

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1015

That the Senate recede from its amendments as printed on pages 1951-1959 of the House Journal and pages 1709-1716 of the Senate Journal and that Reengrossed House Bill No. 1015 be amended as follows:

- Page 1, line 2, after the semicolon insert "to provide an appropriation for defraying the expenses of the state auditor; to provide an appropriation to North Dakota state university; to provide an appropriation to Dickinson state university; to provide an appropriation to the department of human services;"
- Page 1, line 3, after the semicolon insert "to identify grant funding; 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 5-02-01.1 and 6-09-15.1, subsection 8 of section 15-10-38 as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, section 43-26.1-05.1 as created by section 2 of Senate Bill No. 2131, as approved by the sixty-fifth legislative assembly, subsection 7 of section 47-02-27.4 as created by section 1 of House Bill No. 1228, 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 3, after "Code" insert "and subsection 3 of section 8 of House Bill No. 1024, section 21 of Senate Bill No. 2013, and section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly"
- Page 1, line 4, after the first "to" insert "alcohol special event permits, temporary loans to the general fund, the teacher loan forgiveness program, criminal history record checks, exclusions from the statutory rule against perpetuities,"
- Page 1, line 4, after "fees" insert ", property tax increase reports, cost reimbursement land sales, an oil and gas valuation study, and effective dates; to repeal section 57-20-05 of the North Dakota Century Code, relating to tax certifications; to suspend section 54-35-23 of the North Dakota Century Code, relating to the tribal and state relations committee; to provide for the administration of the tobacco prevention and control trust fund"
- Page 1, line 4, replace "an exemption" with "exemptions"
- Page 1, line 5, replace the "and" with "to provide for legislative management studies; to provide for a legislative management tribal taxation issues committee; to provide for a report to the legislative management;"
- Page 1, line 5, after "report" insert "; to provide an effective date; to provide an expiration 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	\$1,798,578	\$21,596,832
Operating expenses	13,855,260	196,178	14,051,438
Emergency commission contingency fund	500,000	100,000	600,000
Capital assets	200,000	1,573,477	1,773,477
Grants	555,000	(1,000)	554,000
Guardianship grants	1,328,600	0	1,328,600
Prairie public broadcasting	1,600,000	(400,000)	1,200,000
State student internship program	200,000	(200,000)	0
Cybersecurity remediation pool	0	<u>1,000,000</u>	<u>1,000,000</u>
Total all funds	\$38,037,114	\$4,067,233	\$42,104,347
Less estimated income	<u>7,210,390</u>	<u>4,023,697</u>	<u>11,234,087</u>
Total general fund	\$30,826,724	\$43,536	\$30,870,260
Full-time equivalent positions	122.50	(5.50)	117.00"

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	1,000,000
Theodore Roosevelt center grant	0	<u>500,000</u>
Total all funds	\$16,305,303	\$2,300,000
Less estimated income	<u>9,775,000</u>	<u>1,800,000</u>
Total general fund	\$6,530,303	\$500,000"

Page 2, remove lines 29 and 30

Page 3, replace lines 1 and 2 with:

"SECTION 4. APPROPRIATION - STATE AUDITOR. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,655,646	\$111,666	\$11,767,312
Operating expenses	1,176,806	(34,023)	1,142,783
North Dakota university system information technology security audits	200,000	(200,000)	0
Information technology consultants	<u>250,000</u>	<u>(250,000)</u>	<u>0</u>

Total all funds	\$13,282,452	(\$372,357)	\$12,910,095
Less estimated income	<u>3,505,870</u>	<u>(94,383)</u>	<u>3,411,487</u>
Total general fund	\$9,776,582	(\$277,974)	\$9,498,608
Full-time equivalent positions	59.80	(3.80)	56.00

SECTION 5. HEALTH INSURANCE INCREASE - STATE AUDITOR. The salaries and wages line item in section 4 of this Act includes the sum of \$140,696, of which \$104,201 is from the general fund, for increases in employee health insurance premiums from \$1,130 to \$1,241 per month.

SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - NORTH DAKOTA STATE UNIVERSITY - MINARD HALL. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$1,634,854, or so much of the sum as may be necessary, to North Dakota state university for the purpose of paying unreimbursed costs related to the collapse of Minard hall, for the period beginning with the effective date of this section and ending June 30, 2017.

SECTION 7. 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 \$875,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of institution operations, for the biennium beginning July 1, 2017, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 8. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. There is appropriated out of special funds derived from federal funds or other income, not otherwise appropriated, the sum of \$1,558,318, or so much of the sum as may be necessary, to the department of human services for the purpose of funding medical assistance grants, for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 9. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$248,000,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 10. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of \$183,000,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 11. LEGACY FUND EARNINGS ESTIMATE - 2017-19 BIENNIUM. For legislative council budget status reporting purposes, the sixty-fifth legislative assembly estimates \$200,000,000 of earnings will be transferred from the legacy fund to the general fund at the end of the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 12. ESTIMATE OF 2015-17 BIENNIUM UNEXPENDED GENERAL FUND APPROPRIATIONS. For legislative council budget status reporting purposes, as an update to the March 2017 legislative revenue forecast, the sixty-fifth legislative assembly estimates \$52,000,000 of unexpended general fund appropriations for the biennium beginning July 1, 2015, and ending June 30, 2017."

"SECTION 14. OIL AND GAS IMPACT GRANT FUND - DEVELOPMENTAL DISABILITIES SERVICES PROVIDER GRANT. Notwithstanding chapter 57-62 or any of the designations in section 5 of chapter 463 of the 2015 Session Laws, the board of university and school lands shall award a grant of up to \$261,000, from any money deposited in the oil and gas impact grant fund for taxable events through June 30, 2017, to a community-based provider serving individuals with developmental disabilities, during the period beginning with the effective date of this section, and ending June 30, 2019. A provider is eligible to receive grant funding only if the provider is impacted by oil and gas development activity and is operating intermediate care facilities with locations in both the northwest and north central human service regions of the state. The recipient may use the grant proceeds only to provide settlement for any amounts owed to the department of human services or a bank. The department of human services may use a portion of the settlement payments received from the provider for repayments to the federal government. Before any grant funding may be paid to the provider, the board of university and school lands must receive certification of the following:

1. That the department of human services has reviewed actual cost reports and estimated audit settlement amounts.
2. That the provider has exhausted insurance recovery options and has restructured any outstanding debt.
3. The amounts owed to the department of human services and a bank.

SECTION 15. TOBACCO PREVENTION AND CONTROL TRUST FUND - ADMINISTRATION. The office of management and budget shall administer the tobacco prevention and control trust fund established in section 54-27-25 and transfer funds as necessary in accordance with legislative authorizations or appropriations from the fund 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 17. 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."

Page 3, after line 22, insert:

"Statewide memberships and related expenses \$531,450

SECTION 19. AMENDMENT. Section 5-02-01.1 of the North Dakota Century Code is amended and reenacted as follows:

5-02-01.1. Event permit authorized - Penalty.

1. The local governing body may by permit authorize a qualified alcoholic beverage licensee licensed under this chapter to engage in the sale of alcoholic beverages at events designated by the permit. For purposes of

this section, "qualified alcoholic beverage licensee" means a licensee in a city that imposed a city lodging and restaurant tax on July 31, 1993, who paid such tax and who continues to pay any such tax imposed by the city or a licensee in a county, a licensee in a city that did not impose a city lodging and restaurant tax on July 31, 1993, or a tribal licensee. A fee for the local permit may be set by ordinance or resolution at not more than twenty-five dollars. The permit may not be valid for a period greater than fourteen days and may include Sundays. The local governing body may establish rules to regulate and restrict the operation of an event permit. Any person who dispenses, sells, or permits the consumption of alcoholic beverages in violation of this section or the conditions of a permit is guilty of a class B misdemeanor.

2. The local governing body may authorize persons under twenty-one years of age to remain in the area of the event, or a portion thereof, where beer, wine, or sparkling wine may be sold pursuant to the permit. However, this authorization must be subject to the following minimum conditions:
 - a. The area where persons under twenty-one years of age may remain must be specifically set forth in the permit;
 - b. Only employees of the qualified alcoholic beverage licensee who are at least twenty-one years of age may deliver and sell the beer, wine, or sparkling wine; and
 - c. ~~Subject to section 5-02-06, the area where persons under twenty-one years of age may remain may not be the qualified alcoholic beverage licensee's fixed or permanent licensed premises as shown on the state and local governing body's alcoholic beverage license issued pursuant to section 5-02-01; and~~
 - d. No person under twenty-one years of age within the area described in the permit may consume, possess, or receive alcoholic beverages.

SECTION 20. 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 - Report.

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~~ borrow from the Bank of North Dakota in an amount that at no time ~~exceeds~~ exceeds the total principal amount of fifty million dollars with principal maturity of not more than twelve months ~~not to extend beyond the biennium in which the borrowing occurs.~~ As a condition precedent to the ~~issuance and sale of the evidences of indebtedness~~ loan, 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 ~~biennium~~ in which the ~~evidences of indebtedness are to be issued~~ loan is ~~taken~~ will exceed the principal amount and interest on the ~~evidences of indebtedness to be issued~~ loan. 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~~
~~The state treasurer and the director of the office of management and budget shall~~
~~establish a fund~~repayment plan 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. The office of management and budget shall report to the budget~~
section of the legislative management regarding any loans obtained pursuant to this
section.

SECTION 21. AMENDMENT. Subsection 8 of section 15-10-38 of the North Dakota Century Code as amended by section 2 of Senate Bill No. 2037, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

8. Upon notification the individual has completed a full year of teaching in a school district ~~or, state-supported school, or nonpublic school~~ in this state at a grade level or in a content area and in a geographical location identified by the superintendent of public instruction as one in which a teacher shortage or critical need exists, the board shall distribute funds directly to the lending institution of the individual to repay outstanding loan principal balances on behalf of eligible applicants. The board shall terminate loan forgiveness payments to eligible individuals when the loan principal balance of the eligible individual is paid in full.

SECTION 22. 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, 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 23. 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.

SECTION 24. AMENDMENT. Subsection 7 of section 47-02-27.4 of the North Dakota Century Code as created by section 1 of House Bill No. 1228, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

7. Except to the extent otherwise provided in the governing instrument of a business trust, a business trust has perpetual existence, and a business

trust may not be terminated or revoked by a beneficial owner or other person except in accordance with the terms of its governing instrument. A business trust, whether domestic or foreign, except for a real estate investment trust, may not own any interest in real property within this state. As used in this subsection "real estate investment trust" means a trust qualifying as a real estate investment trust under section 856 et seq., of the United States Internal Revenue Code of 1986 [26 U.S.C. 856 et seq.], or a trust qualifying as a real estate mortgage investment conduit under section 860D of the United States Internal Revenue Code of 1986 [26 U.S.C. 860D]."

Page 4, replace lines 3 through 15 with:

"SECTION 26. 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 27. AMENDMENT. Subsection 3 of section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, is amended as follows:

3. If the department of emergency services or the governor receive land or other noncash assets as reimbursement, the department of emergency services or the governor shall request authorization from the sixty-sixth legislative assembly to convey the land or noncash assets and use any proceeds for repayment of any remaining outstanding loans.

Notwithstanding section 38-09-01 or any other provision of law, the state may not reserve any of the oil, natural gas, or minerals that may be found on or underlying land conveyed under this section.

SECTION 28. AMENDMENT. Section 21 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 21. STUDY OF OIL AND GAS VALUATION - REPORT TO ENERGY DEVELOPMENT AND TRANSMISSION COMMITTEE.

1. During the 2017 18 interim, the tax department, in consultation with the board of university and school lands, the industrial commission, and other state agencies as necessary, shall ~~study~~consider studying the valuation of oil and gas as used to determine mineral royalty payments and tax liability. The study must include consideration of the following:
 - a. The methods used to calculate the value of oil and gas, including changes in custody, the basis for the value, any deductions or incentives applied to the value, and the point at which the value is determined.
 - b. The impact of state and federal regulations, including gas capture requirements.
 - c. ~~The market competition for gas processing, including the possibility of rate setting by the public service commission.~~
 - d. The reporting of any deductions or incentives applied to the value as included on mineral royalty statements and tax reporting documents.
2. The tax department shall report to the energy development and transmission committee by September 30, 2018, regarding the results and recommendations of the study.

SECTION 29. AMENDMENT. Section 23 of Senate Bill No. 2013, as approved by the sixty-fifth legislative assembly, is amended and reenacted as follows:

SECTION 23. EFFECTIVE DATE. Sections 15 and 16 of this Act are effective for taxable events occurring after June 30, 2017. Section 19 of this Act becomes effective September 1, 2017. ~~House Bill No. 1300, as approved by the sixty-fifth legislative assembly, becomes effective January 1, 2018.~~

SECTION 30. REPEAL. Section 57-20-05 of the North Dakota Century Code is repealed.

SECTION 31. SUSPENSION. Section 54-35-23 of the North Dakota Century Code is suspended.

SECTION 32. LEGISLATIVE INTENT - COST REIMBURSEMENT - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the state explore all options for permanent disposition of land and noncash assets acquired under section 8 of House Bill No. 1024, as approved by the sixty-fifth legislative assembly, as amended by section 27 of this Act. Options to be explored include

conveyance or transfer to the parks and recreation department, game and fish department, and private parties.

SECTION 33. 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.
5. The committee may study tribal-state issues, including government-to-government relations, human services, education, corrections, and issues related to the promotion of economic development.
6. The chairman of the committee shall invite tribal chairmen to each committee meeting.
7. 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 34. LEGISLATIVE MANAGEMENT STUDY - WIND ENERGY TAXATION AND REVENUE DISTRIBUTION. During the 2017-18 interim, the

legislative management shall consider studying the taxation of wind energy and the distribution of tax collections related to wind energy. The study must include consideration of the various methods of taxing wind energy, including production taxes, the parity of wind energy taxation in comparison to the taxation of other energy sources, and the current and historical distribution formulas related to wind energy taxes; 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 35. LEGISLATIVE MANAGEMENT STUDY - REVENUE

VOLATILITY. During the 2017-18 interim, the legislative management shall consider studying the volatility of state revenue sources. The study must include the volatility of the tax base and revenue sources, including ongoing expenditures. The study also must include consideration of the volatility and sustainability of elementary and secondary education funding, including the general fund, common schools trust fund, and foundation aid stabilization fund. The study must include an assessment of the ending fund balances in the general fund, budget stabilization fund, and foundation aid stabilization fund, the adequacy of the foundation aid stabilization fund relative to revenue sources, and an analysis of the other trust funds. The study must include historical revenue for all years for which quality data are available. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 36. LEGISLATIVE MANAGEMENT STUDY - IMPACT OF BUDGET REDUCTIONS ON HIGHER EDUCATION. During the 2017-18 interim, the legislative management shall consider studying the impacts of the 2015-17 budget allotments and the 2017-19 budget on research infrastructure at the institutions under the control of the state board of higher education, including:

1. The ability to recruit and retain research faculty graduate students and research assistants since January 1, 2016, and the resultant effect on courses available to students, professional preparation, and timely graduation;
2. Unused research equipment, research space not utilized to capacity, the associated costs to acquire the equipment and space, and the original funding sources for the equipment and space;
3. Grant dollars not applied for or acquired due to loss in capacity of grant writing, research personnel, or infrastructure;
4. The number of faculty and researchers who have left institutions under the control of the state board of higher education since January 1, 2016, their faculty rank, and the dollar amount of grants the faculty and researchers have taken with them;
5. Undergraduate research opportunities lost due to faculty attrition or increased faculty workloads;

6. Change in research output including publications, presentations, intellectual property, and other creative work used in national rankings' calculations; and
7. Preparation of undergraduate and graduate students on technical equipment and program certification by national and international professional bodies.

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 37. EFFECTIVE DATE. Section 22 of this Act is effective for property tax incentives approved after July 31, 2017.

SECTION 38. EXPIRATION DATE. Section 31 of this Act is effective through July 31, 2019, and after that date is ineffective.

SECTION 39. EMERGENCY. Sections 6, 14, 19, 27, and 32 of this Act are declared to be an emergency measure."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1015 - Summary of Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Office of Management and Budget						
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
State Auditor						
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
Dickinson State University						
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
DHS - Program/Policy						
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
Bill total						
Total all funds	\$38,037,114	\$38,593,573	\$18,854,187	\$57,447,760	\$55,125,834	\$2,321,926
Less estimated income	7,210,390	10,438,477	5,765,415	16,203,892	14,645,574	1,558,318
General fund	\$30,826,724	\$28,155,096	\$13,088,772	\$41,243,868	\$40,480,260	\$763,608

House Bill No. 1015 - Office of Management and Budget - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$19,798,254	\$21,177,508	\$419,324	\$21,596,832	\$22,041,224	(\$444,392)
Operating expenses	13,855,260	12,909,988	1,141,450	14,051,438	14,068,438	(17,000)

Capital assets	200,000	973,477	800,000	1,773,477	1,773,477	
Grants	555,000	54,000	500,000	554,000	54,000	500,000
Emergency commission contingency fund	500,000	350,000	250,000	600,000	350,000	250,000
Guardianship grants	1,328,600	1,328,600		1,328,600	1,528,600	(200,000)
Prairie Public Broadcasting	1,600,000	800,000	400,000	1,200,000	1,400,000	(200,000)
State student internship program	200,000					
Cybersecurity remediation pool		1,000,000		1,000,000	1,000,000	
Total all funds	\$38,037,114	\$38,593,573	\$3,510,774	\$42,104,347	\$42,215,739	(\$111,392)
Less estimated income	7,210,390	10,438,477	795,610	11,234,087	11,234,087	0
General fund	\$30,826,724	\$28,155,096	\$2,715,164	\$30,870,260	\$30,981,652	(\$111,392)
FTE	122.50	115.00	2.00	117.00	118.00	(1.00)

Department No. 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adds Funding for FTE Positions ²	Adds Funding for Utility Rate Increases ³	Restores Funding for 90 Percent of Statewide Memberships ⁴	Add Funding for Revenue Forecasting ⁵	Adds Funding for Prairie Public Broadcasting ⁶
Salaries and wages	(\$24,676)	\$444,000				
Operating expenses			550,000	531,450	60,000	
Capital assets						
Grants						
Emergency commission contingency fund						
Guardianship grants						
Prairie Public Broadcasting						400,000
State student internship program						
Cybersecurity remediation pool						
Total all funds	(\$24,676)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
Less estimated income	(4,390)	0	0	0	0	0
General fund	(\$20,286)	\$444,000	\$550,000	\$531,450	\$60,000	\$400,000
FTE	0.00	2.00	0.00	0.00	0.00	0.00

	Adds Funding for a Grant to the Theodore Roosevelt Center ⁷	Adds Funding for Surplus Property Building ⁸	Adds Funding for Emergency Commission Contingency Fund ⁹	Total Conference Committee Changes
Salaries and wages				\$419,324
Operating expenses				1,141,450
Capital assets		800,000		800,000
Grants	500,000			500,000
Emergency commission contingency fund			250,000	250,000
Guardianship grants				
Prairie Public Broadcasting				400,000
State student internship program				
Cybersecurity remediation pool				
Total all funds	\$500,000	\$800,000	\$250,000	\$3,510,774
Less estimated income	0	800,000	0	795,610
General fund	\$500,000	\$0	\$250,000	\$2,715,164
FTE	0.00	0.00	0.00	2.00

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

² Funding of \$444,000 is added for 2 FTE unspecified positions. The House removed \$1,306,713 and 7.5 FTE positions. The Senate restored \$888,392 and 3 FTE positions, which were removed by the House. The Conference Committee version includes the removal of 1 FTE facility construction engineer position, the same as the House version.

³ Funding of \$550,000 is added for utility rate increases, the same as the Senate version.

⁴ Funding is added to provide for 90 percent of the statewide membership dues and related expenses, the same as the Senate version.

⁵ Funding of \$60,000 is added for revenue forecasting contract and travel expenses. The House removed \$77,000 related to revenue forecasting, and the Senate restored the \$77,000 that was removed by the House.

⁶ Funding of \$400,000 is added for Prairie Public Broadcasting to provide \$1,200,000. The House provided \$800,000 for Prairie Public Broadcasting, and the Senate provided \$1,400,000.

⁷ One-time funding of \$500,000 from the general fund is added for a grant to the Theodore Roosevelt Center at Dickinson State University.

⁸ One-time funding is added from surplus property special funds to purchase or construct a new surplus property building, the same as the Senate version.

⁹ Funding is added to provide \$600,000 for the Emergency Commission contingency fund.

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, the same as the Senate version.
- Provides for a transfer of \$248 million from the strategic investment and improvements fund to the general fund for the 2017-19 biennium.
- Provides a transfer of \$183 million from the tax relief fund to the general fund for the 2017-19 biennium.
- Identifies \$200 million of estimated earnings of the legacy fund will be transferred to the general fund, an increase of \$40 million from the March 2017 legislative forecast.
- Identifies \$52 million of unexpended 2015-17 biennium appropriations, increasing the estimated July 1, 2017, balance by \$13.88 million compared to the March 2017 legislative forecast of \$38.12 million.
- Requires the Office of Management and Budget to administer the tobacco prevention and control trust fund.
- Removes a section added by the House to prohibit the purchase or construction of a new building for surplus property, the same as the Senate version.
- 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). The Senate also included the exemption.
- Identifies the funding for statewide memberships and related expenses (\$531,450) that is included in Section 1 of the bill, the same as the Senate version.
- Adds a section to amend North Dakota Century Code Section 6-09-15.1 to increase temporary borrowing authority for general fund cashflow purposes, from \$10 million to \$50 million and to provide for a report to Budget Section. The Senate increased the borrowing authority to \$100 million.
- 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, the same as the Senate version.

House Bill No. 1015 - State Auditor - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$0	\$0	\$11,767,312	\$11,767,312	\$11,767,312	\$0
Operating expenses	0	0	1,142,783	1,142,783	1,142,783	0
Total all funds	\$0	\$0	\$12,910,095	\$12,910,095	\$12,910,095	\$0
Less estimated income	0	0	3,411,487	3,411,487	3,411,487	0
General fund	\$0	\$0	\$9,498,608	\$9,498,608	\$9,498,608	\$0
FTE	0.00	0.00	56.00	56.00	56.00	0.00

Department No. 117 - State Auditor - Detail of Conference Committee Changes

	Adds Funding for the State Auditor ¹	Total Conference Committee Changes
Salaries and wages	\$11,767,312	\$11,767,312
Operating expenses	1,142,783	1,142,783
Total all funds	\$12,910,095	\$12,910,095
Less estimated income	3,411,487	3,411,487
General fund	\$9,498,608	\$9,498,608
FTE	56.00	56.00

¹ This amendment adds a section to provide funding for the State Auditor. House Bill No. 1004, which provided funding for the State Auditor, was vetoed by the Governor. Funding changes to the base level are summarized below:

	FTE Positions	General Fund	Other Funds	Total
2017-19 Biennium Base Level	59.80	\$9,776,582	\$3,505,870	\$13,282,452
Base payroll changes		(99,658)	30,422	(69,236)
Health insurance increase		104,201	36,495	140,696
Removes an auditor V performance audit position	(1.00)	(277,191)		(277,191)
Removes an administrative officer position	(0.80)			0
Restores allotted funding for 4 FTE NDUS auditor positions		611,300		611,300
Removes 2 FTE NDUS auditor positions	(2.00)	(297,135)		(297,135)
Adds funding to reclassify a position		25,000		25,000
Underfunds salaries and wages		(21,768)		(21,768)
Adjusts funding for operating expenses		(72,723)	38,700	(34,023)
Removes funding for NDUS information technology security audits			(200,000)	(200,000)
Removes funding for information technology consultants		(250,000)		(250,000)
2017-19 Total Funding	56.00	\$9,498,608	\$3,411,487	\$12,910,095

This amendment also adds a section to identify additional funding provided for health insurance increases provided for the State Auditor's office, the same as the House and Senate versions of House Bill No. 1004.

House Bill No. 1015 - Dickinson State University - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Operations			\$875,000	\$875,000		\$875,000
Total all funds	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
Less estimated income	0	0	0	0	0	0
General fund	\$0	\$0	\$875,000	\$875,000	\$0	\$875,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of Conference Committee Changes

	Adds Funding for Institution Operations ¹	Total Conference Committee Changes
Operations	\$875,000	\$875,000
Total all funds	\$875,000	\$875,000
Less estimated income	0	0
General fund	\$875,000	\$875,000
FTE	0.00	0.00

¹ Funding of \$875,000 is added from the general fund for Dickinson State University operations.

House Bill No. 1015 - DHS - Program/Policy - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Grants - Medical assistance			\$1,558,318	\$1,558,318		\$1,558,318
Total all funds	\$0	\$0	\$1,558,318	\$1,558,318	\$0	\$1,558,318
Less estimated income	0	0	1,558,318	1,558,318	0	1,558,318
General fund	\$0	\$0	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

Department No. 328 - DHS - Program/Policy - Detail of Conference Committee Changes

	Adds Funding for Medical Assistance Grants ¹	Total Conference Committee Changes
Grants - Medical assistance	\$1,558,318	\$1,558,318
Total all funds	\$1,558,318	\$1,558,318
Less estimated income	1,558,318	1,558,318
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,558,318 from federal funds or other funds is added for the medical services program.

House Bill No. 1015 - Other Changes - Conference Committee Action

This amendment also includes the following changes:

- Provides a deficiency appropriation of \$1,634,854 from the strategic investment and improvements fund to North Dakota State University for unreimbursed costs related to the collapse of Minard Hall and includes an emergency clause for the appropriation.
- Designates a grant of \$261,000 from the oil and gas impact grant fund for a provider serving individuals with developmental disabilities and includes an emergency clause for the grant.
- Amends Section 5-02-01.1 to allow local governing bodies to issue permits for special events serving alcohol and includes an emergency clause related to the amendment.
- Amends 15-10-38(8), as amended by Senate Bill No. 2037, to allow teachers in nonpublic schools to be eligible for a student loan forgiveness program.
- Adds 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, the same as the Senate version.
- Amends the newly created Section 43-26.1-05.1 relating to criminal history record checks and physical therapy compact commission, the same as the Senate version.
- Amends Section 47-02-27.4 as created by House Bill No. 1228 to allow certain business trusts to own real estate.
- Amends Section 57-20-04 relating to property tax increase reports by counties, the same as the Senate version.
- Amends a section of legislative intent in House Bill No. 1024 to exempt certain property sold by the state from the requirement that the state reserve a portion of the mineral rights.
- Amends an oil and gas valuation study in Senate Bill No. 2013 to remove certain requirements related to the study.
- Removes an effective date included in Senate Bill No. 2013 related to the provisions of House Bill No. 1300, which requires the Department of Trust Lands to follow the administrative rules process.
- Repeals Section 57-20-05 relating to certification of taxes levied by taxing districts, the same as the Senate version.
- Provides legislative intent regarding options to dispose of land that may be received by the state.
- Creates a Legislative Management committee to study tribal taxation and other issues and suspends the State and Tribal Relations Committee for the 2017-19 biennium. The Senate created the new committee.
- Provides for a Legislative Management study regarding taxation and distributions of tax collections related to wind energy. The Senate also included this study.
- Provides for a Legislative Management study regarding revenue volatility.
- Provides for a Legislative Management study regarding the impact of the budget reductions for higher education that occurred during the 2015-17 biennium.