on the capitol grounds            | 1,400,000        | 0                |
| West parking lot repair                   | 50,000           | 0                |
| Affordable Care Act health insurance pool | 3,350,000        | 0                |
| Facilities projects                       | 1,475,303        | 0                |
| Legislative electrical                    | 310,000          | 0                |
| Energy pool                               | 7,965,000        | 0                |
| Environmental impact committee - HB 1432  | 1,500,000        | 0                |
| Surplus property building                 | 0                | 800,000          |
| Cybersecurity remediation pool            | 0                | <u>1,000,000</u> |
| Total all funds                           | \$16,305,303     | \$1,800,000      |
| Less estimated income                     | <u>9,775,000</u> | <u>1,800,000</u> |
| Total general fund                        | \$6,530,303      | \$0"             |

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

**"SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,309,626, or so much of the sum as may be necessary, to Dickinson state university for campus operations payments resulting from the minimum amount payable through the higher education funding formula, for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, line 10, after "**EXEMPTION**" insert "**- FISCAL MANAGEMENT**"

Page 3, replace lines 15 through 17 with:

**"SECTION 7. EXEMPTION - CAPITOL BUILDING FUND.** The amount of \$1,400,000 appropriated from the capitol building fund for capitol building entrance and signage projects, as contained in section 1 of chapter 49 of the 2015 Session Laws, is not subject to the provisions of section 54-44.1-11, and any unexpended funds from this appropriation are available during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the \$1,400,000, up to \$1,000,000 is available for extraordinary repairs, and the remaining amount is available for capitol building entrance and signage projects.

**SECTION 8. EXEMPTION - DICKINSON STATE UNIVERSITY - USE OF 2013-15 BIENNIUM APPROPRIATIONS.** The amounts appropriated to Dickinson state university for the Theodore Roosevelt center project in section 3 of chapter 34 of the 2013 Session Laws and section 4 of chapter 49 of the 2013 Session Laws are not subject to section 54-44.1-11 and any unexpended funds from these sections are available to be used by the institution as provided in this section during the biennium beginning July 1, 2017, and ending June 30, 2019. Of the unexpended appropriations available under this section, Dickinson state university shall use the funding as follows:

1. \$4,800,000 must be used for the operations of the institution.
2. \$3,100,000 must be used to repay any outstanding debt of the Biesiot activities center. The funds under this subsection may be used only if the funding provided under this subsection will result in final satisfaction of any obligation associated with the facility.
3. \$500,000 must be used to provide a grant to the Theodore Roosevelt presidential library foundation for the digitization of documents related to the library.

4. Any remaining funds must be provided as a grant to the Theodore Roosevelt presidential library foundation for operations, construction, and other costs of the library.

**SECTION 9. EXEMPTION - HIGHER EDUCATION CHALLENGE GRANTS.**

The unexpended amount remaining for the education challenge fund line item in section 1 of chapter 34 of the 2013 Session Laws is not subject to section 54-44.1-11 and the state board of higher education shall transfer any unexpended funds in this line item to Dickinson state university for operations of the institution during the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

**SECTION 11. AMENDMENT.** Section 6-09-15.1 of the North Dakota Century Code is amended and reenacted as follows:

**6-09-15.1. Loans to general fund authorized - Continuing appropriation.**

The state treasurer and the director of the office of management and budget may, when the balance in the state general fund is insufficient to meet legislative appropriations, execute and issue on behalf of the state evidences of indebtedness on the state general fund which at no time exceed the total principal amount of ~~ten~~ one hundred million dollars with principal maturity of not more than twelve months. As a condition precedent to the issuance and sale of the evidences of indebtedness, the state treasurer must request and obtain a statement from the director of the office of management and budget and state tax commissioner certifying that anticipated general fund revenues for the balance of the fiscal year in which the evidences of indebtedness are to be issued will exceed the principal amount and interest on the evidences of indebtedness to be issued. The state industrial commission may in turn direct the Bank of North Dakota to make loans to the state general fund by the purchase of the evidences of indebtedness at such rates of interest as the industrial commission may prescribe. After evidences of indebtedness have been issued and sold pursuant to this section, the state treasurer shall establish a fund for the repayment of the principal upon maturity and the interest when due. The state treasurer shall place all available general fund revenues into this fund until the fund contains a sufficient balance for the repayment of the principal at maturity and interest when due, which moneys are hereby appropriated for this purpose.

**SECTION 12. AMENDMENT.** Section 15-18.2-06 of the North Dakota Century Code is amended and reenacted as follows:

**15-18.2-06. ~~(Effective through June 30, 2017)~~ Base funding - Minimum amount payable.**

Notwithstanding any calculations required by this chapter, during each ~~fiscal year, beginning with 2014-15~~ biennium, an institution may not receive less than ninety-six percent of the state aid to which the institution was entitled under this chapter during the previous ~~fiscal year~~ biennium.

**SECTION 13.** A new subsection to the new section to chapter 40-05 of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as enacted by the sixty-fifth legislative assembly, is created and enacted as follows:

Property subject to a development agreement entered pursuant to section 40-58-20.1 before August 1, 2017, and all amendments to the development agreement, is not subject to the requirements under this section.

**SECTION 14. AMENDMENT.** Section 43-26.1-05.1 of the North Dakota Century Code as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

**43-26.1-05.1. Use of criminal history record checks.**

The board may require a physical therapy or physical therapy assistant applicant, or a licensee under investigation, to submit to a statewide and nationwide criminal history record check, including a fingerprint-based criminal history background check. The criminal history record check must be conducted in the manner provided by section 12-60-24. The criminal history record check is an exempt record but may not be disseminated by the board to the physical therapy compact commission or a similar entity. All costs associated with a criminal history record check performed under this section are the responsibility of the applicant or licensee."

Page 4, replace lines 3 through 15 with:

**"SECTION 16. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.**

1. ~~The county auditor, on or before December thirty-first following the levy of the taxes, shall make prepare and transmit to the state tax commissioner, in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county.~~
2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

**SECTION 17. REPEAL.** Section 57-20-05 of the North Dakota Century Code is repealed.

**SECTION 18. TRIBAL TAXATION ISSUES - LEGISLATIVE MANAGEMENT COMMITTEE.**

1. During the 2017-18 interim, the tribal taxation issues committee is created and is composed of ten members as follows:
  - a. The governor;
  - b. The lieutenant governor;
  - c. The tax commissioner;
  - d. The executive director of the Indian affairs commission;

- e. The majority leader of the house of representatives and the majority leader of the senate;
  - f. The minority leader of the house of representatives and the minority leader of the senate; and
  - g. The chairmen of the finance and taxation standing committees of the house of representatives and the senate.
2. The nonlegislative members shall serve as nonvoting members of the committee.
  3. The legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedures governing the operation of other legislative management interim committees.
  4. The committee shall study tribal taxation issues, including the tax collection agreements that exist between the tribes and the state, the interaction between tribal sovereignty and state law, consideration of how statutory changes may affect provisions in existing agreements, the amount and manner of revenue sharing under the agreements, the costs and benefits to the state and the tribes if tax compacts are implemented, implementation models used in other states for tax compacts, best practices for negotiating and ratifying tax compacts, and the procedure for withdrawal from an agreement and how to handle disputed funds. As the agenda demands, the chairman of the committee shall invite the tribal chairman and other appropriate tribal members to actively participate in a committee meeting.
  5. At the conclusion of its meetings, the committee shall report on its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

**SECTION 19. LEGISLATIVE MANAGEMENT STUDY - INTERNET SERVICE PROVIDERS.** During the 2017-18 interim, the legislative management shall consider studying the privacy policies of telecommunications service providers and internet service providers, and identifying potential issues for legislation. The study must include an evaluation of the process, procedure, and practice by telecommunications service providers and internet service providers in the collection of personal information from a customer resulting from the customer's use of the telecommunications service provider or internet service provider, and an evaluation of the sale, distribution, or use of the personal information collected by the telecommunications service provider or internet service provider. The study must include consideration of rules relating to the privacy rights of telecommunications and internet customers and the enforcement of any such rules by the public service commission. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

**SECTION 20. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAX DISTRIBUTIONS.** During the 2017-18 interim, the legislative management shall consider studying the distribution of tax collections related to wind energy. The study must include consideration of the current and historical distribution formulas; the appropriate level of distributions to the taxing districts and the state; the estimated fiscal impact of any proposed changes to the distributions; and other local revenue sources, including local tax revenue and state funding provided to the local taxing districts. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

**SECTION 21. EFFECTIVE DATE.** Section 13 of this Act is effective for property tax incentives approved after July 31, 2017.

**SECTION 22. EMERGENCY.** Section 12 of this Act is declared to be an emergency measure."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1015 - Summary of Senate Action**

|                                 | Base Budget  | House Version | Senate Changes | Senate Version |
|---------------------------------|--------------|---------------|----------------|----------------|
| Office of Management and Budget |              |               |                |                |
| Total all funds                 | \$38,037,114 | \$38,593,573  | \$3,622,166    | \$42,215,739   |
| Less estimated income           | 7,210,390    | 10,438,477    | 795,610        | 11,234,087     |
| General fund                    | \$30,826,724 | \$28,155,096  | \$2,826,556    | \$30,981,652   |
| Dickinson State University      |              |               |                |                |
| Total all funds                 | \$0          | \$0           | \$2,309,626    | \$2,309,626    |
| Less estimated income           | 0            | 0             | 0              | 0              |
| General fund                    | \$0          | \$0           | \$2,309,626    | \$2,309,626    |
| Bill total                      |              |               |                |                |
| Total all funds                 | \$38,037,114 | \$38,593,573  | \$5,931,792    | \$44,525,365   |
| Less estimated income           | 7,210,390    | 10,438,477    | 795,610        | 11,234,087     |
| General fund                    | \$30,826,724 | \$28,155,096  | \$5,136,182    | \$33,291,278   |

**House Bill No. 1015 - Office of Management and Budget - Senate Action**

|                                       | Base Budget  | House Version | Senate Changes | Senate Version |
|---------------------------------------|--------------|---------------|----------------|----------------|
| Salaries and wages                    | \$19,798,254 | \$21,177,508  | \$863,716      | \$22,041,224   |
| Operating expenses                    | 13,855,260   | 12,909,988    | 1,158,450      | 14,068,438     |
| Capital assets                        | 200,000      | 973,477       | 800,000        | 1,773,477      |
| Grants                                | 555,000      | 54,000        |                | 54,000         |
| Emergency commission contingency fund | 500,000      | 350,000       |                | 350,000        |
| Guardianship grants                   | 1,328,600    | 1,328,600     | 200,000        | 1,528,600      |
| Prairie public broadcasting           | 1,600,000    | 800,000       | 600,000        | 1,400,000      |
| State student internship program      | 200,000      |               |                |                |
| Cybersecurity remediation pool        |              | 1,000,000     |                | 1,000,000      |
| Total all funds                       | \$38,037,114 | \$38,593,573  | \$3,622,166    | \$42,215,739   |
| Less estimated income                 | 7,210,390    | 10,438,477    | 795,610        | 11,234,087     |
| General fund                          | \$30,826,724 | \$28,155,096  | \$2,826,556    | \$30,981,652   |
| FTE                                   | 122.50       | 115.00        | 3.00           | 118.00         |

**Department No. 110 - Office of Management and Budget - Detail of Senate Changes**

|                                       | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Adds Funding for FTE Positions <sup>2</sup> | Adds Funding for Utility Rate Increases <sup>3</sup> | Restores Funding for 90 Percent of Statewide Memberships <sup>4</sup> | Add Funding for Revenue Forecasting <sup>5</sup> | Adds Funding for Grants <sup>6</sup> |
|---------------------------------------|---|---|--|---|--|--------------------------------------|
| Salaries and wages                    | (\$24,676)  | \$888,392                                   |  |   |  |                                      |
| Operating expenses                    |   |   | 550,000  | 531,450   | 77,000   |                                      |
| Capital assets                        |   |   |  |   |  |                                      |
| Grants                                |   |   |  |   |  |                                      |
| Emergency commission contingency fund |   |   |  |   |  |                                      |
| Guardianship grants                   |   |   |  |   |  | 200,000                              |
| Prairie public broadcasting           |   |   |  |   |  | 600,000                              |
| State student internship program      |   |   |  |   |  |                                      |
| Cybersecurity remediation pool        |   |   |  |   |  |                                      |
| Total all funds                       | (\$24,676)  | \$888,392                                   | \$550,000  | \$531,450   | \$77,000   | \$800,000                            |
| Less estimated income                 | (4,390)   | 0   | 0  | 0   | 0  | 0                                    |
| General fund                          | (\$20,286)  | \$888,392                                   | \$550,000  | \$531,450   | \$77,000   | \$800,000                            |
| FTE                                   | 0.00  | 3.00  | 0.00   | 0.00  | 0.00   | 0.00                                 |

|                                   |                      |
|-----------------------------------|----------------------|
| Adds Funding for Surplus Property | Total Senate Changes |
|-----------------------------------|----------------------|

|                                       | Building <sup>7</sup> |                    |
|---------------------------------------|-----------------------|--------------------|
| Salaries and wages                    |                       | \$863,716          |
| Operating expenses                    |                       | 1,158,450          |
| Capital assets                        | 800,000               | 800,000            |
| Grants                                |                       |                    |
| Emergency commission contingency fund |                       |                    |
| Guardianship grants                   |                       | 200,000            |
| Prairie public broadcasting           |                       | 600,000            |
| State student internship program      |                       |                    |
| Cybersecurity remediation pool        |                       |                    |
| <b>Total all funds</b>                | <b>\$800,000</b>      | <b>\$3,622,166</b> |
| Less estimated income                 | 800,000               | 795,610            |
| <b>General fund</b>                   | <b>\$0</b>            | <b>\$2,826,556</b> |
| FTE                                   | 0.00                  | 3.00               |

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

<sup>2</sup> Funding for FTE positions and other salaries and wages changes are added as follows:

|  | General Fund     | Other Funds | Total            |
|--|------------------|-------------|------------------|
| Adds funding for an FTE position (unspecified) | \$70,000         |             | \$70,000         |
| Adds 1 FTE state architect position            | 232,709          |             | 232,709          |
| Adds 1 FTE human resource officer position     | 174,380          |             | 174,380          |
| Adds 1 FTE position (unspecified)              | 374,303          |             | 374,303          |
| Reduces funding for salaries and wages         | 37,000           |             | 37,000           |
| <b>Total</b>                                   | <b>\$888,392</b> | <b>\$0</b>  | <b>\$888,392</b> |

<sup>3</sup> Funding of \$550,000 is added for utility rate increases.

<sup>4</sup> Funding is added to provide for 90 percent of the statewide membership dues and related expenses.

<sup>5</sup> Funding is added for revenue forecasting contract and travel expenses.

<sup>6</sup> Funding of \$200,000 is added for guardianship grants to provide total funding of \$1,532,000, and funding of \$600,000 is added for Prairie Public Broadcasting to provide \$1,400,000.

<sup>7</sup> One-time funding is added from surplus property special funds to purchase or construct a new surplus property building.

This amendment also includes the following changes related to the Office of Management and Budget:

- Removes a section added by the House to provide for a transfer of \$100 million from the strategic investment and improvements fund to the general fund during the 2015-17 biennium and provide an emergency clause for this transfer.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property.
- Provides an exemption allowing up to \$1.4 million of unspent 2015-17 biennium appropriation authority from the Capitol building fund to continue in the 2017-19 biennium for extraordinary repairs (\$1 million) and Capitol building entrance and signage projects (\$400,000).
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cash flow purposes, from \$10 million to \$100 million.
- Adds a section to create a new subsection to a newly created section of Chapter 40-05 relating to property tax incentives granted by a city and provides an effective date



related to the subsection.

- Adds a section to amend newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission.
- Adds a section to amend Section 57-20-04 relating to property tax increase reports by counties.
- Adds a section to repeal Section 57-20-05 relating to certification of taxes levied by taxing districts.
- Removes a section added by the House to restrict state agencies and institutions from spending salaries and wages savings resulting from vacant positions and employee turnover.
- Adds a section to create a Legislative Management committee to study tribal taxation issues.
- Adds a section to provide for a Legislative Management study regarding Internet service providers and the collection of personal information.
- Adds a section to provide for a Legislative Management study regarding distributions of tax collections related to wind energy.

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### House Bill No. 1015 - Dickinson State University - Senate Action

|                       | Base Budget | House Version | Senate Changes | Senate Version |
|-----------------------|-------------|---------------|----------------|----------------|
| Operations            |             |               | \$2,309,626    | \$2,309,626    |
| Total all funds       | \$0         | \$0           | \$2,309,626    | \$2,309,626    |
| Less estimated income | 0           | 0             | 0              | 0              |
| General fund          | \$0         | \$0           | \$2,309,626    | \$2,309,626    |
| FTE                   | 0.00        | 0.00          | 0.00           | 0.00           |

### Department No. 239 - Dickinson State University - Detail of Senate Changes

|                       | Adds Funding for Campus Operations <sup>1</sup> | Total Senate Changes |
|-----------------------|---|----------------------|
| Operations            | \$2,309,626                                     | \$2,309,626          |
| Total all funds       | \$2,309,626                                     | \$2,309,626          |
| Less estimated income | 0   | 0                    |
| General fund          | \$2,309,626                                     | \$2,309,626          |
| FTE                   | 0.00  | 0.00                 |

<sup>1</sup> Funding is added for campus operations payments at Dickinson State University resulting from the minimum amount payable through the higher education funding formula.

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This amendment also includes the following changes related to Dickinson State University:

- Amends Section 15-18.2-06 to remove the expiration date on the minimum amount payable through the higher education funding formula.
- Adds a section to authorize Dickinson State University to continue approximately \$11.5 million of unexpended general fund appropriations from the 2013-15 biennium related to the Theodore Roosevelt Center project. The section provides for various uses of the funding, including campus operations, debt repayment, and grants to the Theodore Roosevelt Presidential Library Foundation. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$11.5 million.
- Adds a section to authorize the State Board of Higher Education to carry over approximately \$950,000 of unexpended general fund appropriations from the 2013-15 biennium related to challenge grants. The section requires the board to transfer the funds to Dickinson State University for operations of the institution. Adding this section reduces the general fund beginning balance for the 2017-19 biennium by \$950,000.

**REPORT OF STANDING COMMITTEE**

**HB 1152, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1152 was placed on the Sixth order on the calendar.

Page 2, line 14, overstrike "three" and insert immediately thereafter "two"

Page 2, line 15, replace "one hundred" with "seventy-five"

Page 2, line 18, overstrike "The" and insert immediately thereafter "For the period beginning August 1, 2017, and ending July 31, 2019, the"

Page 2, line 18, after "fund" insert "and after July 31, 2019, the next one hundred million dollars into the state general fund"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment provides the following changes to the state's share of oil and gas tax allocations:

- Decreases the allocation to the tax relief fund from \$300 million to \$200 million;
- Decreases the allocation to the budget stabilization fund from \$100 million to \$75 million; and
- Provides that the second allocation to the general fund is \$200 million for the 2017-19 biennium and \$100 million thereafter.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2020, as engrossed:** Your conference committee (Sens. Bowman, Erbele, Grabinger and Reps. Monson, Schmidt, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1256-1263, adopt amendments as follows, and place SB 2020 on the Seventh order:

That the House recede from its amendments as printed on pages 1256-1263 of the Senate Journal and pages 1480-1487 of the House Journal and that Engrossed Senate Bill No. 2020 be amended as follows:

Page 1, line 5, after "adjustments" insert "; to provide for a legislative management study; to provide for a budget section report"

Page 1, line 5, remove the second "and"

Page 1, line 6, after "exemption" insert "; and to provide an expiration date"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 3 with:

|                                |                   |                 |                   |
|--------------------------------|-------------------|-----------------|-------------------|
| "Extension service             | \$52,517,908      | (\$1,314,419)   | \$51,203,489      |
| Soil conservation committee    | <u>1,133,362</u>  | <u>(41,842)</u> | <u>1,091,520</u>  |
| Total all funds                | \$53,651,270      | (\$1,356,261)   | \$52,295,009      |
| Less estimated income          | <u>25,826,708</u> | <u>819,981</u>  | <u>26,646,689</u> |
| Total general fund             | \$27,824,562      | (\$2,176,242)   | \$25,648,320      |
| Full-time equivalent positions | 263.91            | (10.93)         | 252.98"           |

Page 2, replace lines 8 through 11 with:

|                           |                    |                   |                    |
|---------------------------|--------------------|-------------------|--------------------|
| "Northern crops institute | <u>\$3,712,202</u> | <u>(\$69,481)</u> | <u>\$3,642,721</u> |
| Total all funds           | \$3,712,202        | (\$69,481)        | \$3,642,721        |

|                       |                  |              |                  |
|-----------------------|------------------|--------------|------------------|
| Less estimated income | <u>1,747,735</u> | <u>8,095</u> | <u>1,755,830</u> |
| Total general fund    | \$1,964,467      | (\$77,576)   | \$1,886,891"     |

Page 2, replace lines 17 through 21 with:

|  |                     |                  |                     |
|--|---------------------|------------------|---------------------|
| "Upper great plains transportation institute | <u>\$22,076,448</u> | <u>\$283,794</u> | <u>\$22,360,242</u> |
| Total all funds                              | \$22,076,448        | \$283,794        | \$22,360,242        |
| Less estimated income                        | <u>18,175,657</u>   | <u>641,411</u>   | <u>18,817,068</u>   |
| Total general fund                           | \$3,900,791         | (\$357,617)      | \$3,543,174"        |

Page 2, replace lines 27 through 30 with:

|                       |                      |                      |                      |
|-----------------------|----------------------|----------------------|----------------------|
| "Main research center | <u>\$110,529,780</u> | <u>(\$1,887,537)</u> | <u>\$108,642,243</u> |
| Total all funds       | \$110,529,780        | (\$1,887,537)        | \$108,642,243        |
| Less estimated income | <u>56,948,525</u>    | <u>2,136,303</u>     | <u>59,084,828</u>    |
| Total general fund    | \$53,581,255         | (\$4,023,840)        | \$49,557,415"        |

Page 3, replace lines 5 through 15 with:

|  |                   |                  |                   |
|--|-------------------|------------------|-------------------|
| "Dickinson research extension center         | \$6,996,678       | (\$171,127)      | \$6,825,551       |
| Central grasslands research extension center | 3,531,779         | (108,155)        | 3,423,624         |
| Hettinger research extension center          | 5,086,767         | (111,634)        | 4,975,133         |
| Langdon research extension center            | 3,045,836         | (81,229)         | 2,964,607         |
| North central research extension center      | 5,044,213         | (90,561)         | 4,953,652         |
| Williston research extension center          | 5,267,400         | 1,351,490        | 6,618,890         |
| Carrington research extension center         | <u>9,328,093</u>  | <u>(152,602)</u> | <u>9,175,491</u>  |
| Total all funds                              | \$38,300,766      | \$636,182        | \$38,936,948      |
| Less estimated income                        | <u>19,817,130</u> | <u>1,964,561</u> | <u>21,781,691</u> |
| Total general fund                           | \$18,483,636      | (\$1,328,379)    | \$17,155,257"     |

Page 3, replace lines 21 and 22 with:

|                     |                    |                 |                    |
|---------------------|--------------------|-----------------|--------------------|
| "Agronomy seed farm | <u>\$1,521,007</u> | <u>\$15,122</u> | <u>\$1,536,129</u> |
| Total special funds | \$1,521,007        | \$15,122        | \$1,536,129"       |

Page 3, replace lines 28 through 30 with:

|                           |                    |                  |                    |
|---------------------------|--------------------|------------------|--------------------|
| "Grand total general fund | \$105,754,711      | (\$7,963,654)    | \$97,791,057       |
| Grand total other funds   | <u>124,036,762</u> | <u>5,585,473</u> | <u>129,622,235</u> |
| Grand total all funds     | \$229,791,473      | (\$2,378,181)    | \$227,413,292      |

**SECTION 2. HEALTH INSURANCE INCREASE.** The appropriation in section 1 of this Act includes the sum of \$2,141,727, of which \$1,268,815 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 4, line 1, after "FUNDING" insert "- EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SIXTH LEGISLATIVE ASSEMBLY"

Page 4, line 2, after "biennium" insert "and the 2017-19 biennium one-time funding items included in the appropriation in section 1 of this Act"

Page 4, replace line 6 with:

|                       |  |           |            |
|-----------------------|--|-----------|------------|
| "Seed cleaning plants |  | 4,408,224 | 1,500,000" |
|-----------------------|--|-----------|------------|

Page 4, replace line 8 with:

|                                 |  |        |         |
|---------------------------------|--|--------|---------|
| "Junior master gardener program |  | 12,500 | 15,000" |
|---------------------------------|--|--------|---------|

Page 4, replace lines 12 through 15 with:

|   |                   |                  |
|---|-------------------|------------------|
| "Flooded lands study                    | 67,952            | 0                |
| Road and bridge asset management system | <u>0</u>          | <u>300,000</u>   |
| Total all funds                         | \$23,858,751      | \$1,815,000      |
| Total other funds                       | <u>21,325,000</u> | <u>1,700,000</u> |
| Total general fund                      | \$2,533,751       | \$115,000        |

The 2017-19 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The upper great plains transportation institute, main and branch research centers, and North Dakota state university extension service shall report to the appropriations committees of the sixty-sixth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 6, line 24, after "the" insert "appropriations committees of the"

Page 7, after line 18, insert:

**"SECTION 13. UPPER GREAT PLAINS TRANSPORTATION INSTITUTE - ROAD AND BRIDGE ASSET MANAGEMENT SYSTEM MATCHING FUNDS.**

Subdivision 3 of section 1 of this Act includes \$100,000 from the general fund for a road and bridge asset management system which may be spent only to the extent the upper great plains transportation institute provides two dollars of matching funds from nonstate sources for each one dollar provided from the general fund for the biennium beginning July 1, 2017, and ending June 30, 2019.

**SECTION 14. LEGISLATIVE MANAGEMENT STUDY - STATE SOIL CONSERVATION COMMITTEE.**

During the 2017-18 interim, the legislative management shall study the state soil conservation committee. The study must include a review of the duties, responsibilities, and related costs and efficiencies of the committee and related North Dakota state university extension service staff, the needs of the soil conservation districts, and the necessity to continue the state soil conservation committee. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

**SECTION 15. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE STUDY - BUDGET SECTION REPORT.**

During the 2017-18 interim, the state board of agricultural research and education, in consultation with the governor's office, shall study the duties and responsibilities of the North Dakota state university extension service. The study must include a review of the mission, existing programs, the efficiency and effectiveness of the delivery methods for existing programs, and potential program changes. The state board of agricultural research and education shall report its findings and recommendations to increase the efficiency and effectiveness of the North Dakota state university extension service to the budget section of the legislative management by March 31, 2018.

**SECTION 16. EXPIRATION DATE.** Sections 5 and 6 of this Act are effective through June 30, 2019, and after that date are ineffective."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2020 - Summary of Conference Committee Action**

|                          | Base Budget       | Senate Version    | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------|-------------------|-------------------|------------------------------|------------------------------|---------------|---------------------|
| Transportation Institute |                   |                   |                              |                              |               |                     |
| Total all funds          | \$22,076,448      | \$22,068,744      | \$291,498                    | \$22,360,242                 | \$22,360,242  | \$0                 |
| Less estimated income    | <u>18,175,657</u> | <u>18,623,430</u> | 193,638                      | 18,817,068                   | 18,817,068    | 0                   |
| General fund             | \$3,900,791       | \$3,445,314       | \$97,860                     | \$3,543,174                  | \$3,543,174   | \$0                 |
| Branch Research Centers  |                   |                   |                              |                              |               |                     |
| Total all funds          | \$38,300,766      | \$37,461,209      | \$1,475,739                  | \$38,936,948                 | \$38,936,948  | \$0                 |
| Less estimated income    | <u>19,817,130</u> | <u>20,288,238</u> | 1,493,453                    | 21,781,691                   | 21,781,691    | 0                   |
| General fund             | \$18,483,636      | \$17,172,971      | (\$17,714)                   | \$17,155,257                 | \$17,155,257  | \$0                 |

|                          |               |               |             |               |               |           |
|--------------------------|---------------|---------------|-------------|---------------|---------------|-----------|
| NDSU Extension Service   |               |               |             |               |               |           |
| Total all funds          | \$53,651,270  | \$52,648,270  | (\$353,261) | \$52,295,009  | \$52,115,897  | \$179,112 |
| Less estimated income    | 25,826,708    | 26,674,384    | (27,695)    | 26,646,689    | 26,646,689    | 0         |
| General fund             | \$27,824,562  | \$25,973,886  | (\$325,566) | \$25,648,320  | \$25,469,208  | \$179,112 |
| Northern Crops Institute |               |               |             |               |               |           |
| Total all funds          | \$3,712,202   | \$3,645,209   | (\$2,488)   | \$3,642,721   | \$3,642,721   | \$0       |
| Less estimated income    | 1,747,735     | 1,756,215     | (385)       | 1,755,830     | 1,755,830     | 0         |
| General fund             | \$1,964,467   | \$1,888,994   | (\$2,103)   | \$1,886,891   | \$1,886,891   | \$0       |
| Main Research Center     |               |               |             |               |               |           |
| Total all funds          | \$110,529,780 | \$108,717,192 | (\$74,949)  | \$108,642,243 | \$108,642,243 | \$0       |
| Less estimated income    | 56,948,525    | 59,111,402    | (26,574)    | 59,084,828    | 59,084,828    | 0         |
| General fund             | \$53,581,255  | \$49,605,790  | (\$48,375)  | \$49,557,415  | \$49,557,415  | \$0       |
| Agronomy Seed Farm       |               |               |             |               |               |           |
| Total all funds          | \$1,521,007   | \$1,536,751   | (\$622)     | \$1,536,129   | \$1,536,129   | \$0       |
| Less estimated income    | 1,521,007     | 1,536,751     | (622)       | 1,536,129     | 1,536,129     | 0         |
| General fund             | \$0           | \$0           | \$0         | \$0           | \$0           | \$0       |
| Bill total               |               |               |             |               |               |           |
| Total all funds          | \$229,791,473 | \$226,077,375 | \$1,335,917 | \$227,413,292 | \$227,234,180 | \$179,112 |
| Less estimated income    | 124,036,762   | 127,990,420   | 1,631,815   | 129,622,235   | 129,622,235   | 0         |
| General fund             | \$105,754,711 | \$98,086,955  | (\$295,898) | \$97,791,057  | \$97,611,945  | \$179,112 |

**Senate Bill No. 2020 - Transportation Institute - Conference Committee Action**

|                                     | Base Budget  | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-------------------------------------|--------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Upper Great Plains Trans. Institute | \$22,076,448 | \$22,068,744   | \$291,498                    | \$22,360,242                 | \$22,360,242  |                     |
| Total all funds                     | \$22,076,448 | \$22,068,744   | \$291,498                    | \$22,360,242                 | \$22,360,242  | \$0                 |
| Less estimated income               | 18,175,657   | 18,623,430     | 193,638                      | 18,817,068                   | 18,817,068    | 0                   |
| General fund                        | \$3,900,791  | \$3,445,314    | \$97,860                     | \$3,543,174                  | \$3,543,174   | \$0                 |
| FTE                                 | 54.98        | 43.88          | 0.00                         | 43.88                        | 43.88         | 0.00                |

**Department No. 627 - Transportation Institute - Detail of Conference Committee Changes**

|                                     | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Adds One-Time Funding for a Road and Bridge Asset Management System <sup>2</sup> | Total Conference Committee Changes |
|-------------------------------------|---|--|------------------------------------|
| Upper Great Plains Trans. Institute | (\$8,502)   | \$300,000  | \$291,498                          |
| Total all funds                     | (\$8,502)   | \$300,000  | \$291,498                          |
| Less estimated income               | (6,362)   | 200,000  | 193,638                            |
| General fund                        | (\$2,140)   | \$100,000  | \$97,860                           |
| FTE                                 | 0.00  | 0.00   | 0.00                               |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

<sup>2</sup> One-time funding of \$300,000, of which \$100,000 is from the general fund and \$200,000 is from county matching funds is added for a road and bridge asset management system, the same as the House version.

This amendment also adds sections to:

- Identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.
- Provide matching fund requirements relating to the road and bridge asset management system, the same as the House version.

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**Senate Bill No. 2020 - Branch Research Centers - Conference Committee Action**

|                                    | Base Budget  | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|------------------------------------|--------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Dickinson Research Center          | \$6,996,678  | \$6,828,817    | (\$3,266)                    | \$6,825,551                  | \$6,825,551   |                     |
| Central Grasslands Research Center | 3,531,779    | 3,426,112      | (2,488)                      | 3,423,624                    | 3,423,624     |                     |
| Hettinger Research Center          | 5,086,767    | 4,978,244      | (3,111)                      | 4,975,133                    | 4,975,133     |                     |
| Langdon Research Center            | 3,045,836    | 2,966,473      | (1,866)                      | 2,964,607                    | 2,964,607     |                     |
| North Central Research Center      | 5,044,213    | 4,956,762      | (3,110)                      | 4,953,652                    | 4,953,652     |                     |
| Williston Research Center          | 5,267,400    | 5,122,363      | 1,496,527                    | 6,618,890                    | 6,618,890     |                     |
| Carrington Research Center         | 9,328,093    | 9,182,438      | (6,947)                      | 9,175,491                    | 9,175,491     |                     |
| Total all funds                    | \$38,300,766 | \$37,461,209   | \$1,475,739                  | \$38,936,948                 | \$38,936,948  | \$0                 |
| Less estimated income              | 19,817,130   | 20,288,238     | 1,493,453                    | 21,781,691                   | 21,781,691    | 0                   |
| General fund                       | \$18,483,636 | \$17,172,971   | (\$17,714)                   | \$17,155,257                 | \$17,155,257  | \$0                 |
| FTE                                | 113.94       | 110.29         | 0.00                         | 110.29                       | 110.29        | 0.00                |

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

|                                    | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Adds One-Time Funding for a Seed Cleaning Plant <sup>2</sup> | Total Conference Committee Changes |
|------------------------------------|---|--|------------------------------------|
| Dickinson Research Center          | (\$3,266)   |  | (\$3,266)                          |
| Central Grasslands Research Center | (2,488)   |  | (2,488)                            |
| Hettinger Research Center          | (3,111)   |  | (3,111)                            |
| Langdon Research Center            | (1,866)   |  | (1,866)                            |
| North Central Research Center      | (3,110)   |  | (3,110)                            |
| Williston Research Center          | (3,473)   | 1,500,000  | 1,496,527                          |
| Carrington Research Center         | (6,947)   |  | (6,947)                            |
| Total all funds                    | (\$24,261)  | \$1,500,000  | \$1,475,739                        |
| Less estimated income              | (6,547)   | 1,500,000  | 1,493,453                          |
| General fund                       | (\$17,714)  | \$0  | (\$17,714)                         |
| FTE                                | 0.00  | 0.00   | 0.00                               |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

<sup>2</sup> One-time funding of \$1.5 million from special funds, including donated funds and other funds, is appropriated for a seed cleaning plant at the Williston Research Extension Center, the same as the House version.

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This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.
- Provides an expiration date for a section added by the Senate to amend North Dakota Century Code Section 4-05.1-05 to provide that, for the 2017-19 biennium only, 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14. The House version removed the section.

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**Senate Bill No. 2020 - NDSU Extension Service - Conference Committee Action**

| Base Budget | Senate Version | Conference Committee | Conference Committee | House Version | Comparison to House |
|-------------|----------------|----------------------|----------------------|---------------|---------------------|
|-------------|----------------|----------------------|----------------------|---------------|---------------------|

|                             |              |              | Changes     | Version      |              |           |
|-----------------------------|--------------|--------------|-------------|--------------|--------------|-----------|
| Extension Service           | \$52,517,908 | \$51,556,750 | (\$353,261) | \$51,203,489 | \$51,024,377 | \$179,112 |
| Soil Conservation Committee | 1,133,362    | 1,091,520    |             | 1,091,520    | 1,091,520    |           |
| Total all funds             | \$53,651,270 | \$52,648,270 | (\$353,261) | \$52,295,009 | \$52,115,897 | \$179,112 |
| Less estimated income       | 25,826,708   | 26,674,384   | (27,695)    | 26,646,689   | 26,646,689   | 0         |
| General fund                | \$27,824,562 | \$25,973,886 | (\$325,566) | \$25,648,320 | \$25,469,208 | \$179,112 |
| FTE                         | 263.91       | 252.98       | 0.00        | 252.98       | 251.98       | 1.00      |

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

|                             | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Reduces Funding for Operating Expenses <sup>2</sup> | Reduces Funding from the General Fund <sup>3</sup> | Adds One-Time Funding for the Burleigh County Junior Master Gardener Program <sup>4</sup> | Total Conference Committee Changes |
|-----------------------------|---|---|--|---|------------------------------------|
| Extension Service           | (\$56,473)  | (\$21,788)  | (\$290,000)  | \$15,000  | (\$353,261)                        |
| Soil Conservation Committee |   |   |  |   |                                    |
| Total all funds             | (\$56,473)  | (\$21,788)  | (\$290,000)  | \$15,000  | (\$353,261)                        |
| Less estimated income       | (27,695)  | 0   | 0  | 0   | (27,695)                           |
| General fund                | (\$28,778)  | (\$21,788)  | (\$290,000)  | \$15,000  | (\$325,566)                        |
| FTE                         | 0.00  | 0.00  | 0.00   | 0.00  | 0.00                               |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

<sup>2</sup> Funding of \$21,788 from the general fund is removed. The House version removed \$213,400 and 1 FTE position relating to the State Soil Conservation Committee.

<sup>3</sup> Funding of \$290,000 from the general fund is removed. The House version removed \$300,000 from the general fund.

<sup>4</sup> One-time funding of \$15,000 from the general fund is added for the Burleigh County junior master gardener program. The Senate version did not include funding for the Burleigh County junior master gardener program. The House version included one-time funding of \$37,500 from the general fund for the Burleigh County junior master gardener program.

This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.
- Provides an expiration date for a section added by the Senate to amend Section 4-08-10 to provide that, for the 2017-19 biennium only, 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14. The House version removed the section.
- Adds a new section to direct the State Board of Agricultural Research and Education, in consultation with the Governor's office, to study the duties and responsibilities of the North Dakota State University Extension Service, the same as the House version.
- Adds a new section to provide for a Legislative Management study of the State Soil Conservation Committee, the same as the House version.

**Senate Bill No. 2020 - Northern Crops Institute - Conference Committee Action**

|                          | Base Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|--------------------------|-------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Northern Crops Institute | \$3,712,202 | \$3,645,209    | (\$2,488)                    | \$3,642,721                  | \$3,642,721   |                     |
|                          | \$3,712,202 | \$3,645,209    | (\$2,488)                    | \$3,642,721                  | \$3,642,721   | \$0                 |

|                       |             |             |           |             |             |      |
|-----------------------|-------------|-------------|-----------|-------------|-------------|------|
| Total all funds       |             |             |           |             |             |      |
| Less estimated income | 1,747,735   | 1,756,215   | (385)     | 1,755,830   | 1,755,830   | 0    |
| General fund          | \$1,964,467 | \$1,888,994 | (\$2,103) | \$1,886,891 | \$1,886,891 | \$0  |
| FTE                   | 12.00       | 11.80       | 0.00      | 11.80       | 11.80       | 0.00 |

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

|                          |   |   |
|--------------------------|---|---|
|                          | <b>Adjusts Funding for Health Insurance Increases<sup>1</sup></b> | <b>Total Conference Committee Changes</b> |
| Northern Crops Institute | (\$2,488)   | (\$2,488)                                 |
| Total all funds          | (\$2,488)   | (\$2,488)                                 |
| Less estimated income    | (385)   | (385)                                     |
| General fund             | (\$2,103)   | (\$2,103)                                 |
| FTE                      | 0.00  | 0.00                                      |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.

**Senate Bill No. 2020 - Main Research Center - Conference Committee Action**

|                       | <b>Base Budget</b> | <b>Senate Version</b> | <b>Conference Committee Changes</b> | <b>Conference Committee Version</b> | <b>House Version</b> | <b>Comparison to House</b> |
|-----------------------|--------------------|-----------------------|-------------------------------------|-------------------------------------|----------------------|----------------------------|
| Main Research Center  | \$110,529,780      | \$108,717,192         | (\$74,949)                          | \$108,642,243                       | \$108,642,243        |                            |
| Total all funds       | \$110,529,780      | \$108,717,192         | (\$74,949)                          | \$108,642,243                       | \$108,642,243        | \$0                        |
| Less estimated income | 56,948,525         | 59,111,402            | (26,574)                            | 59,084,828                          | 59,084,828           | 0                          |
| General fund          | \$53,581,255       | \$49,605,790          | (\$48,375)                          | \$49,557,415                        | \$49,557,415         | \$0                        |
| FTE                   | 353.85             | 336.12                | 0.00                                | 336.12                              | 336.12               | 0.00                       |

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

|                       |   |   |
|-----------------------|---|---|
|                       | <b>Adjusts Funding for Health Insurance Increases<sup>1</sup></b> | <b>Total Conference Committee Changes</b> |
| Main Research Center  | (\$74,949)  | (\$74,949)                                |
| Total all funds       | (\$74,949)  | (\$74,949)                                |
| Less estimated income | (26,574)  | (26,574)                                  |
| General fund          | (\$48,375)  | (\$48,375)                                |
| FTE                   | 0.00  | 0.00                                      |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

This amendment also:

- Adds a new section to identify the amount of funding included in the bill for the



increase in employee health insurance premiums, the same as the House version.

- Provides an expiration date for a section added by the Senate to amend Section 4-05.1-05 to provide that, for the 2017-19 biennium only, 12-month employees whose employment is not limited in duration accrue leave pursuant to Section 54-06-14. The House version removed the section.

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### Senate Bill No. 2020 - Agronomy Seed Farm - Conference Committee Action

|                       | Base Budget | Senate Version | Conference Committee Changes | Conference Committee Version | House Version | Comparison to House |
|-----------------------|-------------|----------------|------------------------------|------------------------------|---------------|---------------------|
| Agronomy Seed Farm    | \$1,521,007 | \$1,536,751    | (\$622)                      | \$1,536,129                  | \$1,536,129   |                     |
| Total all funds       | \$1,521,007 | \$1,536,751    | (\$622)                      | \$1,536,129                  | \$1,536,129   | \$0                 |
| Less estimated income | 1,521,007   | 1,536,751      | (622)                        | 1,536,129                    | 1,536,129     | 0                   |
| General fund          | \$0         | \$0            | \$0                          | \$0                          | \$0           | \$0                 |
| FTE                   | 3.00        | 3.00           | 0.00                         | 3.00                         | 3.00          | 0.00                |

### Department No. 649 - Agronomy Seed Farm - Detail of Conference Committee Changes

|                       | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Total Conference Committee Changes |
|-----------------------|---|------------------------------------|
| Agronomy Seed Farm    | (\$622)   | (\$622)                            |
| Total all funds       | (\$622)   | (\$622)                            |
| Less estimated income | (622)   | (622)                              |
| General fund          | \$0   | \$0                                |
| FTE                   | 0.00  | 0.00                               |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the House version.

This amendment also adds a new section to identify the amount of funding included in the bill for the increase in employee health insurance premiums, the same as the House version.

Engrossed SB 2020 was placed on the Seventh order of business on the calendar.

#### MOTION

**SEN. KLEIN MOVED** that Sen. Erbele replace Sen. Sorvaag on the Conference Committee on HB 1018, which motion prevailed on a voice vote.

#### MOTION

**SEN. KLEIN MOVED** that HB 1152 be moved to the bottom of the calendar, which motion prevailed.

#### CONSIDERATION OF AMENDMENTS

**HB 1015, as reengrossed: SEN. HOLMBERG (Appropriations Committee) MOVED** that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1015:** A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide an appropriation to Dickinson state university; to provide for transfers; to create and enact a new subsection to the new section to chapter 40-05

of the North Dakota Century Code as created by section 1 of Senate Bill No. 2166, as approved by the sixty-fifth legislative assembly, relating to property tax incentives granted by a city; to amend and reenact sections 6-09-15.1 and 15-18.2-06, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, and sections 54-06-04.3 and 57-20-04 of the North Dakota Century Code, relating to temporary loans to the general fund, higher education funding formula minimums, criminal history record checks, state agency publication fees, and property tax increase reports; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to provide exemptions; to provide statements of legislative intent; to provide for a legislative management study; to provide for a report to the legislative management; to provide for a budget section report; to provide an effective date; 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 43 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Wanzek; Wardner

**NAYS:** Kannianen; Larsen, O.; Vedaa

**ABSENT AND NOT VOTING:** Nelson

Reengrossed HB 1015, as amended, passed and the emergency clause was declared carried.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. G. LEE MOVED** that the conference committee report on Engrossed HB 1008 as printed on SJ pages 1612-1614 be adopted, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1008:** A BILL for an Act to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact section 57-43.2-19 of the North Dakota Century Code, relating to the special fuels excise taxes distribution of funds; to provide for a legislative management study; and to authorize transfers.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 46 YEAS, 0 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Nelson

Engrossed HB 1008, as amended, passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. BOWMAN MOVED** that the conference committee report on Engrossed SB 2020 be adopted, which motion prevailed on a voice vote.

**SECOND READING OF SENATE BILL**

**SB 2020:** A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to amend and reenact sections 4-05.1-05 and 4-08-10 of the North Dakota Century Code, relating to main research center experiment station and extension service position adjustments; to provide for a legislative management study; to provide for a budget section report; to provide an exemption; and to provide an expiration date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 43 YEAS, 3 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Clemens; Cook; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**NAYS:** Casper; Davison; Larsen, O.

**ABSENT AND NOT VOTING:** Nelson

Reengrossed SB 2020 passed.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Hogan to replace Rep. Boe on the Conference Committee on SB 2016.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Mock to replace Rep. Boe on the Conference Committee on HB 1020.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The President has appointed Sen. Erbele to replace Sen. Sorvaag on the Conference Committee on HB 1018.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2020.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1008.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1018.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1361.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2019, SB 2206.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2004, SB 2037.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2019, SB 2206.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1008.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1010, HB 1040, HB 1201, HB 1275, HB 1403.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1014.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2004, SB 2037.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: SB 2019, SB 2206.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: SB 2004, SB 2037.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1010, HB 1014, HB 1040, HB 1201, HB 1275, HB 1403.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1006.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** The Speaker has signed: HB 1010, HB 1014, HB 1040, HB 1201, HB 1275, HB 1403.

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

The following bills were delivered to the Governor for approval on April 24, 2017: SB 2004, SB 2037.

#### **COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 21, 2017, I have signed the following: SB 2134.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Wanzek, Bowman, Grabinger and Reps. Schmidt, Schatz, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1201, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on page 1201 of the Senate Journal and pages 1327 and 1328 of the House Journal and that Engrossed House Bill No. 2009 be amended as follows:

Page 1, line 2, after "association" insert "; and to create and enact a new section to chapter 4-02.1 of the North Dakota Century Code, relating to facility operations and maintenance costs of the state fair association"

Page 1, after line 17, insert:

"**SECTION 3.** A new section to chapter 4-02.1 of the North Dakota Century Code is created and enacted as follows:

#### **Facility operations and maintenance costs.**

Facility operations and maintenance costs, other than costs resulting from a natural disaster, are to be funded by state fair association funds."

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - State Fair Association - Conference Committee Action**

This amendment creates a new section to North Dakota Century Code Chapter 4-02.1 relating to facility operations and maintenance costs of the state fair association. The House had added a similar section relating to facility operations and maintenance costs and a section of legislative intent relating to state fair premiums which is not included in the conference committee amendment.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1018, as engrossed:** Your conference committee (Sens. Krebsbach, Erbele, Mathern and Reps. Schatz, Schmidt, Streyle) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1276-1277, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1276 and 1277 of the House Journal and pages 1059 and 1060 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the first semicolon insert "and"

Page 1, line 2, remove "; to provide for legislative intent; and to declare an emergency"

Page 1, replace lines 12 and 13 with:

|                     |              |           |              |
|---------------------|--------------|-----------|--------------|
| "Salaries and wages | \$13,604,636 | (\$8,744) | \$13,595,892 |
| Operating expenses  | 3,986,308    | (100,414) | 3,885,894"   |

Page 1, replace lines 17 through 19 with:

|                       |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|
| "Total all funds      | \$20,554,692     | (\$725,253)      | \$19,829,439     |
| Less estimated income | <u>3,299,901</u> | <u>(144,106)</u> | <u>3,155,795</u> |
| Total general fund    | \$17,254,791     | (\$581,147)      | \$16,673,644"    |

Page 1, line 22, replace "\$208,926" with "\$193,789"

Page 1, line 22, replace "\$191,055" with "\$177,213"

Page 1, line 23, replace "\$1,249" with "\$1,241"

Page 2, after line 23, insert:

**"SECTION 6. APPROPRIATION - STATE DISASTER RELIEF FUND - DOUBLE DITCH HISTORIC SITE REPAIRS.** There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$500,000, or so much of the sum as may be necessary, and from other funds received from a grant from the parks and recreation department, the sum of \$500,000, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying the expenses of double ditch historic site repairs, for the biennium beginning July 1, 2017, and ending June 30, 2019. For the purposes of calculating the unobligated balance of the state disaster relief fund under section 57-51.1-07.5, the moneys appropriated in this section from the state disaster relief fund may not be considered an obligation of the state disaster relief fund until after July 31, 2017. The funding appropriated in this section is considered one-time funding."

Page 3, remove lines 1 through 8

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1018 - State Historical Society - Conference Committee Action**

|                                    | Base Budget  | House Version | Conference Committee Changes | Conference Committee Version | Senate Version | Comparison to Senate |
|------------------------------------|--------------|---------------|------------------------------|------------------------------|----------------|----------------------|
| Salaries and wages                 | \$13,604,636 | \$13,367,315  | \$228,577                    | \$13,595,892                 | \$13,839,606   | (\$243,714)          |
| Operating expenses                 | 3,986,308    | 3,850,894     | 35,000                       | 3,885,894                    | 3,885,894      |                      |
| Capital assets                     | 1,770,294    | 1,747,653     |                              | 1,747,653                    | 1,747,653      |                      |
| Grants                             | 900,000      | 600,000       |                              | 600,000                      | 600,000        |                      |
| Cultural heritage grants           | 293,454      |               |                              |                              |                |                      |
| Double ditch historic site repairs |              |               | 1,000,000                    | 1,000,000                    |                | 1,000,000            |
| Total all funds                    | \$20,554,692 | \$19,565,862  | \$1,263,577                  | \$20,829,439                 | \$20,073,153   | \$756,286            |
| Less estimated income              | 3,299,901    | 3,157,090     | 998,705                      | 4,155,795                    | 3,155,795      | 1,000,000            |
| General fund                       | \$17,254,791 | \$16,408,772  | \$264,872                    | \$16,673,644                 | \$16,917,358   | (\$243,714)          |
| FTE                                | 78.00        | 75.00         | 0.00                         | 75.00                        | 75.00          | 0.00                 |

**Department No. 701 - State Historical Society - Detail of Conference Committee Changes**

|                                    | Adjusts Funding for Health Insurance Increases <sup>1</sup> | Adds Funding for Salaries and Wages <sup>2</sup> | Restores Funding for the Operation of the Welk Homestead <sup>3</sup> | Adds Funding for Double Ditch Historic Site Repairs <sup>4</sup> | Total Conference Committee Changes |
|------------------------------------|---|--|---|--|------------------------------------|
| Salaries and wages                 | (\$15,137)  | \$193,714  | \$50,000  |  | \$228,577                          |
| Operating expenses                 |   |  | 35,000  |  | 35,000                             |
| Capital assets                     |   |  |   |  |                                    |
| Grants                             |   |  |   |  |                                    |
| Cultural heritage grants           |   |  |   |  |                                    |
| Double ditch historic site repairs |   |  |   | 1,000,000  | 1,000,000                          |
| Total all funds                    | (\$15,137)  | \$193,714  | \$85,000  | \$1,000,000  | \$1,263,577                        |
| Less estimated income              | (1,295)   | 0  | 0   | 1,000,000  | 998,705                            |
| General fund                       | (\$13,842)  | \$193,714  | \$85,000  | \$0  | \$264,872                          |
| FTE                                | 0.00  | 0.00   | 0.00  | 0.00   | 0.00                               |

<sup>1</sup> Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 is also adjusted to reflect the change, the same as the Senate version.

<sup>2</sup> Restores \$193,714 from the general fund for salaries and wages. The House underfunded salaries and wages by \$437,428 from the general fund. The Senate version did not underfund salaries and wages.

<sup>3</sup> Funding of \$85,000 is restored for the operation of the Welk Homestead Historic Site, of which \$50,000 was for salaries and wages and \$35,000 was for operating expenses, the same as the Senate version. The House removed funding for the operation of the Welk Homestead Historic Site.

<sup>4</sup> Adds a section appropriating \$1,000,000 of which \$500,000 is from the state disaster relief fund and \$500,000 is from other funds from a grant from the Parks and Recreation Department to the State Historical Society for Double Ditch Historic Site repairs. The section also provides that for the purposes of calculating the unobligated balance of the state disaster relief fund under North Dakota Century Code Section 57-51.1-07.5, the money appropriated shall not be considered an obligation from the state disaster relief fund until after July 31, 2017. This funding is intended to replace \$1 million of funding the Historical Society may need to obtain through a loan from the Bank of North Dakota as authorized by the 64<sup>th</sup> Legislative Assembly. Neither the House nor Senate version included this section.

This amendment also:

- Removes sections added by the House providing legislative intent regarding the Double Ditch Historic Site repairs and an emergency measure, the same as the Senate version.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1361, as engrossed:** Your conference committee (Sens. Laffen, Unruh, Dotzenrod and Reps. Dockter, B. Koppelman, Toman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1634-1635, adopt amendments as follows, and place HB 1361 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1634 and 1635 of the House Journal and pages 1383-1385 of the Senate Journal and that Engrossed House Bill No. 1361 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code, relating to limitations of property tax levies by taxing districts without voter approval; to amend and reenact section 57-20-04 of the North Dakota Century Code, relating to the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts; to provide for a report to the legislative management; and to provide an effective date.

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

**SECTION 1.** Section 57-15-02.2 of the North Dakota Century Code is created and enacted as follows:

##### **57-15-02.2. Limitation on levies by taxing districts without voter approval.**

1. Notwithstanding that a taxing district may have unused or excess levy authority under any other provision of law, this section supersedes and limits that authority. For purposes of this section, "taxing district" means any political subdivision empowered to levy taxes, with the exception of school districts. This section may not be interpreted as authority to increase any property tax levy authority otherwise provided by law and must be applied to limit any property tax levy authority to which a taxing district may otherwise be entitled. Property taxes levied in dollars by a taxing district may not exceed the amount the taxing district levied in dollars in the preceding taxable year by more than three percent, except:
  - a. When property and improvements to property which were not taxable in the preceding taxable year are taxable in the current year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the additional taxable valuation attributable to that property at the mill rate applied to all property in the preceding taxable year.
  - b. When a property tax exemption existed in the preceding taxable year which has been reduced or no longer exists for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be increased for purposes of this section to reflect the taxes that would have been imposed against the portion of the taxable valuation of the property which is no longer exempt at the mill rate applied to all property in the preceding taxable year.
  - c. When property that was taxable in the preceding taxable year is not taxable for the current taxable year, the amount levied in dollars in the preceding taxable year by the taxing district must be reduced for purposes of this section by the amount of taxes that were imposed

against the taxable valuation of that property in the preceding taxable year.

- d. When a temporary mill levy increase, excluding an increase under this section, authorized by the electors of the taxing district or mill levy imposition authority under state law existed in the previous taxable year but is no longer applicable or has been reduced, the amount levied in dollars in the previous taxable year by the taxing district must be adjusted to reflect the expired temporary mill levy increase and the eliminated or reduced mill levy under state law before the percentage increase allowable under this subsection is applied.
2. The limitation on the total amount levied by a taxing district under subsection 1 does not apply to:
    - a. New or increased property tax levy authority that was not available to the taxing district in the preceding taxable year, including property tax levy authority provided by state law or approved by the electors of the taxing district.
    - b. Any irrepealable tax to pay bonded indebtedness levied under section 16 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 1.
    - c. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota. Any tax levied for this purpose must be excluded from the mill rate applied under subdivisions a through c of subsection 1.
    - d. The levy, not to exceed one mill, for the Garrison Diversion Conservancy District, authorized by section 57-15-26.8.
    - e. Taxes or special assessments levied to pay the principal and interest on any obligations of any political subdivision, including taxes levied for deficiencies in special assessment and improvement district funds and revenue bond and reserve funds.
    - f. Taxes levied pursuant to law for the proportion of the cost to any taxing district for a special improvement project by general taxation.
    - g. Taxes levied under sections 40-24-10, 40-43-01, 57-15-41, and 61-21-52.
  3. A levy exceeding the percentage increase limitation under subsection 1 may be imposed upon approval of a ballot measure, stating the percentage of the proposed property tax levy increase percentage compared to the percentage limitation under subsection 1, by a majority of the qualified electors of the taxing district voting on the question at a regular or special election of the taxing district. A levy exceeding the percentage increase limitation under subsection 1 may be approved by electors for not more than one taxable year at a time.
  4. A city or county may not supersede or modify the application of the provisions of this section under home rule authority.

**SECTION 2. AMENDMENT.** Section 57-20-04 of the North Dakota Century Code is amended and reenacted as follows:

**57-20-04. Abstract of tax list to be sent to tax commissioner - Reports.**

1. The county auditor, on or before December thirty-first following the levy of the taxes, shall makeprepare and transmit to the state-tax commissioner,-



in such form as the tax commissioner may prescribe, a complete abstract of the tax list of the auditor's county.

2. In addition to the tax list required in subsection 1, the county auditor, on or before December thirty-first following the levy of the taxes, shall prepare and transmit to the tax commissioner a report providing each taxing district's property valuation and property tax levy and any other information the tax commissioner deems necessary to prepare the report required in subsection 3. For taxing districts with property in more than one county, information must be collected and transmitted by the county auditor of the county in which the main office of that taxing district is located.
3. The tax commissioner shall compile information received from the county auditors in subsection 2 and prepare a statewide report of property tax increase. The report must include the annual increase in property taxes levied by each taxing district of the state after adjusting for property that was not taxable in the preceding year and property that is no longer taxable which was taxable in the preceding year. The report must be provided to the legislative management by April first of each year.
4. The tax commissioner shall prescribe the form and manner of providing the reports and certifications required under this section.
5. On or before December 31, 2017, the county auditor shall provide a report to the tax commissioner providing the information identified in subsection 2 for the 2015 and 2016 tax years.

**SECTION 3. REPEAL.** Section 57-20-05 of the North Dakota Century Code is repealed.

**SECTION 4. EFFECTIVE DATE.** Section 1 of this Act is effective for taxable years beginning after December 31, 2017."

Renumber accordingly

Engrossed HB 1361 was placed on the Seventh order of business on the calendar.

#### MOTION

**SEN. KLEIN MOVED** that the Senate stand in recess until 5:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Sanford presiding.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**SEN. LAFFEN MOVED** that the conference committee report on Engrossed HB 1361 be adopted, which motion prevailed on a voice vote.

#### SECOND READING OF HOUSE BILL

**HB 1361:** A BILL for an Act to create and enact section 57-15-02.2 of the North Dakota Century Code, relating to limitations of property tax levies by taxing districts without voter approval; to amend and reenact section 57-20-04 of the North Dakota Century Code, relating to the abstract of a county tax list and a statewide property tax increase report; to repeal section 57-20-05 of the North Dakota Century Code, relating to certification of taxes levied by taxing districts; to provide for a report to the legislative management; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 0 YEAS, 46 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

**NAYS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban;

Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**ABSENT AND NOT VOTING:** Lee, G.

Engrossed HB 1361, as amended, failed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. WANZEK MOVED** that the conference committee report on Engrossed SB 2009 be adopted, which motion prevailed on a voice vote.

**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; and to create and enact a new section to chapter 4-02.1 of the North Dakota Century Code, relating to facility operations and maintenance costs of the state fair association.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2009 passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**SEN. ERBELE MOVED** that the conference committee report on Engrossed HB 1018 be adopted, which motion prevailed on a voice vote.

**SECOND READING OF HOUSE BILL**

**HB 1018:** A BILL for an Act to provide an appropriation for defraying the expenses of the state historical society; and to provide an exemption.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

**YEAS:** Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Clemens; Cook; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

**NAYS:** Casper; Davison; Larsen, O.

Engrossed HB 1018, as amended, passed.

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

**MR. PRESIDENT:** The House has passed, and your favorable consideration is requested on: HCR 3037.

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

**MR. PRESIDENT:** The House has not adopted the conference committee report on:

HB 1001.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2009.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1018.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently failed to pass: HB 1361.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2020.

**MOTION**

**SEN. KLEIN MOVED** that the Senate stand in recess until 7:00 p.m., which motion prevailed.

**THE SENATE RECONVENED** pursuant to recess taken, with President Sanford presiding.

**FIRST READING OF HOUSE CONCURRENT RESOLUTION**

Reps. Mock, Carlson, Delzer, Hogan, Mitskog, Porter, Seibel and Sens. Anderson, Heckaman, Oban, Unruh, Wardner introduced:

(Approved by the Delayed Bills Committee)

**HCR 3037:** A concurrent resolution requesting the Congress and the President of the United States to enact legislation to expand and extend the current federal tax credit for carbon capture, utilization, and storage under Section 45Q of the Internal Revenue Code; to provide appropriations to the United States Department of Energy sufficient to achieve and sustain a robust carbon capture research, development, demonstration, and deployment program; to support the inclusion of economically and environmentally beneficial carbon capture projects in any forthcoming federal infrastructure initiative; to support policies to increase the operational efficiency; and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security.

Was read the first time.

**MOTION**

**SEN. KLEIN MOVED** that the rules be suspended, that HCR 3037 not be printed, not be referred to committee, but be read in title only, be printed in the Journal, and placed on the calendar for immediate second reading and final passage, which motion prevailed.

Reps. Mock, Carlson, Delzer, Hogan, Mitskog, Porter, Seibel and Sens. Anderson, Heckaman, Oban, Unruh, Wardner introduced:

(Approved by the Delayed Bills Committee)

**HOUSE CONCURRENT RESOLUTION NO. 3037**

A concurrent resolution requesting the Congress and the President of the United States to enact legislation to expand and extend the current federal tax credit for carbon capture, utilization, and storage under Section 45Q of the Internal Revenue Code; to provide appropriations to the United States Department of Energy sufficient to achieve and sustain a robust carbon capture research, development, demonstration, and deployment program; to support the inclusion of economically and environmentally beneficial carbon capture projects in any forthcoming federal infrastructure initiative; to support policies to increase the operational efficiency; and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security.

**WHEREAS,** fossil fuels including coal, natural gas, and oil provide more than three-quarters of global and United States' primary energy demand and, according to the International Energy Agency, will continue to do so for the next quarter-century or more under current energy and environmental policies; and

**WHEREAS,** recognition of the value and enduring role of fossil fuels as an essential source of energy around the world and in the United States for decades to come has led

environmental advocates to support the accelerated development and broad deployment of carbon capture technologies for fossil fuels as part of a sustainable energy future; and

**WHEREAS**, recognition of the role carbon capture can play in creating new opportunities for fossil fuels has led fossil energy advocates to similarly support the development and deployment of carbon capture technologies for fossil fuels; and

**WHEREAS**, the United States and North Dakota have abundant supplies of fossil energy, the production and use of which provide important economic, energy, and national security benefits to our nation and our state; and

**WHEREAS**, North Dakota is the nation's 6<sup>th</sup> largest producer of fossil energy, 2<sup>nd</sup> largest producer of oil, 2<sup>nd</sup> largest producer of lignite coal, 11<sup>th</sup> largest producer of natural gas, the largest consumer of coal for industrial use, and the 10<sup>th</sup> largest consumer of coal for electricity generation; and

**WHEREAS**, according to the Department of Energy, "A diverse portfolio of energy resources is critical to U.S. energy and national policy...being more robust and resilient in comparison to a system that is heavily dependent on a limited set of energy resources... [and] helps insulate the economy from certain risks, including price volatility and risks from supply disruptions"; and

**WHEREAS**, reliable and affordable electricity is vital to economic growth and job creation in North Dakota and the overall welfare of our citizens; and

**WHEREAS**, 73 percent of the electricity generated in North Dakota is produced from fossil fuels and the average residential price of electricity in North Dakota is the 6<sup>th</sup> lowest in the nation and is 18 percent below the national average; and

**WHEREAS**, continued research and development of carbon reduction strategies for fossil fuels is an essential element of a forward-looking sustainable energy strategy for North Dakota, our nation, and the world which will simultaneously maximize both environmental quality and economic opportunity; and

**WHEREAS**, the Energy and Environmental Research Center at the University of North Dakota, the Great Plains Synfuels Plant in Beulah, and the Lignite Energy Council are engaged in efforts to address environmental, health, and economic impacts of energy production and use through collaborations on applied carbon dioxide research, practical applications, workforce development, and public education; and

**WHEREAS**, legislation was introduced in the 114<sup>th</sup> Congress to enhance and extend federal tax incentives, under Section 45Q of the Internal Revenue Code, which serve to sustain and promote such collaborations and to encourage private industry in energy generation, manufacturing, and agriculture to adopt and deploy existing and emerging technologies that increase carbon capture, utilization, and storage; and

**WHEREAS**, the coming together of environmental and energy advocates in support of carbon capture is reflected in the groundbreaking coalition of environmental advocacy groups, labor unions, and energy producers from the coal, oil and gas, ethanol, and algae-biomass industries working together in support of federal legislation; and

**WHEREAS**, similar legislation is now under consideration in the 115<sup>th</sup> Congress, and Congress and the President also are considering enactment of a large-scale federal infrastructure initiative to strengthen our nation's transportation, public works, and energy infrastructure that also could serve as a vehicle for advancing "jobs-ready" carbon capture projects; and

**WHEREAS**, according to the Department of Energy, "A combination of tax incentives and research, development, demonstration, and deployment will be critical to developing transformational carbon capture technologies and to driving down the costs of capture";

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:**

That the Sixty-fifth Legislative Assembly requests Congress and the President of the United States to enact legislation to expand and extend the current federal tax credit for carbon capture, utilization, and storage under Section 45Q of the Internal Revenue Code; to provide appropriations to the United States Department of Energy sufficient to achieve and sustain a robust carbon capture research, development, demonstration, and deployment program; to support the inclusion of economically and environmentally beneficial carbon capture projects in any forthcoming federal infrastructure initiative; to support policies to increase the operational efficiency, and thereby the environmental performance, of existing electric-generating units in the United States; and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security; and

**BE IT FURTHER RESOLVED**, that the Secretary of State forward copies of this resolution by certified mail, return receipt requested, to the President of the United States, the President and Secretary of the United States Senate, the Speaker and Clerk of the

United States House of Representatives, the Secretary of the United States Department of Energy, and to each member of the North Dakota Congressional Delegation.

**SECOND READING OF HOUSE CONCURRENT RESOLUTION**

**HCR 3037:** A concurrent resolution requesting the Congress and the President of the United States to enact legislation to expand and extend the current federal tax credit for carbon capture, utilization, and storage under Section 45Q of the Internal Revenue Code; to provide appropriations to the United States Department of Energy sufficient to achieve and sustain a robust carbon capture research, development, demonstration, and deployment program; to support the inclusion of economically and environmentally beneficial carbon capture projects in any forthcoming federal infrastructure initiative; to support policies to increase the operational efficiency; and to support the preservation of a fuel-diverse electric generation portfolio critical to our domestic economic, energy, and national security.

The question being on the final adoption of the resolution, which has been read.

HCR 3037 was declared adopted on a voice vote.

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**MOTION**

**SEN. KLEIN MOVED** that the absent members be excused, which motion prevailed.

**MOTION**

**SEN. KLEIN MOVED** that the Senate be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Tuesday, April 25, 2017, which motion prevailed.

The Senate stood adjourned pursuant to Senator Klein's motion.

**Shanda Morgan, Secretary**

