

## JOURNAL OF THE HOUSE

## Sixty-sixth Legislative Assembly

\* \* \* \* \*

Bismarck, April 12, 2019

The House convened at 8:00 a.m., with Speaker Klemin presiding.

The prayer was offered by Pastor Shane Paulson, Sanctuary Church, Bismarck.

The roll was called and all members were present except Representatives Becker, Guggisberg, Johnston, Kading, McWilliams, O'Brien, Paulson, Schneider, Simons, Skroch, and Toman.

A quorum was declared by the Speaker.

**CORRECTION AND REVISION OF THE JOURNAL**

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

Page 880, line 26, replace "15 YEAS, 5 NAYS" with "13 YEAS, 7 NAYS"

**REP. VIGESAA MOVED** that the report be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

**REP. LOUSER MOVED** that the House do not concur in the Senate amendments to Engrossed HB 1268 as printed on HJ pages 1342-1343 and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed on a voice vote.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**THE SPEAKER APPOINTED** as a Conference Committee on:  
**Engrossed HB 1268:** Reps. Weisz, Devlin, Dobervich.

**APPOINTMENT OF CONFERENCE COMMITTEE**

**REP. LOUSER MOVED** that the Speaker appoint a committee of three to act with a like committee from the Senate as a Conference Committee on Engrossed SB 2094, which motion prevailed on a voice vote.

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

**Engrossed SB 2094:** Reps. Rohr, Porter, Dobervich

**MOTION**

**REP. LOUSER MOVED** that enrolled SB 2055 be placed on the Fourteenth order of business on the calendar for the purpose of overriding the Governor's veto pursuant to Article V, Section 9 of the Constitution of North Dakota, which motion prevailed on a voice vote.

**CONSIDERATION OF VETOED MEASURE**

**SB 2055:** AN ACT to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to the establishment of the budget section; to amend and reenact sections 15-03-04, 15-10-12.1, 20.1-02-05.1, 20.1-02-16.1, 25-04-02.2, 37-17.1-27, 40-23-22.1, 47-30.1-24.1, 48-01.2-25, subsection 16 of section 50-06-05.1, subsection 18 of section 50-06-05.1, and sections 54-06-37, 54-27-22, 54-27-23, 54-44.1-13.1, 54-59-05, and 65-08.1-02 of the North Dakota Century Code, relating to agency requests for budget section approval; and to repeal section 1 of chapter 67 of the 2013 Session Laws, relating to the authority of the state board of agricultural research and education to sell certain real property.

**ROLL CALL**

The question being on the final passage of the enrolled bill, over the Governor's veto, which has been read, the roll was called and there were 89 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Anderson, P.; Buffalo; Nelson, M.

**ABSENT AND NOT VOTING:** Johnston; O'Brien

The House overrode the Governor's veto of SB 2055, as enrolled.

\*\*\*\*\*

**SIXTH ORDER OF BUSINESS**

**SPEAKER KLEMIN DEEMED** approval of the amendments to Engrossed SB 2010, Engrossed SB 2016, Engrossed SB 2140, and Engrossed SB 2297.

Engrossed SB 2010, Engrossed SB 2016, Engrossed SB 2140, and Engrossed SB 2297, as amended, were placed on the Fourteenth order of business on the calendar.

**SECOND READING OF SENATE BILL**

**SB 2020:** A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to amend and reenact section 61-02-79 of the North Dakota Century Code, relating to the authorization of a Bank of North Dakota line of credit; to provide for Red River valley water supply requirements; to provide an exemption; to provide for a report to the legislative management; to provide conditions on appropriations; to provide statements of legislative intent; 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 84 YEAS, 8 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Beadle; Becker; Buffalo; Ertelt; Magrum; Simons; Toman; Tveit

**ABSENT AND NOT VOTING:** Johnston; O'Brien

Engrossed SB 2020, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

**MOTION**

**REP. LOUSER MOVED** that the House stand in recess until 12:30 p.m., which motion prevailed on a voice vote.

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

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 11, 2019, I have signed the following: HB 1005, HB 1082, HB 1256, and HB 1394.

**MOTION**

**REP. LOUSER MOVED** that Rep. Mock replace Rep. Howe on the Conference Committee on HB 1012, which motion prevailed on a voice vote.

**SECOND READING OF SENATE BILL**

**SB 2293:** A BILL for an Act to create and enact a new section to chapter 20.1-02 and a new section to chapter 20.1-13 of the North Dakota Century Code, relating to the creation of the aquatic nuisance species program fund and requiring aquatic nuisance species fees for motorboats; to amend and reenact sections 20.1-02-16.1 and 20.1-03-12 of the North Dakota Century Code, relating to the investment of the state game and fish fund and aquatic nuisance species fees for motorboats; to provide a penalty; to provide an appropriation; to provide for a transfer; to provide an exemption; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 71 YEAS, 20 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Blum; Boe; Delzer; Ertelt; Hoverson; Johnson, C.; Kading; Koppelman, B.; Koppelman, K.; Magrum; McWilliams; Paulson; Paur; Ruby, D.; Simons; Toman; Tveit; Vetter

**ABSENT AND NOT VOTING:** Johnston; O'Brien; Schobinger

Engrossed SB 2293, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

**MOTION**

**REP. LOUSER MOVED** that Rep. Paur replace Rep. Paulson on the Conference Committee on HB 1453, which motion prevailed on a voice vote.

**SECOND READING OF SENATE BILL**

**SB 2002:** A BILL for an Act to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to amend and reenact sections 54-09-05, 54-09-08, and 54-09-11 of the North Dakota Century Code, relating to the salary of the secretary of state, the general services operating fund, and fees charged by the secretary of state; to authorize a line item transfer during the 2017-19 biennium; to provide a report to the legislative assembly; to provide exemptions; 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 84 YEAS, 6 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schreiber-Beck; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Speaker Klemin

**NAYS:** Becker; Buffalo; Ertelt; Hoverson; Kading; Simons

**ABSENT AND NOT VOTING:** Johnston; O'Brien; Schobinger; Zubke

Engrossed SB 2002, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2003:** A BILL for an Act to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact sections 53-12.1-09 and 54-12-11 of the North Dakota Century Code, relating to transfers from the lottery operating fund to the multijurisdictional drug task force grant fund and the salary of the attorney general; to provide an exemption; to provide a statement of legislative intent related to prosecution witness fees; and to provide for a report.

**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 80 YEAS, 9 NAYS, 0 EXCUSED, 5 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schatz; Schauer; Schmidt; Schneider; Schreiber-Beck; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Speaker Klemin

**NAYS:** Becker; Ertelt; Guggisberg; Hoverson; Kading; Magrum; McWilliams; Paur; Simons

**ABSENT AND NOT VOTING:** Buffalo; Johnston; O'Brien; Schobinger; Zubke

Reengrossed SB 2003, as amended, passed.

\*\*\*\*\*

**SECOND READING OF SENATE BILL**

**SB 2013:** A BILL for an Act to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to amend and reenact section 15.1-02-02 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction; to provide for a report to the legislative assembly; to provide for a legislative management study; to provide exemptions; 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 76 YEAS, 14 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schmidt; Schneider; Schreiber-Beck; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigesaa; Weisz; Westlind; Speaker Klemin

**NAYS:** Becker; Ertelt; Hoverson; Kading; Koppelman, B.; Magrum; McWilliams; Nelson, M.; Paulson; Ruby, D.; Ruby, M.; Schatz; Simons; Skroch

**ABSENT AND NOT VOTING:** Johnston; O'Brien; Schobinger; Zubke

Engrossed SB 2013, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2003.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2002, SB 2013, SB 2293.

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

**MR. PRESIDENT:** The House has amended, subsequently passed, and the emergency clause carried: SB 2020.

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

**MR. SPEAKER:** The Senate has amended, subsequently passed, and the emergency clause carried: HB 1014.

**SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1014**

Page 1, line 2, after the semicolon insert "to create and enact section 6-09.4-28 of the North Dakota Century Code, relating to the infrastructure revolving loan fund debt repayments;"

Page 1, line 3, after "reenact" insert "sections 6-09-49, 6-09.4-06, and 6-09.4-10, subsection 6 of section 21-03-07, sections 21-03-19, 54-17-40, 57-15-06.6, and 57-47-02, and"

Page 1, line 4, after "to" insert "the infrastructure revolving loan fund, borrowing and lending authority, reserve funds, expanded bonding authority for counties, the housing incentive fund, and"

Page 1, line 5, after the first semicolon insert "to repeal section 61-02-78 of the North Dakota Century Code, relating to a revolving loan fund for water projects;"

Page 1, line 5, replace "and" with "to provide a continuing appropriation; to provide a bond issuance limitation;"

Page 1, line 6, after "exemption" insert "; to provide for a study; to provide a report; to provide a statement of legislative intent; to provide an effective date; and to declare an emergency"

Page 1, remove lines 18 through 24

Page 2, replace line 1 with:

"Salaries and wages	\$22,014,084	\$1,570,366	\$23,584,450
Operating expenses	5,305,888	814,339	6,120,227
Capital assets	0	5,000,000	5,000,000
Grants - bond payments	13,210,484	(2,701,717)	10,508,767
Contingencies	<u>221,737</u>	<u>7,807</u>	<u>229,544</u>
Total all funds	\$40,752,193	\$4,690,795	\$45,442,988
Less estimated income	<u>15,343,206</u>	<u>2,670,584</u>	<u>18,013,790</u>
Total general fund	\$25,408,987	\$2,020,211	\$27,429,198"

Page 2, replace lines 7 through 9 with:

"Bank of North Dakota operations	\$58,489,204	\$4,358,595	\$62,847,799
Capital assets	<u>810,000</u>	<u>700,000</u>	<u>1,510,000</u>
Total special funds	\$59,299,204	\$5,058,595	\$64,357,799"

Page 2, replace lines 15 through 19 with:

"Salaries and wages	\$7,892,056	\$616,959	\$8,509,015
Operating expenses	4,743,355	602,921	5,346,276
Grants	31,794,828	1,671,772	33,466,600
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$44,530,239	\$2,891,652	\$47,421,891"

Page 2, replace lines 25 through 30 with:

"Salaries and wages	\$39,308,519	\$7,269,376	\$46,577,895
Operating expenses	28,195,000	1,642,000	29,837,000
Contingencies	500,000	0	500,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total special funds	\$68,213,519	\$8,911,376	\$77,124,895
Full-time equivalent positions	153.00	4.00	157.00"

Page 3, replace lines 4 through 6 with:

"Grand total general fund	\$25,408,987	\$22,040,211	\$47,449,198
Grand total special funds	<u>187,386,168</u>	<u>19,532,207</u>	<u>206,918,375</u>
Grand total all funds	\$212,795,155	\$41,572,418	\$254,367,573"

Page 3, replace lines 12 through 19 with:

"Litigation	\$1,000,000		\$0
Industrial water supply asset study	150,000		0
Soil remediation studies	5,000,000		0
Survey review	800,000		0
Temporary employees	0		175,000
Radioactive waste advisory council	0		20,000
Rare earth elements study	0		160,000
Fracturing sand study	0		110,000
Oil database software upgrade	<u>0</u>		<u>5,000,000</u>
Total all funds	\$6,950,000		\$5,465,000
Less estimated income	<u>6,950,000</u>		<u>5,290,000</u>
Total general fund		\$0	\$175,000"

Page 4, after line 15, insert:

**"SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - PUBLIC FINANCE AUTHORITY - EXEMPTION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$26,000,000, or so much of the sum as may be necessary, to the public finance authority for the purpose of debt service repayments associated with bonds issued to support the infrastructure revolving loan fund, for the period beginning with the effective date of this Act and ending June 30, 2019. The funding provided in this section is not subject

to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 6. APPROPRIATION - BANK OF NORTH DAKOTA - LINE OF CREDIT.** The Bank of North Dakota may extend a line of credit, not to exceed \$100,000,000, to the infrastructure revolving loan fund established under section 6-09-49. The Bank may access the line of credit, to the extent necessary, the sum of which is appropriated, for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance by the public finance authority, for the biennium beginning July 1, 2019, and ending June 30, 2021. The interest rate associated with the line of credit must be the same as the prevailing interest rate charged by the Bank to North Dakota governmental entities. If a line of credit is extended pursuant to this section, the Bank shall repay the line of credit from bond proceeds associated with the bonds issued by the public finance authority to support the infrastructure revolving loan fund.

**SECTION 7. APPROPRIATION - TRANSFER GENERAL FUND TO HIGH-LEVEL RADIOACTIVE WASTE FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000, which the office of management and budget shall transfer to the high-level radioactive waste fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

**SECTION 8. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING INCENTIVE FUND.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$20,000,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item."

Page 4, line 16, replace "**APPROPRIATION**" with "**FUNDING**"

Page 4, line 16, remove "**FUNDING**"

Page 4, line 26, replace "\$1,150,782" with "\$1,172,603"

Page 6, after line 3, insert:

**"SECTION 17. TRANSFER INFRASTRUCTURE REVOLVING LOAN FUND FOR WATER PROJECTS TO INFRASTRUCTURE REVOLVING LOAN FUND.** The state water commission shall transfer any outstanding loans from the infrastructure revolving loan fund under section 61-02-78 to the infrastructure revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 6, after line 12, insert:

**"SECTION 20. ESTIMATED INCOME - HIGH-LEVEL RADIOACTIVE WASTE FUND.** The operating expenses line item and the estimated income line item in subdivision 1 of section 1 of this Act include \$20,000 from the high-level radioactive waste fund for reimbursing travel and other expenses of the high-level radioactive waste advisory council.

**SECTION 21. AMENDMENT.** Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

**~~6-09-49. Infrastructure revolving loan fund – Continuing appropriation.~~**

- ~~1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund~~

- under this section must have an interest rate that does not exceed two percent per year.
2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:
    - a. New or replacement of existing water treatment plants;
    - b. New or replacement of existing wastewater treatment plants;
    - c. New or replacement of existing sewer lines and water lines; and
    - d. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.
  3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.
  4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.
  5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

**Infrastructure revolving loan fund - Bank of North Dakota - Continuing appropriation.**

1. The infrastructure revolving loan fund is a special fund in the state treasury administered by the Bank of North Dakota. The Bank shall use moneys in the fund to provide loans to political subdivisions for eligible infrastructure projects pursuant to subsections 6 and 7 and to provide loans to institutions of higher education for eligible infrastructure projects pursuant to subsection 8.
2. The Bank may adopt policies and establish guidelines to administer the loan program in accordance with this section, including policies to supplement and leverage the moneys in the fund and policies to allow participation by local financial institutions. A loan made from the fund must have an interest rate that does not exceed two percent per year. The maximum term of a loan for an infrastructure project under subsections 6 and 8 is thirty years, and the maximum term of a loan for an infrastructure project under subsection 7 is forty years.
3. All principal and interest payments received on loans made from the infrastructure revolving loan fund must be deposited into the fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay administrative costs, which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a



- continuing basis for administrative costs and for loan disbursement under this section.
4. An applicant shall issue an evidence of indebtedness as authorized by law. An institution of higher education shall identify at least one funding source for the debt repayment, including:
    - a. Tuition or fee revenue collected by the institution of higher education;
    - b. Distributions of state aid received by the institution of higher education under chapter 15-18.2; or
    - c. Other sources of revenue.
  5. In processing loan applications under this section, the Bank shall calculate the maximum loan amount available to a qualified applicant. Each applicant may have no more than twenty-five million dollars of outstanding loans from the fund for infrastructure projects under subsections 6 and 8. The Bank shall consider the ability of the applicant to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan. If an infrastructure project qualifies for funding through the state revolving fund established pursuant to chapters 61-28.1 and 61-28.2, the Bank shall verify the loan application is for the portion of the project that is ineligible to receive funding from the state revolving fund.
  6. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
    - a. Water treatment plants;
    - b. Wastewater treatment plants;
    - c. Sewer lines and water lines, including lift stations and pumping systems;
    - d. Water storage systems, including dams, water tanks, and water towers;
    - e. Storm water infrastructure, including curb and gutter construction;
    - f. Road and bridge infrastructure, including paved and unpaved roads and bridges;
    - g. Airport infrastructure;
    - h. Electricity transmission infrastructure;
    - i. Natural gas transmission infrastructure; and
    - j. Communications infrastructure, excluding fiber optic infrastructure.
  7. Eligible infrastructure projects are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of a political subdivision and are in the best interest of the public. Except for routine maintenance and repair projects, eligible capital construction projects include:
    - a. Flood control;

- b. Water supply; and
  - c. Water management.
8. Eligible infrastructure projects for institutions of higher education are capital construction projects to construct new infrastructure or to replace existing infrastructure which provide the fixed installations necessary for the function of the institution and are in the best interest of the public. Except for routine maintenance and repair projects, capital construction projects include:
- a. Sewer lines and water lines;
  - b. Storm water infrastructure, including curb and gutter construction; and
  - c. Road infrastructure.

**SECTION 22. AMENDMENT.** Section 6-09.4-06 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.4-06. Lending and borrowing powers generally.**

1. The public finance authority may lend money to political subdivisions or other contracting parties through the purchase or holding of municipal securities which, in the opinion of the attorney general, are properly eligible for purchase or holding by the public finance authority under this chapter or chapter 40-57 and for purposes of the public finance authority's capital financing program the principal amount of any one issue does not exceed five hundred thousand dollars. However, the public finance authority may lend money to political subdivisions through the purchase of securities issued by the political subdivisions through the capital financing program without regard to the principal amount of the bonds issued, if the industrial commission approves a resolution that authorizes the public finance authority to purchase the securities. The capital financing program authorizing resolution must state that the industrial commission has determined that private bond markets will not be responsive to the needs of the issuing political subdivision concerning the securities or, if it appears that the securities can be sold through private bond markets without the involvement of the public finance authority, the authorizing resolution must state reasons for the public finance authority's involvement in the bond issue. The public finance authority may hold such municipal securities for any length of time it finds to be necessary. The public finance authority, for the purposes authorized by this chapter or chapter 40-57, may issue its bonds payable solely from the revenues available to the public finance authority which are authorized or pledged for payment of public finance authority obligations, and to otherwise assist political subdivisions or other contracting parties as provided in this chapter or chapter 40-57.
2. The public finance authority may lend or transfer money to the Bank of North Dakota ~~under~~ as follows:
  - a. Under terms and conditions requiring the Bank to use the proceeds to make loans for agricultural improvements that qualify for assistance under the revolving loan fund program established by chapter 61-28.2; and
  - b. Under terms and conditions requiring the Bank to use the transferred proceeds to make loans for infrastructure projects that qualify for assistance under the infrastructure revolving loan fund established under section 6-09-49 and to use the transferred proceeds to support the resources trust fund. Bonds issued for this purpose are payable in each biennium solely from amounts the legislative assembly may appropriate for debt service for any biennium or from

a reserve fund established for the bonds. This section does not require the state to appropriate funds sufficient to make debt service payments with respect to the bonds or replenish a related reserve fund. The bonds are not a debt of the Bank or the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the bonds. The obligation of the public finance authority with respect to the bonds must terminate and the bonds are no longer outstanding as of the date appropriated funds and reserves are insufficient to pay debt service on the bonds. In addition to providing funds for transfers to the Bank, the public finance authority may use the bond proceeds to pay the costs of issuance of the bonds and establish a reserve fund for the bonds.

3. Bonds of the public finance authority issued under this chapter or chapter 40-57 are not in any way a debt or liability of the state and do not constitute a loan of the credit of the state or create any debt or debts, liability or liabilities, on behalf of the state, or constitute a pledge of the faith and credit of the state, but all such bonds are payable solely from revenues pledged or available for their payment as authorized in this chapter. Each bond must contain on its face a statement to the effect that the public finance authority is obligated to pay such principal or interest, and redemption premium, if any, and that neither the faith and credit nor the taxing power of the state is pledged to the payment of the principal of or the interest on such bonds. Specific funds pledged to fulfill the public finance authority's obligations are obligations of the public finance authority.
4. All expenses incurred in carrying out the purposes of this chapter or chapter 40-57 are payable solely from revenues or funds provided or to be provided under this chapter or chapter 40-57 and nothing in this chapter may be construed to authorize the public finance authority to incur any indebtedness or liability on behalf of or payable by the state.

**SECTION 23. AMENDMENT.** Section 6-09.4-10 of the North Dakota Century Code is amended and reenacted as follows:

**6-09.4-10. Reserve fund.**

1. The public finance authority shall establish and maintain a reserve fund in which there must be deposited all moneys appropriated by the state for the purpose of the fund, all proceeds of bonds required to be deposited therein by terms of any contract between the public finance authority and its bondholders or any resolution of the public finance authority with respect to the proceeds of bonds, any other moneys or funds of the public finance authority which it determines to deposit therein, any contractual right to the receipt of moneys by the public finance authority for the purpose of the fund, including a letter of credit or similar instrument, and any other moneys made available to the public finance authority only for the purposes of the fund from any other source or sources. Moneys in the reserve fund must be held and applied solely to the payment of the interest on and the principal of bonds and sinking fund payments as the same become due and payable and for the retirement of bonds, including payment of any redemption premium required to be paid when any bonds are redeemed or retired prior to maturity. Moneys in the reserve fund may not be withdrawn therefrom if the withdrawal would reduce the amount in the reserve fund to an amount less than the required debt service reserve, except for payment of interest then due and payable on bonds and the principal of bonds then maturing and payable and sinking fund payments and for the retirement of bonds in accordance with the terms of any contract between the public finance authority and its bondholders and for the payments on account of which interest or principal or sinking fund payments or retirement of bonds, other moneys of the public finance authority are not then available in accordance with the terms of the contract. The required debt service reserve must be an aggregate

- amount equal to at least the largest amount of money required by the terms of all contracts between the public finance authority and its bondholders to be raised in the then current or any succeeding calendar year for the payment of interest on and maturing principal of outstanding bonds, and sinking fund payments required by the terms of any contracts to sinking funds established for the payment or redemption of the bonds.
2. If the establishment of the reserve fund for an issue or the maintenance of an existing reserve fund at a required level under this section would necessitate the investment of all or any portion of a new reserve fund or all or any portion of an existing reserve fund at a restricted yield, because to not restrict the yield may cause the bonds to be taxable under the Internal Revenue Code, then at the discretion of the public finance authority no reserve fund need be established prior to the issuance of bonds or the reserve fund need not be funded to the levels required by other subsections of this section or an existing reserve fund may be reduced.
  3. No bonds may be issued by the public finance authority unless there is in the reserve fund the required debt service reserve for all bonds then issued and outstanding and the bonds to be issued. Nothing in this chapter prevents or precludes the public finance authority from satisfying the foregoing requirement by depositing so much of the proceeds of the bonds to be issued, upon their issuance, as is needed to achieve the required debt service reserve. The public finance authority may at any time issue its bonds or notes for the purpose of providing any amount necessary to increase the amount in the reserve fund to the required debt service reserve, or to meet such higher or additional reserve as may be fixed by the public finance authority with respect to such fund.
  4. In order to assure the maintenance of the required debt service reserve, there shall be appropriated by the legislative assembly and paid to the public finance authority for deposit in the reserve fund, such sum, if any, as shall be certified by the industrial commission as necessary to restore the reserve fund to an amount equal to the required debt service reserve. However, the commission may approve a resolution for the issuance of bonds, as provided by section 6-09.4-06, which states in substance that this subsection is not applicable to the required debt service reserve for bonds issued under that resolution.
  5. If the maturity of a series of bonds of the public finance authority is three years or less from the date of issuance of the bonds, the public finance authority may determine that no reserve fund need be established for that respective series of bonds. If such a determination is made, holders of that respective series of bonds may have no interest in or claim on existing reserve funds established for the security of the holders of previously issued public finance authority bonds, and may have no interest in or claim on reserve funds established for the holders of subsequent issues of bonds of the public finance authority.
  6. The industrial commission may determine ~~that~~ this section is inapplicable in whole or in part for bonds issued ~~under section~~ as follows:
    - a. Under section 6-09.4-06 and as authorized by the sixty-sixth legislative assembly;
    - b. Under section 6-09.4-24; or ~~under~~
    - c. Under the public finance authority's state revolving fund program.

**SECTION 24.** Section 6-09.4-28 of the North Dakota Century Code is created and enacted as follows:

**6-09.4-28. Debt service requirements - Infrastructure revolving loan fund - Resources trust fund.**

Each biennium, the public finance authority shall request from the legislative assembly an appropriation from the general fund to meet the debt service requirements for evidences of indebtedness issued by the authority to support the infrastructure revolving loan fund and the resources trust fund.

**SECTION 25. AMENDMENT.** Subsection 6 of section 21-03-07 of the North Dakota Century Code is amended and reenacted as follows:

6. The governing body of any county may also by resolution adopted by a two-thirds vote dedicate the tax levy authorized by section 57-15-06.6 and subsection 5 of section 57-15-06.7 and may authorize and issue general obligation bonds to be paid by the dedicated levy for the ~~purpose of providing funds for the purchase, construction, reconstruction, or repair of regional or county correction centers, or parks and recreational facilities~~purposes identified under section 57-15-06.6 and subsection 5 of section 57-15-06.7; provided, that the initial resolution authorizing the tax levy dedication and general obligation bonds must be published in the official newspaper, and any owner of taxable property within the county may, within sixty days after publication, file with the county auditor a protest against the adoption of the resolution. Protests must be in writing and must describe the property which is the subject of the protest. If the governing body finds such protests to have been signed by the owners of taxable property having an assessed valuation equal to five percent or more of the assessed valuation of all taxable property within the county, as theretofore last finally equalized, all further proceedings under the initial resolution are barred.

**SECTION 26. AMENDMENT.** Section 21-03-19 of the North Dakota Century Code is amended and reenacted as follows:

**21-03-19. Bonds - Terms.**

Bonds issued under this chapter must be authorized by resolution, bear such date or dates, be in such denomination or denominations, be in such form, be subject to redemption with or without premium, and be subject to such other terms or conditions as in the judgment of the municipality are in the public interest of the municipality, and must provide that the last installment of principal falls due not more than twenty years from the date of the bonds or not more than thirty years for bonds sold to the entities under section 21-03-30. The requirements of this section apply to each new issue of bonds, or if so determined by the governing body, to the bonds of a new issue combined with all of the outstanding bonds of one or more designated issues of bonds previously issued and similarly payable from taxes or other sources of revenues, or both, as the case may be.

**SECTION 27. AMENDMENT.** Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

**54-17-40. Housing incentive fund - Continuing appropriation - Report to budget section.**

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.
2. a. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least ~~twenty-five~~fifteen percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage.

- ~~b. The annual allocation plan must give first priority through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.~~
    - ~~e. The second priority in the annual allocation plan must be to provide housing for individuals and families of low or moderate income. For purposes of this second priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this second priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.~~
  3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:
    - a. New construction, rehabilitation, or acquisition of a multifamily housing project;
    - b. Gap assistance, matching funds, and accessibility improvements;
    - c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and
    - d. Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.
  4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.
  5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.
  6. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.
  7. ~~The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers.~~
  - ~~8. Upon request, the housing finance agency shall report to the industrial commission regarding the activities of the housing incentive fund.~~
  - ~~9-8. At least once per biennium, the housing finance agency shall provide a report to the budget section of the legislative management regarding the activities of the housing incentive fund. The report must include the following:~~

- a. ~~The overall number of units owned, master leased, or subsidized by political subdivisions or other employers of essential service workers; and~~
- b. ~~A listing of projects approved and the number of units within those projects that provide housing for essential service workers.~~

**SECTION 28. AMENDMENT.** Section 57-15-06.6 of the North Dakota Century Code is amended and reenacted as follows:

**57-15-06.6. County capital projects levy.**

1. The board of county commissioners of each county may levy an annual tax not exceeding ten mills plus any voter-approved additional levy as provided in subsection 8 of section 57-15-06.7 for the purpose of the following capital projects:
  1. a. Constructing and equipping and maintaining structural and mechanical components of regional or county corrections centers or for the purpose of contracting for corrections center space capacity from another public or private entity.
  2. b. Acquiring real estate as a site for public parks and construction and equipping and maintaining structural and mechanical components of recreational facilities under section 11-28-06.
  3. c. Acquiring real estate as a site for county buildings and operations and constructing and equipping and maintaining structural and mechanical components of county buildings and property.
  4. d. Acquiring real estate as a site for county fair buildings and operations and constructing and equipping and maintaining structural and mechanical components of county fair buildings and property as provided in section 4-02-26.
  5. e. Acquiring and developing real estate, capital improvements, buildings, pavement, equipment, and debt service associated with financing for county supported airports or airport authorities.
  6. f. Expenditures for the cost of leasing as an alternative means of financing for any of the purposes for which expenditures are authorized under ~~subsections 4~~subdivisions a through 5e.
  - g. Improvement of the county road system, including the acquisition of land, construction of new paved and unpaved roads and bridges, replacement of existing paved and unpaved roads and bridges, and maintenance and repair of existing paved and unpaved roads and bridges.
2. Any voter-approved levy for the purposes specified in this section approved by the electors before January 1, 2015, remains effective through 2024 or the period of time for which it was approved by the electors, whichever is less, under the provisions of law in effect at the time it was approved. After January 1, 2015, approval or reauthorization by electors of increased levy authority under this section may not be effective for more than ten taxable years.

**SECTION 29. AMENDMENT.** Section 57-47-02 of the North Dakota Century Code is amended and reenacted as follows:

**57-47-02. County authorized to borrow - Term - Interest rate.**

Whenever in the judgment of the board of county commissioners all taxes authorized to be levied in any one year for general or special county purposes are insufficient to carry on the primary governmental functions, or to pay the mandatory

obligations imposed by law upon a county, then such a county may borrow money in such an amount as the board shall determine to be necessary to meet the deficiencies existing in its general or special funds, or to carry on primary governmental functions, and to pay mandatory obligations. For the purpose of borrowing, a county may issue evidences of indebtedness, which must consist of an agreement by the county to pay a stated sum on a specified date, or on or before a specified date, not more than ~~five~~<sup>twenty</sup> years in the future, together with interest thereon at a rate or rates resulting in an average annual net interest cost not to exceed twelve percent per annum if sold privately, or with no interest rate ceiling if sold at a public sale or to the state of North Dakota or any of its agencies or instrumentalities. A public sale must comply with the procedures set out in chapter 21-03. There is no requirement for an advertisement for bids if an evidence of indebtedness is sold privately or to the state of North Dakota or any of its agencies or instrumentalities."

Page 6, after line 26, insert:

**"SECTION 31. REPEAL.** Section 61-02-78 of the North Dakota Century Code is repealed.

**SECTION 32. PUBLIC FINANCE AUTHORITY - BOND ISSUANCE LIMITATION.** Pursuant to the bonding authority under section 6-09.4-06, the public finance authority may issue up to \$500,000,000 of evidences of indebtedness, but not in an amount that would cause the repayments to exceed \$55,000,000 per biennium, for the purpose of supporting the infrastructure revolving loan fund and the resources trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the total evidences of indebtedness issued by the public finance authority, an amount equal to the outstanding principal balance of loans transferred under section 17 of this Act must be used to support the resources trust fund, and the remaining amount must be used to support the infrastructure revolving loan fund. The term of any evidences of indebtedness issued under this section may not exceed thirty years. The public finance authority may issue bond anticipation notes for the purpose of financing loans under the infrastructure revolving loan fund prior to a bond issuance."

Page 7, line 8, replace "\$14,000,000" with "\$18,000,000"

Page 7, line 11, replace "\$4,000,000" with "\$8,000,000"

Page 7, line 13, replace "a pilot project" with "pilot projects"

Page 7, line 14, replace "project" with "projects"

Page 8, after line 16, insert:

**"SECTION 38. HEDGING STRATEGIES STUDY - BANK OF NORTH DAKOTA - REPORT TO LEGISLATIVE ASSEMBLY.** During the 2019-20 interim, the Bank of North Dakota shall conduct a study on the use of various hedging strategies to protect the state from volatile swings in oil prices. Before January 15, 2021, the Bank of North Dakota shall report the results of its study to the appropriations committees of the sixty-seventh legislative assembly.

**SECTION 39. LEGISLATIVE INTENT - LIGNITE RESEARCH FUND - LIGNITE LITIGATION.** It is the intent of the sixty-sixth legislative assembly that at least \$500,000 of the funding in section 37 of this Act and any funding deposited in the lignite research fund related to successful litigation is available from the lignite research fund to be used to pay fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources.

**SECTION 40. EFFECTIVE DATE.** Section 31 of this Act becomes effective July 1, 2021.

**SECTION 41. EMERGENCY.** Section 5 of this Act is declared to be an emergency measure."



ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1014 - Summary of Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Office of Management and Budget				
Total all funds	\$0	\$0	\$20,020,000	\$20,020,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$20,020,000	\$20,020,000
FTE	0.00	0.00	0.00	0.00
Industrial Commission				
Total all funds	\$40,752,193	\$45,027,118	\$415,870	\$45,442,988
Less estimated income	15,343,206	17,987,425	26,365	18,013,790
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198
FTE	110.25	112.25	0.00	112.25
Bank of North Dakota				
Total all funds	\$59,299,204	\$64,164,235	\$193,564	\$64,357,799
Less estimated income	59,299,204	64,164,235	193,564	64,357,799
General fund	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50
Housing Finance Agency				
Total all funds	\$44,530,239	\$47,374,675	\$47,216	\$47,421,891
Less estimated income	44,530,239	47,374,675	47,216	47,421,891
General fund	\$0	\$0	\$0	\$0
FTE	44.00	44.00	0.00	44.00
Mill and Elevator				
Total all funds	\$68,213,519	\$76,839,812	\$285,083	\$77,124,895
Less estimated income	68,213,519	76,839,812	285,083	77,124,895
General fund	\$0	\$0	\$0	\$0
FTE	153.00	155.00	2.00	157.00
Bill total				
Total all funds	\$212,795,155	\$233,405,840	\$20,961,733	\$254,367,573
Less estimated income	187,386,168	206,366,147	552,228	206,918,375
General fund	\$25,408,987	\$27,039,693	\$20,409,505	\$47,449,198
FTE	488.75	492.75	2.00	494.75

**House Bill No. 1014 - Office of Management and Budget - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
High-level radioactive waste fund			\$20,000	\$20,000
Housing incentive fund			20,000,000	20,000,000
Total all funds	\$0	\$0	\$20,020,000	\$20,020,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$20,020,000	\$20,020,000
FTE	0.00	0.00	0.00	0.00

**Department 110 - Office of Management and Budget - Detail of Senate Changes**

	Transfer to High-Level Radioactive Waste Fund <sup>1</sup>	Transfer to Housing Incentive Fund <sup>2</sup>	Total Senate Changes
High-level radioactive waste fund	\$20,000		\$20,000
Housing incentive fund		\$20,000,000	20,000,000
Total all funds	\$20,000	\$20,000,000	\$20,020,000
Less estimated income	0	0	0
General fund	\$20,000	\$20,000,000	\$20,020,000
FTE	0.00	0.00	0.00

<sup>1</sup> One-time funding of \$20,000 is added from the general fund for a transfer to the high-level radioactive waste fund.

<sup>2</sup> One-time funding of \$20 million is added from the general fund for a transfer to the housing

incentive fund.

### House Bill No. 1014 - Industrial Commission - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$22,014,084	\$23,296,820	\$287,630	\$23,584,450
Operating expenses	5,305,888	5,991,987	128,240	6,120,227
Capital assets		5,000,000		5,000,000
Grants - Bond payments	13,210,484	10,508,767		10,508,767
Contingencies	221,737	229,544		229,544
Total all funds	\$40,752,193	\$45,027,118	\$415,870	\$45,442,988
Less estimated income	15,343,206	17,987,425	26,365	18,013,790
General fund	\$25,408,987	\$27,039,693	\$389,505	\$27,429,198
FTE	110.25	112.25	0.00	112.25

### Department 405 - Industrial Commission - Detail of Senate Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Adjusts Funding for Operating Expenses <sup>2</sup>	Adds Funding for Temporary Employees <sup>3</sup>	Adds Funding for Radioactive Waste Council <sup>4</sup>	Total Senate Changes
Salaries and wages	\$112,630		\$175,000		\$287,630
Operating expenses		\$108,240		\$20,000	128,240
Capital assets					
Grants - Bond payments					
Contingencies					
Total all funds	\$112,630	\$108,240	\$175,000	\$20,000	\$415,870
Less estimated income	6,365	0	0	20,000	26,365
General fund	\$106,265	\$108,240	\$175,000	\$0	\$389,505
FTE	0.00	0.00	0.00	0.00	0.00

<sup>1</sup> Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

<sup>2</sup> Funding is added for operating expenses associated with 2 contingent FTE positions that were authorized in the 2017-19 biennium and will continue in the 2019-21 biennium since the contingency was met.

<sup>3</sup> One-time funding of \$175,000 from the general fund is added to hire temporary employees to record historical information to provide guidance to current and future employees.

<sup>4</sup> One-time funding of \$20,000 from the high-level radioactive waste fund is added for reimbursing travel costs of the high-level radioactive waste advisory council. The amendment also includes a transfer of \$20,000 from the general fund to the high-level radioactive waste fund. The House did not include this funding.

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

- Appropriates \$26 million from the general fund during the 2017-19 biennium and allows the funding to continue in the 2019-21 biennium to repay bonds issued by the Public Finance Authority. An emergency clause is included related to the appropriation. The House did not include this funding.
- Adjusts the transfer for administrative costs to provide a total transfer of \$1,172,603. The House provided for a transfer of \$1,150,782.
- Increases oil and gas tax revenue allocations to the oil and gas research fund for the 2019-21 biennium by \$8 million, from \$10 million to \$18 million for contracting with the Energy and Environmental Research Center for pilot projects relating to underground storage of produced natural gas. The House increased the allocations by \$4 million for this purpose.
- Amends provisions of law relating to the Public Finance Authority's authorization to issue bonds to support the infrastructure revolving loan fund and resources trust fund. The House did not amend these provisions of law.
- Clarifies the authority of counties to access loans from the infrastructure revolving

loan fund. The House did not clarify the authority of counties to access loans from the infrastructure revolving loan fund.

- Authorizes the Public Finance Authority to issue up to \$500 million of bonds to support the infrastructure revolving loan fund and the resources trust fund with a term of 30 years and authorizes bond anticipation notes. The House did not include authorization for bonds.
- Identifies \$20,000 from the high-level radioactive waste fund for reimbursing travel and other expenses of the high-level radioactive waste advisory council. The House did not provide funding for the council.
- Authorizes counties to use property taxes levied for capital projects for county road projects and allows counties to borrow for up to 20 years when taxes are insufficient to meet the needs of the county, an increase from the current limit of 5 years. The House did not change the levy and bonding authority for counties.
- Provides legislative intent related to funding for lignite litigation expenses from the lignite research fund. The House did not include legislative intent for lignite litigation.

#### House Bill No. 1014 - Bank of North Dakota - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Capital assets	\$810,000	\$1,510,000		\$1,510,000
Bank of North Dakota operations	58,489,204	62,654,235	\$193,564	62,847,799
Total all funds	\$59,299,204	\$64,164,235	\$193,564	\$64,357,799
Less estimated income	59,299,204	64,164,235	193,564	64,357,799
General fund	\$0	\$0	\$0	\$0
FTE	181.50	181.50	0.00	181.50

#### Department 471 - Bank of North Dakota - Detail of Senate Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Senate Changes
Capital assets		
Bank of North Dakota operations	\$193,564	\$193,564
Total all funds	\$193,564	\$193,564
Less estimated income	193,564	193,564
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

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

- Authorizes the Bank to extend a line of credit up to \$100 million to the infrastructure revolving loan fund to support new loans from the fund prior to the issuance of bonds by the Public Finance Authority. The House did not include a line of credit for the infrastructure revolving loan fund.
- Requires the State Water Commission to transfer outstanding loans for water projects to the infrastructure revolving loan fund related to the repeal of a revolving loan fund designated for water projects. The repeal of the revolving loan fund is effective July 1, 2021. The House did not transfer outstanding loans for water projects or repeal the revolving loan fund designated for water projects.
- Amends North Dakota Century Code Section 6-09-49 relating to the infrastructure revolving loan fund to allow additional entities, including institutions of higher education, to obtain low-interest loans for infrastructure projects, and to expand the types of eligible infrastructure projects. The House did not expand the infrastructure revolving loan fund.
- Provides for the Bank to study hedging strategies related to the volatility of oil prices. The House did not include a study of hedging strategies.

**House Bill No. 1014 - Housing Finance Agency - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$7,892,056	\$8,461,799	\$47,216	\$8,509,015
Operating expenses	4,743,355	5,346,276		5,346,276
Grants	31,794,828	33,466,600		33,466,600
HFA contingencies	100,000	100,000		100,000
Total all funds	\$44,530,239	\$47,374,675	\$47,216	\$47,421,891
Less estimated income	44,530,239	47,374,675	47,216	47,421,891
General fund	\$0	\$0	\$0	\$0
FTE	44.00	44.00	0.00	44.00

**Department 473 - Housing Finance Agency - Detail of Senate Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Senate Changes
Salaries and wages	\$47,216	\$47,216
Operating expenses		
Grants		
HFA contingencies		
Total all funds	\$47,216	\$47,216
Less estimated income	47,216	47,216
General fund	\$0	\$0
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020. The House provided funding for salary increases of 2 percent on July 1, 2019, and 2 percent on July 1, 2020.

This amendment also adds a section to amend Section 54-17-40 relating to the housing incentive fund to decrease the amount of funding designated for small communities and to remove the prioritization for essential service worker housing. The House did not amend the housing incentive fund.

**House Bill No. 1014 - Mill and Elevator - Senate Action**

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages	\$39,308,519	\$46,292,812	\$285,083	\$46,577,895
Operating expenses	28,195,000	29,837,000		29,837,000
Contingencies	500,000	500,000		500,000
Agriculture promotion	210,000	210,000		210,000
Total all funds	\$68,213,519	\$76,839,812	\$285,083	\$77,124,895
Less estimated income	68,213,519	76,839,812	285,083	77,124,895
General fund	\$0	\$0	\$0	\$0
FTE	153.00	155.00	2.00	157.00

**Department 475 - Mill and Elevator - Detail of Senate Changes**

	Adds FTE Positions <sup>1</sup>	Total Senate Changes
Salaries and wages	\$285,083	\$285,083
Operating expenses		
Contingencies		
Agriculture promotion		
Total all funds	\$285,083	\$285,083
Less estimated income	285,083	285,083
General fund	\$0	\$0
FTE	2.00	2.00

<sup>1</sup> Funding is added for 2 FTE positions, including 1 food safety position (\$155,012) and 1 utility worker position (\$130,071), to provide a total of 4 new FTE positions. The House added 2 FTE positions.

No other sections were added by the Senate related to the Mill and Elevator Association.

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

**MR. PRESIDENT:** The House does not concur in the Senate amendments to HB 1268, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1268:** Reps. Weisz; Devlin; Dobervich

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

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

**HB 1011:** Sens. Krebsbach; G. Lee; Grabinger

**HB 1020:** Sens. Erbele; Wanzek; Robinson

**HB 1025:** Sens. Dever; Poolman; Mathern

**HB 1268:** Sens. Kannianen; J. Lee; Dotzenrod

**HB 1333:** Sens. Kreun; Sorvaag; J. Roers

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2021, SB 2124, and SB 2304.

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

**MR. SPEAKER:** The Senate does not concur in the House amendments to SB 2005, SB 2020, and SB 2022, and the President has appointed as a conference committee to act with a like committee from the House on:

**SB 2005:** Sens. Bekkedahl; Dever; Robinson

**SB 2020:** Sens. G. Lee; Sorvaag; Robinson

**SB 2022:** Sens. Poolman; Wanzek; Robinson

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

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

**SB 2094:** Reps. Rohr; Porter; Dobervich

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Mock to replace Rep. Howe on the Conference Committee on HB 1012.

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

**MR. PRESIDENT:** The Speaker has appointed Rep. Paur to replace Rep. Paulson on the Conference Committee on HB 1453.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2040, SB 2090.

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

**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1388.

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

**MR. SPEAKER:** Your signature is respectfully requested on: SB 2264, SCR 4017.

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

**MR. SPEAKER:** The President has signed: HB 1388.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2264, SCR 4017.

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

**MR. SPEAKER:** The President has signed: SB 2264, SCR 4017.

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

**MR. PRESIDENT:** The House has overridden the Governor's veto on SB 2055. The vote was 89 YEAS, 3 NAYS, 2 ABSENT AND NOT VOTING.

**MOTION**

**REP. LOUSER MOVED** that the absent members be excused, which motion prevailed on a voice vote.

**MOTION**

**REP. LOUSER MOVED** that the House be on the Fourth, Fifth, Ninth, and Thirteenth orders of business and at the conclusion of those orders, the House stand adjourned until 8:00 a.m., Monday, April 15, 2019, which motion prevailed on a voice vote.

**REPORT OF STANDING COMMITTEE**

**SB 2012, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (19 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2012 was placed on the Sixth order on the calendar.

Page 1, line 2, after "services" insert "; to provide an appropriation to the state department of health"

Page 1, line 4, replace "section" with "subsection 9 of section 50-06.4-10 and sections 50-24.1-31 and"

Page 1, line 5, after the first "to" insert "the brain injury advisory council, optional medical assistance for children, and"

Page 1, line 6, remove the first "a"

Page 1, line 6, replace "report" with "reports"

Page 1, line 7, replace "an exemption" with "exemptions; to provide an effective date; to provide an expiration date"

Page 1, remove lines 19 through 23

Page 2, replace lines 1 and 2 with:

"Salaries and wages	\$26,280,139	(\$6,057,639)	\$20,222,500
Operating expenses	116,315,826	31,908,694	148,224,520
Capital assets	0	50,000	50,000
Grants	<u>204,000</u>	<u>(204,000)</u>	<u>0</u>
Total all funds	\$142,799,965	\$25,697,055	\$168,497,020
Less estimated income	<u>85,679,558</u>	<u>18,127,188</u>	<u>103,806,746</u>
Total general fund	\$57,120,407	\$7,569,867	\$64,690,274"

Page 2, replace lines 6 through 13 with:

"Salaries and wages	\$62,782,944	\$6,211,929	\$68,994,873
Operating expenses	125,299,436	25,162,147	150,461,583
Capital assets	10,000	0	10,000
Grants	441,420,827	11,598,680	453,019,507
Grants - medical assistance	<u>2,373,678,247</u>	<u>368,479,473</u>	<u>2,742,157,720</u>
Total all funds	\$3,003,191,454	\$411,452,229	\$3,414,643,683
Less estimated income	<u>1,945,157,519</u>	<u>255,010,619</u>	<u>2,200,168,138</u>
Total general fund	\$1,058,033,935	\$156,441,610	\$1,214,475,545"

Page 2, replace lines 18 through 22 with:

"Human service centers	\$196,049,489	\$8,551,654	\$204,601,143
Institutions	<u>140,421,224</u>	<u>4,025,921</u>	<u>144,447,145</u>

Total all funds	\$336,470,713	\$12,577,575	\$349,048,288
Less estimated income	<u>138,543,705</u>	<u>(4,458,085)</u>	<u>134,085,620</u>
Total general fund	\$197,927,008	\$17,035,660	\$214,962,668"

Page 2, replace lines 27 and 28 with:

"County social services	\$0	\$173,700,000	\$173,700,000
Total special funds	\$0	\$173,700,000	\$173,700,000"

Page 2, line 30, replace "BILL" with "SECTION 1"

Page 3, replace lines 3 through 6 with:

"Grand total general fund	\$1,313,081,350	\$181,047,137	\$1,494,128,487
Grand total special funds	<u>2,169,380,782</u>	<u>442,379,722</u>	<u>2,611,760,504</u>
Grand total all funds	\$3,482,462,132	\$623,426,859	\$4,105,888,991
Full-time equivalent positions	2,162.23	68.00	2,230.23"

Page 3, after line 28, insert:

**"SECTION 3. APPROPRIATION - STATE DEPARTMENT OF HEALTH - HYPERBARIC OXYGEN THERAPY PILOT PROGRAM - REPORT TO LEGISLATIVE MANAGEMENT.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$335,000, or so much of the sum as may be necessary, to the state department of health for the purpose of contracting with a third party to implement a hyperbaric oxygen therapy pilot program, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding appropriated in this section is considered a one-time funding item.

The state department of health shall contract with an entity with experience implementing studies using hyperbaric oxygen for traumatic brain injuries to conduct a pilot program for treatment of moderate to severely brain-injured North Dakotans using an established protocol of hyperbaric oxygen therapy provided by a private entity with experience in treating traumatic brain injury using medical-grade hyperbaric chambers pressurized with one hundred percent oxygen. The goals of the study include demonstrating improvement in brain-eye function using RightEye, significant improvement in quality of life of injured patients, and significant improvement in cognitive abilities of injured patients. The pilot program design must be established in consultation with a third-party physician and all protocols, statistics, and other nonidentifying data must be made publicly available. During the 2019-20 interim, the state department of health shall report to the legislative management on the status and results of the pilot program."

Page 5, after line 4, insert:

**"SECTION 6. AMENDMENT.** Subsection 9 of section 50-06.4-10 of the North Dakota Century Code is amended and reenacted as follows:

9. The department shall provide the council with administrative contract with a private, nonprofit agency that does not provide brain injury services, to facilitate and provide support services to the council.

**SECTION 7. AMENDMENT.** Section 50-24.1-31 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-31. Optional medical assistance for families of children with disabilities.**

The department of human services shall establish and implement a buyin program under the federal Family Opportunity Act enacted as part of the Deficit Reduction Act of 2005 [Pub. L. 109-171; 120 Stat. 4; 42 U.S.C. 1396] to provide medical assistance and other health coverage options to families of children with disabilities and whose net income does not exceed two hundred fifty percent of the federal poverty line."

Page 5, line 7, remove the overstrike over "**Effective**"

Page 5, line 8, remove the overstrike over "**January 1, 2014, through July 31,**"

Page 5, line 8, after "**2019**" insert "**2021**"

Page 6, after line 22, insert:

**"SECTION 9. AMENDMENT.** Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-37. Medicaid expansion - Legislative management report. (Effective January 1, 2014, through July 31, ~~2019~~2021 - Contingent repeal - See note)**

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty level, ~~based on modified adjusted gross income line published by the federal office of management and budget applicable to the household size.~~
2. The department of human services shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.
3. ~~The~~Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.
4. ~~The contract between the department and the private carrier must:~~
  - a. ~~Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:~~
    - (1) ~~Be available on the department's website; and~~
    - (2) ~~Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.~~
  - b. ~~Provide full transparency of all costs and all rebates in aggregate.~~
  - c. ~~Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.~~
  - d. ~~Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.~~
  - e. ~~Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.~~



- 5- The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.
- 6-5. ~~Provider reimbursement rate information received by the department under this section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section."~~

Page 7, line 15, replace "\$182,300,000" with "\$173,700,000"

Page 7, line 16, remove "a"

Page 7, line 16, remove the second "service"

Page 7, line 17, replace "redesign project" with "and human services"

Page 7, after line 21, insert:

**"SECTION 15. ESTIMATED INCOME - HEALTH CARE TRUST FUND - NURSING HOME OPERATING MARGIN ADJUSTMENT.** The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of \$1,000,000 from the health care trust fund and \$1,062,000 from other funds derived from federal funds. These funds must be used to increase the nursing facility operating margin up to 4.4 percent for the period beginning January 1, 2020, and ending June 30, 2021. Notwithstanding any other provision of law, the draft appropriations acts submitted to the legislative assembly for the 2021-23 biennium pursuant to section 54-44.1-11 may not contain a nursing facility operating margin in excess of 3.74 percent.

**SECTION 16. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM.**

1. Subdivision 2 of section 1 of this Act includes the sum of \$567,367,511, of which \$60,776,487 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2019, and ending June 30, 2021. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:
  - a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of \$5,185,101 included in subdivision 2 of section 1 of this Act.
  - b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of \$52,548,356 included in subdivision 2 of section 1 of this Act.
  - c. Expenditures do not include funding from the federal health insurance provider fee for which a separate appropriation of \$9,619,987 is included in subdivision 2 of section 1 of this Act.
2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload.

3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.
4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.
5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care."

Page 7, line 24, remove the second "and"

Page 7, line 25, remove "implement"

Page 7, line 28, replace "use of" with "potential need for"

Page 8, line 2, remove the second "and"

Page 8, line 4, after "centers" insert: "; and"

5. The potential use of available Medicaid authorities, including waivers or plan amendments"

Page 8, remove lines 5 and 6

Page 8, line 7, remove "Medicaid demonstration waiver."

Page 8, replace lines 10 through 28 with:

**"SECTION 18. REVISED PAYMENT METHODOLOGY FOR NURSING FACILITY SERVICES - REPORT TO LEGISLATIVE MANAGEMENT.** The department of human services shall develop an implementation plan for a revised payment methodology for nursing facility services that must include recommendations for:

1. Methods of reimbursement for nursing facility cost categories including direct patient care, administrative expenses, and capital assets;
2. Considerations regarding establishing peer groups for payments based on factors such as geographical location or nursing facility size;
3. The feasibility and desirability of equalizing payments for nursing facilities in the same peer group, including the time frame for equalization; and
4. Payment incentives related to care quality or operational efficiency.

The executive director of the department of human services and representatives of the nursing home industry shall appoint a committee to advise the department on the development of the revised payment methodology for nursing facility services. Before October 1, 2020, the department shall report to the legislative management regarding the plan to implement the revised payment methodology. The estimated costs related to the implementation of the revised

payment methodology must be included in the department's 2021-23 biennium budget request submitted to the sixty-seventh legislative assembly.

**SECTION 19. ADAPTIVE SKIING GRANT - EXEMPTION.** Subdivision 2 of section 1 of this Act includes the sum of \$200,000 from the general fund for a grant for an adaptive skiing program affiliated with a winter park that is located in a county of less than 10,000 individuals. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

**SECTION 20. PERMANENT HOUSING PROGRAM GRANTS - EXEMPTION - REPORT TO LEGISLATIVE MANAGEMENT.** Subdivision 3 of section 1 of this Act includes the sum of \$825,000 from the general fund to provide grants to entities to provide services to individuals experiencing chronic homelessness in the northeast and southeast human service regions. The requirements of chapter 54-44.4 do not apply to the selection of grantees, the grant awards, or payments made under this section. The department of human services' oversight for these services is limited to receiving information relating to annual service numbers and the expenditure of appropriated funds for these services.

The funds identified for permanent housing grants may be used only for services not reimbursed by other funding sources. The department of human services, in cooperation with the grant recipients, shall provide reports to the legislative management during the 2019-20 interim regarding the services provided by the programs, the nonidentifiable demographics of the individuals receiving services, and the other funding or reimbursement being used to support the programs.

**SECTION 21. SCHOOL BEHAVIORAL HEALTH GRANTS.** Subdivision 2 of section 1 of this Act includes the sum of \$1,500,000 from the general fund for the purpose of providing behavioral health services and support grants to school districts to address student behavioral health needs. To be eligible to receive a student behavioral health grant, a school district must submit a plan to the department of human services detailing the school district's collaboration with other regional school districts regarding student behavioral health needs and the use of grant funding to develop student behavioral health interventions. A school district may not use grant funding to duplicate or fund existing services. The department of human services shall provide student behavioral health grants only during the second year of the 2019-21 biennium."

Page 8, line 30, after "\$300,000" insert "from the general fund"

Page 10, after line 8, insert:

**"SECTION 29. EXEMPTION.** The sum of \$728,207 from the general fund appropriated for the department's operating expenses for the legal advisory unit in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be used for the Ireland lawsuit or its settlement during the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 30. EXEMPTION.** The sum of \$150,000 from the general fund appropriated for the purpose of establishing a children's prevention and early intervention behavioral health services pilot project in chapter 333 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to be used for the completion of the children's prevention and early intervention behavioral health services pilot project during the biennium beginning July 1, 2019, and ending June 30, 2021."

Page 11, line 24, after "disturbance" insert "for dates of service"

Page 11, line 30, after "illness" insert "for dates of service"

Page 12, after line 5, insert:

**"SECTION 41. IMPLEMENTATION OF 1915i MEDICAID STATE PLAN.** The department of human services shall implement and manage a 1915i Medicaid state plan amendment for children and adults, for the biennium beginning July 1, 2019, and ending June 30, 2021.

**SECTION 42. HOME AND COMMUNITY-BASED SERVICES TARGETED POPULATION.** The department of human services shall adopt rules, on or before January 1, 2021, establishing a process and requirements to involve public and private entities in identifying individuals who are at serious risk of accessing Medicaid funded long-term care in a nursing facility and inform them about home and community-based services options.

**SECTION 43. AUTISM SPECTRUM DISORDER TASK FORCE.** The department of human services shall consult with the autism spectrum disorder task force at the November 2019 task force meeting to evaluate biennium autism spectrum disorder Medicaid waiver expenditures to date. Based on input from the task force, the department may expand the number of slots or increase the ages covered by the autism spectrum disorder Medicaid waiver for the remainder of the 2019-21 biennium.

**SECTION 44. AUTISM SPECTRUM DISORDER VOUCHER PROGRAM.** The department of human services shall propose changes to North Dakota administrative code to seek additional flexibility for the administration of the autism spectrum disorder voucher program to ensure more families can be served within available appropriations. The proposed administrative code changes should consider changes that include a voucher that is solely for technology support and one that is for in-home supports; adding case management or parent-to-parent support as an allowable service for voucher funds; and reducing the amount of time during which a household may use approved voucher funds."

Page 12, after line 17, insert:

**"SECTION 47. EFFECTIVE DATE.** Section 9 of this Act becomes effective on January 1, 2020.

**SECTION 48. EXPIRATION DATE.** Section 8 of this Act is effective through December 31, 2019, and after that date is ineffective."

Page 12, line 19, replace "21" with "32"

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2012 - Summary of House Action

	Base Budget	Senate Version	House Changes	House Version
State Department of Health				
Total all funds	\$0	\$0	\$335,000	\$335,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$335,000	\$335,000
FTE	0.00	0.00	0.00	0.00
DHS - Management				
Total all funds	\$142,799,965	\$168,418,321	\$78,699	\$168,497,020
Less estimated income	85,679,558	103,780,027	26,719	103,806,746
General fund	\$57,120,407	\$64,638,294	\$51,980	\$64,690,274
FTE	140.45	107.95	0.00	107.95
DHS - Program/Policy				
Total all funds	\$3,003,191,454	\$3,447,390,889	(\$32,747,206)	\$3,414,643,683
Less estimated income	1,945,157,519	2,191,493,617	8,674,521	2,200,168,138
General fund	\$1,058,033,935	\$1,255,897,272	(\$41,421,727)	\$1,214,475,545
FTE	366.50	377.25	6.00	383.25
DHS - County Social Services Financing				
Total all funds	\$0	\$182,300,000	(\$8,600,000)	\$173,700,000
Less estimated income	0	182,300,000	(8,600,000)	173,700,000

General fund	\$0	\$0	\$0	\$0
FTE	0.00	223.00	(83.00)	140.00
DHS - Field Services				
Total all funds	\$336,470,713	\$351,044,271	(\$1,995,983)	\$349,048,288
Less estimated income	138,543,705	132,151,522	1,934,098	134,085,620
General fund	\$197,927,008	\$218,892,749	(\$3,930,081)	\$214,962,668
FTE	1,655.28	1,599.03	0.00	1,599.03
Bill total				
Total all funds	\$3,482,462,132	\$4,149,153,481	(\$42,929,490)	\$4,106,223,991
Less estimated income	2,169,380,782	2,609,725,166	2,035,338	2,611,760,504
General fund	\$1,313,081,350	\$1,539,428,315	(\$44,964,828)	\$1,494,463,487
FTE	2,162.23	2,307.23	(77.00)	2,230.23

### Senate Bill No. 2012 - State Department of Health - House Action

	Base Budget	Senate Version	House Changes	House Version
Hyperbaric oxygen therapy program			\$335,000	\$335,000
Total all funds	\$0	\$0	\$335,000	\$335,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$335,000	\$335,000
FTE	0.00	0.00	0.00	0.00

### Department 301 - State Department of Health - Detail of House Changes

	Adds Funding for Hyperbaric Oxygen Therapy Pilot Program <sup>1</sup>	Total House Changes
Hyperbaric oxygen therapy program	\$335,000	\$335,000
Total all funds	\$335,000	\$335,000
Less estimated income	0	0
General fund	\$335,000	\$335,000
FTE	0.00	0.00

<sup>1</sup> One-time funding is added for the State Department of Health to contract with a private entity to establish a hyperbaric oxygen therapy pilot program. The department is to report to the Legislative Management during the 2019-20 interim regarding the status and results of the pilot program.

### Senate Bill No. 2012 - DHS - Management - House Action

	Base Budget	Senate Version	House Changes	House Version
Salaries and wages	\$26,280,139	\$20,143,801	\$78,699	\$20,222,500
Operating expenses	116,315,826	148,224,520		148,224,520
Capital assets		50,000		50,000
Grants	204,000			
Total all funds	\$142,799,965	\$168,418,321	\$78,699	\$168,497,020
Less estimated income	85,679,558	103,780,027	26,719	103,806,746
General fund	\$57,120,407	\$64,638,294	\$51,980	\$64,690,274
FTE	140.45	107.95	0.00	107.95

### Department 326 - DHS - Management - Detail of House Changes

	Adjusts Funding for Salary Increase <sup>1</sup>	Total House Changes
Salaries and wages	\$78,699	\$78,699
Operating expenses		
Capital assets		
Grants		
Total all funds	\$78,699	\$78,699
Less estimated income	26,719	26,719
General fund	\$51,980	\$51,980
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with

a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and 2.5 percent on July 1, 2020. The Senate provided funding for a 2 percent salary increase on July 1, 2019, and a 3 percent salary increase on July 1, 2020. The same salary adjustments are being provided for all areas of the department.

### Senate Bill No. 2012 - DHS - Program/Policy - House Action

	Base Budget	Senate Version	House Changes <sup>1</sup>	House Version
Salaries and wages	\$62,782,944	\$67,904,611	\$1,090,262	\$68,994,873
Operating expenses	125,299,436	148,265,426	2,196,157	150,461,583
Capital assets	10,000	10,000		10,000
Grants	441,420,827	448,876,175	4,143,332	453,019,507
Grants - Medical assistance	2,373,678,247	2,782,334,677	(40,176,957)	2,742,157,720
Total all funds	\$3,003,191,454	\$3,447,390,889	(\$32,747,206)	\$3,414,643,683
Less estimated income	1,945,157,519	2,191,493,617	8,674,521	2,200,168,138
General fund	\$1,058,033,935	\$1,255,897,272	(\$41,421,727)	\$1,214,475,545
FTE	366.50	377.25	6.00	383.25

<sup>1</sup> Funding for program and policy is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
<b>2019-21 Ongoing Funding Changes</b>				
Adjusts salary increase funding as detailed in management section		\$98,534	\$156,235	\$254,769
Adjusts provider inflationary increases to 2 percent the 1st year of the biennium and to 2.5 percent the 2nd year of the biennium		(2,293,611)	(2,587,825)	(4,881,436)
Adjusts the federal medical assistance percentage estimate to 50.05 for federal fiscal year 2020 and to 52.66 for federal fiscal year 2021		(24,656,101)	24,149,902	(506,199)
<b>Economic Assistance</b>				
Reduces funding added by the Senate for temporary assistance for needy families tribal kinship care from \$2,935,800 to \$2 million		(935,800)		(935,800)
Increases funding for the alternatives to abortion program to provide total funding of \$600,000			100,000	100,000
<b>Medical Services</b>				
Adjusts the department's savings plan for revised estimates		(174,829)	(387,518)	(562,347)
Provides for the department to administer Medicaid Expansion pharmacy services rather than utilizing a private carrier	2.00	(551,686)	(4,940,257)	(5,491,943)
Adjusts funding added by the Senate for a Medicaid 1915i plan amendment based on revised cost estimates		(1,400,202)	99,799	(1,300,403)
Adjusts funding added by the Senate for the children with disabilities buy-in program due to FMAP change		(28,061)	28,061	0
Adjusts estimated estate collections due to a court decision		1,500,000	(1,500,000)	0
Adjusts funding for Medicaid funeral cost exemption changes approved in House Bill No. 1318		326,053	341,131	667,184
Adjusts funding to expand Medicaid coverage for pregnant women as approved in House Bill No. 1515		797,532	834,414	1,631,946

Reduces estimated medical services utilization rates		(3,909,600)	(4,090,400)	(8,000,000)
Adjusts Medicare drug clawback funding based on revised estimates		1,222,206		1,222,206
<b>Long-Term Care</b>				
Adjusts funding for licensure of pediatric subacute care facilities as provided in Senate Bill No. 2317		648,485	716,287	1,364,772
Transfers funding added by the Senate for autism extended services to human service centers		(170,000)		(170,000)
Adjusts estimated long-term care utilization rates		(9,774,000)	(10,226,000)	(20,000,000)
Adds funding, including \$1 million from the health care trust fund, to increase the nursing home operating margin amount up to 4.4 percent for the period beginning January 1, 2020, and ending June 30, 2021			2,062,000	2,062,000
Adds funding to allow nursing facility software costs to be classified as a passthrough expense as approved in House Bill No. 1124		829,129	867,472	1,696,601
<b>Aging Services</b>				
Adds funding to contract with subject matter experts for Aging Services programs		500,000		500,000
Adds funding for contracting and operating expenses of the Aging and Disability Resource Link service		331,936	292,794	624,730
Adds intake FTE positions for the Aging and Disability Resource Link service	5.00	437,250	387,750	825,000
Increases funding for dementia care services grants to provide total funding of \$1.2 million		150,000		150,000
<b>Behavioral Health Division</b>				
Reduces funding added by the Senate to expand the free through recovery program from \$4.5 million to \$3.5 million		(1,000,000)		(1,000,000)
Reduces funding added by the Senate for the Parents LEAD program to provide total funding of \$200,000		(160,000)		(160,000)
Increases federal funds authority for the children's system of care grant to provide a total of \$6 million			3,000,000	3,000,000
Adjusts funding added by the Senate to expand the eligibility of the substance voucher use disorder program from individuals 18 to 14 years of age or older to reflect revised estimated costs		(138,062)		(138,062)
Reduces funding added by the Senate for early intervention services from \$600,000 to \$300,000		(300,000)		(300,000)
Removes funding and 1 FTE position added by the Senate for a mental health voucher program	(1.00)	(1,050,000)		(1,050,000)
Adds federal funds authority for a state opioid response grant			2,098,462	2,098,462
Adds funding for a new behavioral health grant program for schools		1,500,000		1,500,000
<b>Vocational Rehabilitation</b>				
Adds funding for services provided by the Attorney General for the cooperative disability investigation unit			851,314	851,314

Restores funding removed during the August 2016 budget reductions for adaptive skiing programs	200,000	200,000
--	---------	---------

**Developmental Disabilities**

Reduces estimated utilization rates for developmental disability services	(3,420,900)	(3,579,100)	(7,000,000)
<b>Total ongoing funding changes</b>	<b>6.00</b>	<b>(\$41,421,727)</b>	<b>\$8,674,521</b>

**Senate Bill No. 2012 - DHS - County Social Services Financing - House Action**

	Base Budget	Senate Version	House Changes	House Version
County social services		\$182,300,000	(\$8,600,000)	\$173,700,000
Total all funds	\$0	\$182,300,000	(\$8,600,000)	\$173,700,000
Less estimated income	0	182,300,000	(8,600,000)	173,700,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	223.00	(83.00)	140.00

**Department 333 - DHS - County Social Services Financing - Detail of House Changes**

	Adjusts Funding for Human Service Redesign Project <sup>1</sup>	Total House Changes
County social services	(\$8,600,000)	(\$8,600,000)
Total all funds	(\$8,600,000)	(\$8,600,000)
Less estimated income	(8,600,000)	(8,600,000)
General fund	\$0	\$0
FTE	(83.00)	(83.00)

<sup>1</sup> Funding and FTE positions for the human services redesign project are adjusted consistent with changes approved by the House in Senate Bill No. 2124 and for changes to employee salary increase guidelines.

**Senate Bill No. 2012 - DHS - Field Services - House Action**

	Base Budget	Senate Version	House Changes <sup>1</sup>	House Version
Human service centers	\$196,049,489	\$203,344,121	\$1,257,022	\$204,601,143
Institutions	140,421,224	147,700,150	(3,253,005)	144,447,145
Total all funds	\$336,470,713	\$351,044,271	(\$1,995,983)	\$349,048,288
Less estimated income	138,543,705	132,151,522	1,934,098	134,085,620
General fund	\$197,927,008	\$218,892,749	(\$3,930,081)	\$214,962,668
FTE	1,655.28	1,599.03	0.00	1,599.03

<sup>1</sup> Funding for field services is adjusted as follows:

	FTE Positions	General Fund	Other Funds	Total
<b>2019-21 Ongoing Funding Changes</b>				
Adjusts salary increases as detailed in the management section		\$800,291	\$492,546	\$1,292,837
Adjusts provider inflation increases to 2 percent the 1st year of the biennium and 2.5 percent the 2nd year of the biennium		343,589	4,271	347,860
Adjusts the federal medical assistance percentage estimate to 50.05 for federal fiscal year 2020 and to 52.66 for federal fiscal year 2021		(1,026,739)	1,026,739	0
<b>Human Service Centers</b>				
Reduces funding added by the Senate for a supportive housing grant from \$550,000 to \$275,000		(275,000)		(275,000)



Increases funding for lease costs of the Badlands Human Service Center	264,000		264,000
Transfers funding added by the Senate for autism extended services from long-term care	170,000		170,000
<b>Institutions</b>			
Removes 2017-19 biennium capital funding	(2,199,430)		(2,199,430)
Adjusts the funding source related to beds restored at the State Hospital by the Senate	(830,050)	830,050	0
Reduces estimated utilization rates at the State Hospital	(1,400,000)	(196,250)	(1,596,250)
Adjusts funding for estimated estate collections due to a court decision	223,258	(223,258)	0
Total ongoing funding changes	(\$3,930,081)	\$1,934,098	(\$1,995,983)

### Senate Bill No. 2012 - Other Changes - House Action

This amendments also:

- Amends North Dakota Century Code Section 50-06.4-10 to provide the Department of Human Services (DHS) contract with a private entity to provide support services for the Brain Injury Advisory Council.
- Amends Section 50-24.1-31 to increase the net income limit for the optional medical assistance program for families with children with disabilities program from 200 to 250 percent of the federal poverty level.
- Amends Section 50-24.1-37 to provide for DHS to administer the pharmacy benefits portion of the Medicaid Expansion program effective January 1, 2020, and provides for the Medicaid Expansion program to sunset on July 31, 2021.
- Provides that expenditures of the Medicaid Expansion program may not exceed appropriated amounts with certain exceptions.
- Identifies \$1 million of funding included in the appropriation for nursing facilities is from the health care trust fund to be used to increase the nursing facility operating margin up to 4.4 percent for the period beginning January 1, 2020, and ending June 30, 2021.
- Removes a section added by the Senate to require DHS to establish a mental health voucher program.
- Provides guidelines regarding the use of grant funding provided for supportive housing grants.
- Requires DHS to develop an implementation plan for revised payment methodology for nursing facility services.
- Adds a section to identify the use of \$200,000 of funding from the general fund for adaptive skiing grants.
- Adds a section to identify the use of \$1.5 million from the general fund for school behavioral health grants.
- Provides an exemption for DHS to continue up to \$728,207 of general fund appropriation authority for legal services into the 2019-21 biennium.
- Provides an exemption for DHS to continue a \$150,000 general fund appropriation for a children's behavioral health pilot project into the 2019-21 biennium.
- Requires DHS to implement a 1915i Medicaid state plan amendment for children and adults during the 2019-21 biennium.
- Requires DHS to adopt rules to establish a process to provide information to individuals regarding home- and community-based services.
- Requires DHS to review the need to expand the number of slots or increase the age of eligibility for the autism spectrum disorder Medicaid waiver.
- Requires DHS to propose administrative code changes to allow more individuals to receive services under the autism spectrum disorder voucher program.

### REPORT OF STANDING COMMITTEE

**SB 2042: Finance and Taxation Committee (Rep. Headland, Chairman)** recommends

**AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (12 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2042 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of developing a uniform county system of accounting.

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

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - UNIFORM COUNTY SYSTEM OF ACCOUNTING.** During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing standard procedures and classification of accounts to provide a means of accumulating financial information that is uniform for all counties, regardless of the county's size or various approaches to budgeting and accounting which may be in use, with the objective of achieving uniformity of financial information to guide preparation of financial reports required by law. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**SB 2211, as engrossed and amended: Appropriations Committee (Rep. Delzer, Chairman)** recommends **DO PASS** (17 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SB 2211, as amended, was placed on the Fourteenth order on the calendar.

**REPORT OF STANDING COMMITTEE**

**SB 2224: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (17 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING). SB 2224 was placed on the Sixth order on the calendar.

Page 1, line 2, after the semicolon insert "to amend and reenact sections 54-65-01, 54-65-06, and 54-65-07 of the North Dakota Century Code, relating to research North Dakota; to repeal section 10-30.5-14, chapters 15-59 and 54-65, and sections 54-65-02, 54-65-03, 54-65-04, and 54-65-05 of the North Dakota Century Code, relating to the centers of excellence, centers of research excellence, and research North Dakota;"

Page 1, line 3, remove "and"

Page 1, line 3, after "transfer" insert "; and to provide an effective date"

Page 1, line 8, remove "agriculture"

Page 1, line 10, after the underscored period insert "The commissioner shall collaborate with the department of commerce when awarding bioscience innovation grants to coordinate the management of the commissioner's bioscience innovation grant program and the department of commerce's biotechnology grant program."

Page 2, after line 27, insert:

**"SECTION 2. AMENDMENT.** Section 54-65-01 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-01. Definitions.**

In this chapter, unless the context otherwise requires:

1. "~~Center~~" means a center of research excellence that has been designated under this chapter.

2. ~~"Commission" means the centers of excellence commission as defined under chapter 15-69.~~
3. "Department" means the department of commerce.
4. "Industry cluster" means one of the following industries:
  - a. ~~Advanced manufacturing;~~
  - b. Energy;
  - c. ~~Information and technology;~~
  - d. ~~Value added agriculture; or~~
  - e. ~~An industry, including the aerospace industry, specifically identified by the department of commerce as an industry that will contribute to the gross state product.~~
5. ~~"Infrastructure" means new building construction or major building renovation. The term does not include a purchase of equipment or remodel of an existing building.~~
- 6.2. "Research university" means an institution under the control of the state board of higher education which has a full-time student enrollment in excess of nine thousand students.

**SECTION 3. AMENDMENT.** Section 54-65-06 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-06. Research North Dakota grants.**

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

**SECTION 4. AMENDMENT.** Section 54-65-07 of the North Dakota Century Code is amended and reenacted as follows:

**54-65-07. Research North Dakota venture grants.**

The department shall establish and administer a research North Dakota venture grant program to provide grants to a research university for pursuing further commercialization of technology developed by the research university or developed jointly by the research university and a startup or spinoff business operating in North Dakota. ~~The department shall collaborate with the centers of excellence commission in establishing~~ establish guidelines to qualify for a grant under this section.

**SECTION 5. REPEAL.** Section 10-30.5-14 and chapter 54-65 of the North Dakota Century Code are repealed.

**SECTION 6. REPEAL.** Chapter 15-69 and sections 54-65-02, 54-65-03, 54-65-04, and 54-65-05 of the North Dakota Century Code are repealed.

**SECTION 7. TRANSFER - CENTERS OF EXCELLENCE FUND AND CENTERS OF RESEARCH EXCELLENCE FUND TO THE RESEARCH NORTH DAKOTA FUND.** The office of management and budget shall transfer any balance in the centers of excellence fund and the centers of research excellence fund to the research North Dakota fund on July 1, 2019."

Page 2, line 28, remove "**APPROPRIATION -**"

Page 2, line 28, after "**TRANSFER**" insert "**- RESEARCH NORTH DAKOTA FUND TO BIOSCIENCE INNOVATION GRANT FUND**"

Page 2, line 28, remove "There is appropriated out of any moneys in"

Page 2, line 29, replace "the general fund in the state treasury, not otherwise appropriated," with "The director of the office of management and budget shall transfer"

Page 2, line 29, replace "\$1,000,000" with "\$700,000"

Page 2, line 29, remove "or so"

Page 2, remove line 30

Page 2, line 31, replace "budget shall transfer" with "from the research North Dakota fund"

Page 3, line 1, replace "provided" with "transferred"

Page 3, line 1, replace "\$400,000" with "\$200,000"

Page 3, after line 2, insert:

**"SECTION 9. TRANSFER - RESEARCH NORTH DAKOTA FUND TO THE STATE GENERAL FUND.** Notwithstanding the amount appropriated in section 8 of this Act, the office of management and budget shall transfer any balance in the research North Dakota fund to the state general fund on June 30, 2021.

**SECTION 10. EFFECTIVE DATE.** Section 5 of this Act becomes effective July 1, 2021."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Repeals the centers of excellence and centers of research excellence programs and transfers the 2017-19 biennium ending balances in the centers of excellence fund and centers of research excellence fund to the Research North Dakota fund on July 1, 2019;
- Changes the transfer to the bioscience innovation grant fund to \$700,000 from the Research North Dakota fund rather than \$1,000,000 from the general fund during the 2019-21 biennium; and
- Transfers the remaining balance in the Research North Dakota fund on June 30, 2021, to the general fund and repeals Research North Dakota on July 1, 2021.

**REPORT OF STANDING COMMITTEE**

**SB 2249, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends

**DO PASS** (17 YEAS, 2 NAYS, 2 ABSENT AND NOT VOTING). Engrossed SB 2249 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "and"

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

Page 1, line 7, after "**center**" insert "**- Report**"

Page 1, line 19, replace "biennially" with "annually"

Page 1, line 20, after the underscored period insert "Upon request, the state energy research center shall report all research activities and accomplishments to the appropriations committees of the legislative assembly."

Page 2, after line 6, insert:

"4. The state energy research center may not conduct research or pursue projects that will result in the exploration, storage, treatment, or disposal of high-level radioactive waste in North Dakota."

Page 2, line 12, replace "two" with "one"

Page 2, line 13, replace "six" with "five"

Page 2, after line 16, insert:

**"SECTION 3. EXPIRATION DATE.** This Act is effective through June 30, 2023, and after that date is ineffective."

Re-number accordingly

#### **STATEMENT OF PURPOSE OF AMENDMENT:**

This amendment:

- Decreases the allocation of oil and gas tax revenue to a newly created state energy research center fund from 2 percent of the state's share limited to \$6 million per biennium to 1 percent of the state's share limited to \$5 million per biennium;
- Adjusts the reporting requirements of the State Energy Research Center;
- Provides the State Energy Research Center may not conduct research or pursue projects that will result in the exploration, storage, treatment, or disposal of high-level radioactive waste in North Dakota; and
- Provides an expiration date of June 30, 2023 for the bill.

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

**HB 1285, as engrossed:** Your conference committee (Sens. Clemens, K. Roers, Hogan and Reps. Rohr, Skroch, Schneider) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1307-1308, adopt amendments as follows, and place HB 1285 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1307 and 1308 of the House Journal and pages 1002 and 1003 of the Senate Journal and that Engrossed House Bill No. 1285 be amended as follows:

Page 1, line 2, after "locations" insert "; and to provide for a report to the legislative management"

Page 1, line 9, overstrike "abandoned"

Page 1, line 9, overstrike "as defined in section 27-20-02"

Page 1, line 10, after "~~which~~" insert "who has been abandoned at birth in a hospital or before reaching the age of one year regardless of the location of birth and"

Page 1, line 12, remove "~~, law enforcement agency, or county social~~"

Page 1, remove line 13

Page 1, line 14, replace "~~by the board of county commissioners~~" with "or other location as designated by administrative rule adopted by the department"

Page 1, remove lines 16 and 17

Page 2, line 4, after "address" insert ". If a hospital accepting the infant has the infant's medical history, the hospital is not required to provide the parent or the agent with a medical history form"

Page 2, line 8, after "infant" insert ", unless due to birth of the infant, the infant and parent currently have an identification bracelet"

Page 2, line 28, remove the overstrike over "~~if it appears that the~~"

Page 2, line 29, remove the overstrike over "~~abandoned infant was not harmed~~"

Page 3, line 11, after "The" insert "state"

Page 3, line 11, after "department" insert "of health, in coordination with the department of human services."

Page 3, after line 14, insert:

**"SECTION 2. REPORT TO LEGISLATIVE MANAGEMENT - ABANDONED INFANTS.** Before July 1, 2020, the state department of health shall report to the legislative management the status and progress of implementing section 1 of this Act."

Renumber accordingly

Engrossed HB 1285 was placed on the Seventh order of business on the calendar.

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

**HB 1356:** Your conference committee (Sens. J. Lee, Burckhard, Dotzenrod and Reps. Pyle, M. Johnson, Fegley) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1325, adopt further amendments as follows, and place HB 1356 on the Seventh order:

That the House accede to the Senate amendments as printed on page 1325 of the House Journal and page 1050 of the Senate Journal and that House Bill No. 1356 be further amended as follows:

Page 1, after line 17, insert:

"1."

Page 1, after line 21, insert:

"2. Notwithstanding the thresholds in subsection 1, if the state or a political subdivision undertakes the construction of a public improvement and there is reason to believe that engineering or architectural services are necessary to protect the health, safety, or welfare of the public, the state or political subdivision shall consider consulting with an engineer or architect."

Renumber accordingly

HB 1356 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2040, as engrossed:** Your conference committee (Sens. Cook, Kannianen, Patten and Reps. B. Koppelman, Toman, Eidson) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1053 and place SB 2040 on the Seventh order.

Engrossed SB 2040 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2090:** Your conference committee (Sens. Kreun, Unruh, Piepkorn and Reps. Zubke, Bosch, M. Ruby) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1280 and place SB 2090 on the Seventh order.

SB 2090 was placed on the Seventh order of business on the calendar.

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

**Buell J. Reich, Chief Clerk**

