

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)

(At the request of the Legislative Council)

LEGISLATIVE BRANCH

AN ACT providing an appropriation for defraying the expenses of the legislative branch of government; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION FOR THE LEGISLATIVE BRANCH OF STATE GOVERNMENT. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the legislative branch of the state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 2001, as follows:

Subdivision 1.

FIFTY-SIXTH AND FIFTY-SEVENTH LEGISLATIVE ASSEMBLIES AND BIENNIUM	
Salaries and wages	\$4,828,739
Operating expenses	3,291,214
Equipment	42,150
National conference of state legislatures	<u>158,113</u>
Total general fund appropriation	\$8,320,216

Subdivision 2.

LEGISLATIVE COUNCIL

Salaries and wages	\$4,116,366
Operating expenses	2,043,811
Equipment	20,000
Information technology program	<u>482,939</u>
Total general fund appropriation	\$6,663,116
Grand total general fund appropriation	\$14,983,332

SECTION 2. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative council as may be requested by the chairman of the council or the chairman's designee upon the finding by the chairman or designee that the nature of studies and duties assigned to the council requires the transfers in properly carrying on the council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make transfers of funds between the line items for the fifty-sixth and fifty-seventh legislative assemblies, upon request by the chairman of the legislative council or the chairman's designee upon the finding by the chairman or designee

that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 7, 1999

Filed April 8, 1999

CHAPTER 2

HOUSE BILL NO. 1002
 (Appropriations Committee)
 (At the request of the Supreme Court)

JUDICIAL BRANCH

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to provide for a legislative council study; and to amend and reenact sections 27-02-02 and 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

SUPREME COURT

Salaries and wages	\$5,079,436
Operating expenses	1,535,514
Equipment	214,513
Judges retirement	<u>276,860</u>
Total general fund appropriation	\$7,106,323

Subdivision 2.

DISTRICT COURTS

Salaries and wages	\$22,526,069
Operating expenses	8,937,038
Equipment	674,603
Judges retirement	814,561
UND - Central legal research	80,000
Alternative dispute resolution	<u>40,000</u>
Total all funds	\$33,072,271
Less estimated income	<u>779,943</u>
Total general fund appropriation	\$32,292,328

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

Judicial conduct commission and disciplinary board	\$511,925
Total all funds	\$511,925
Less estimated income	<u>270,000</u>
Total general fund appropriation	\$241,925

Subdivision 4.

CLERK OF DISTRICT COURT FUNDING

Clerk of district court funding	\$1,000,000
Total general fund appropriation	<u>\$1,000,000</u>
Grand total general fund appropriation	\$40,640,576

Grand total special funds appropriation	\$1,049,943
Grand total all funds appropriation	\$41,690,519

SECTION 2. APPROPRIATION. There are hereby appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfers of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 4. LEGISLATIVE COUNCIL STUDY OF UNIFIED COURT SYSTEM. The legislative council shall consider studying, during the 1999-2000 interim, the impacts of court unification on the judicial system and on the effective provision of judicial services to state residents.

SECTION 5. ALLOCATION FOR INDIGENT DEFENSE FUNDS. The supreme court shall develop criteria for the equitable allocation of indigent defense funds contained in the operating expenses line item for district courts. The criteria must be based on number of cases, complexity of cases, the level of efficiency in handling cases, and the historical funding levels in different districts. The supreme court may use any other factors deemed appropriate by the supreme court. The historical funding levels may be used as one factor of many and may not be given consideration in excess of any other factor. The supreme court shall use these criteria in the allocation of indigent defense funds appropriated under this Act.

SECTION 6. CLERK OF COURT UNIFICATION. Notwithstanding the provisions of 1999 House Bill No. 1275, the supreme court shall implement the clerk of court unification effective April 1, 2001.

SECTION 7. AMENDMENT. Section 27-02-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

27-02-02. Salaries of judges of supreme court. The annual salary of each judge of the supreme court is ~~seventy-nine~~ eighty-three thousand ~~seven~~ eight hundred ~~seventy-one~~ seven dollars through June 30, ~~1998~~ 2000, and ~~eighty-two~~ eighty-five thousand ~~one~~ four hundred ~~sixty-four~~ eighty-three dollars thereafter. The chief justice of the supreme court is entitled to receive an additional two thousand ~~two~~ three hundred ~~fifty~~ sixty-five dollars per annum through June 30, ~~1998~~ 2000, and two thousand ~~three~~ four hundred ~~eighteen~~ twelve dollars per annum thereafter.

SECTION 8. AMENDMENT. Section 27-05-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

27-05-03. Salaries and expenses of district judges. The annual salary of each district judge is ~~seventy-three~~ seventy-seven thousand ~~six~~ three hundred ~~sixteen~~ forty dollars through June 30, ~~1998~~ 2000, and ~~seventy-five~~ seventy-eight thousand eight hundred ~~twenty-four~~ eighty-seven dollars thereafter. Each district judge is entitled to travel expenses including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional one thousand ~~seven~~ eight hundred ~~forty-three~~ thirty-one dollars per annum, through June 30, ~~1998~~ 2000, and one thousand ~~seven~~ eight hundred ~~ninety-five~~ sixty-eight dollars thereafter.

Approved April 19, 1999

Filed April 19, 1999

CHAPTER 3**HOUSE BILL NO. 1003**

(Appropriations Committee)
(At the request of the Governor)

BOARD OF HIGHER EDUCATION

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide for legislative council studies; to create and enact a new chapter to title 15 of the North Dakota Century Code, relating to the adoption of the midwestern regional higher education compact; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds or other income, to the North Dakota university system and to the various institutions of higher learning under the supervision of the North Dakota university system for the purpose of defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM

Equity and special needs pool	\$4,290,128
Technology pool	21,948,467
Critical salary pool	<u>2,630,992</u>
General fund appropriation	\$28,869,587

Subdivision 2.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

Salaries and wages	\$2,194,131
Operating expenses	760,709
Equipment	26,000
Student financial assistance grants	4,450,281
Information technology management	215,255
Professional student exchange program	1,310,716
Disabled student services	26,560
Technical administration	197,627
Contingency and capital improvements emergency fund	398,000
Scholars program	706,230
Native American scholarships	204,082
Title II	534,000
Competitive research program	1,971,100
Prairie public broadcasting	992,513
Board initiatives	<u>2,296,000</u>
Total operating funds	\$16,283,204
Less estimated income	<u>4,933,900</u>
General fund appropriation	\$11,349,304

Subdivision 3.

BISMARCK STATE COLLEGE

Salaries and wages	\$16,406,677
Operating expenses	4,893,212
Equipment	367,187
Capital improvements	<u>958,835</u>
Total operating funds	\$22,625,911
Less estimated income	<u>7,789,776</u>
General fund appropriation	\$14,836,135
Local funds appropriation	\$11,370,000
Total all funds appropriation	\$33,995,911

Subdivision 4.

UNIVERSITY OF NORTH DAKOTA - LAKE REGION

Salaries and wages	\$4,374,197
Operating expenses	1,338,042
Equipment	150,338
Capital improvements	<u>1,094,318</u>
Total operating funds	\$6,956,895
Less estimated income	<u>1,948,806</u>
General fund appropriation	\$5,008,089
Local funds appropriation	\$6,403,766
Total all funds appropriation	\$13,360,661

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA - WILLISTON

Salaries and wages	\$5,280,022
Operating expenses	1,521,116
Equipment	249,596
Capital improvements	<u>88,790</u>
Total operating funds	\$7,139,524
Less estimated income	<u>2,300,265</u>
General fund appropriation	\$4,839,259
Local funds appropriation	\$1,653,000
Total all funds appropriation	\$8,792,524

Subdivision 6.

UNIVERSITY OF NORTH DAKOTA

Salaries and wages	\$98,902,879
Operating expenses	27,655,286
Equipment	1,520,260
Capital improvements	4,917,136
Special initiatives pool	<u>1,462,223</u>
Total operating funds	\$134,457,784
Less estimated income	<u>52,633,093</u>
General fund appropriation	\$81,824,691
Local funds appropriation	\$282,733,609
Total all funds appropriation	\$417,191,393

Subdivision 7.

NORTH DAKOTA STATE UNIVERSITY

Salaries and wages	\$85,829,387
Operating expenses	21,576,515
Equipment	1,867,800
Capital improvements	8,652,531

Skills training center	<u>1,535,000</u>
Total operating funds	\$119,461,233
Less estimated income	<u>55,903,914</u>
General fund appropriation	\$63,557,319
Local funds appropriation	\$111,620,179
Total all funds appropriation	\$231,081,412

Subdivision 8.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

Salaries and wages	\$23,706,342
Operating expenses	6,605,363
Equipment	1,494,368
Capital improvements	<u>2,635,885</u>
Total operating funds	\$34,441,958
Less estimated income	<u>9,485,836</u>
General fund appropriation	\$24,956,122
Local funds appropriation	\$15,580,000
Total all funds appropriation	\$50,021,958

Subdivision 9.

DICKINSON STATE UNIVERSITY

Salaries and wages	\$14,074,351
Operating expenses	4,074,962
Equipment	390,000
Capital improvements	<u>693,962</u>
Total operating funds	\$19,233,275
Less estimated income	<u>6,146,576</u>
General fund appropriation	\$13,086,699
Local funds appropriation	\$8,221,397
Total all funds appropriation	\$27,454,672

Subdivision 10.

MAYVILLE STATE UNIVERSITY

Salaries and wages	\$8,142,255
Operating expenses	2,211,150
Equipment	170,500
Capital improvements	<u>931,671</u>
Total operating funds	\$11,455,576
Less estimated income	<u>2,908,718</u>
General fund appropriation	\$8,546,858
Local funds appropriation	\$7,400,000
Total all funds appropriation	\$18,855,576

Subdivision 11.

MINOT STATE UNIVERSITY

Salaries and wages	\$28,733,664
Operating expenses	6,043,525
Equipment	917,929
Capital improvements	<u>1,050,466</u>
Total operating funds	\$36,745,584
Less estimated income	<u>11,501,851</u>
General fund appropriation	\$25,243,733
Local funds appropriation	\$19,003,936
Total all funds appropriation	\$55,749,520

Subdivision 12.

VALLEY CITY STATE UNIVERSITY

Salaries and wages	\$11,009,411
Operating expenses	2,842,167
Equipment	323,100
Capital improvements	812,334
Center for innovation in instruction	299,583
Special initiatives	<u>68,714</u>
Total operating funds	\$15,355,309
Less estimated income	<u>3,893,786</u>
General fund appropriation	\$11,461,523
Local funds appropriation	\$8,820,000
Total all funds appropriation	\$24,175,309

Subdivision 13.

MINOT STATE UNIVERSITY - BOTTINEAU

Salaries and wages	\$3,930,059
Operating expenses	1,063,035
Equipment	147,500
Capital improvements	<u>218,130</u>
Total operating funds	\$5,358,724
Less estimated income	<u>1,424,817</u>
General fund appropriation	\$3,933,907
Local funds appropriation	\$2,124,426
Total all funds appropriation	\$7,483,150

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

Salaries and wages	\$1,770,118
Operating expenses	423,601
Equipment	65,011
Capital improvements	79,541
Grants to centennial trees	<u>147,486</u>
Total operating funds	\$2,485,757
Less estimated income	<u>859,006</u>
General fund appropriation	\$1,626,751
Local funds appropriation	\$1,336,082
Total all funds appropriation	\$3,821,839

Subdivision 15.

UNIVERSITY OF NORTH DAKOTA MEDICAL CENTER

Salaries and wages	\$32,021,200
Operating expenses	7,502,327
Equipment	<u>547,915</u>
Total operating funds	\$40,071,442
Less estimated income	<u>10,812,782</u>
General fund appropriation	\$29,258,660
Local funds appropriation	\$47,592,145
Total all funds appropriation	\$87,663,587
Grand total general fund appropriation H.B. 1003	\$328,398,637
Grand total estimated income appropriation H.B. 1003	\$172,543,126
Grand total local funds appropriation H.B. 1003	\$523,858,540
Grand total all funds appropriation H.B. 1003	\$1,024,800,303

SECTION 2. APPROPRIATION TRANSFER. The higher education contingency and capital improvements emergency fund, board initiatives, and disabled student services in subdivision 2 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by the state board of higher education. The board shall notify the office of management and budget of the allocation of general fund authority from the higher education contingency and capital improvements emergency fund, board initiatives, and disabled student services to the various entities and institutions and which line items in the various institutions and entities must be adjusted.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. Operating fund income received in excess of the estimated income line item appropriated to the entities in section 1 of this Act which is deposited in their respective operating funds in the state treasury up to the following amounts is hereby appropriated and may be spent subject to state board of higher education approval:

INSTITUTION	AMOUNT
North Dakota university system office	\$425,990
Bismarck state college	706,289
University of North Dakota - Lake Region	143,970
University of North Dakota - Williston	224,310
University of North Dakota	5,019,907
North Dakota state university	4,732,776
North Dakota state college of science	846,333
Dickinson state university	602,255
Mayville state university	267,347
Minot state university	1,157,210
Valley City state university	355,978
Minot state university - Bottineau	131,711
North Dakota forest service	85,900
University of North Dakota medical center	<u>5,947,201</u>
Total	<u>\$20,647,177</u>

Any additional excess estimated income is hereby appropriated and may be spent only upon authorization of the emergency commission. Any funds received by the board of higher education and the entities of the North Dakota university system pursuant to federal acts, private grants, and other sources not deposited in the operating funds in the state treasury are hereby appropriated for the period beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. TRANSFER AUTHORITY. The state board of higher education is authorized to approve the transfer of funds between line items for each entity included in section 1 of this Act and shall notify the office of management and budget of each transfer.

SECTION 5. EXEMPTION. The scholars program, university system contingency fund, student financial assistance grants, professional student exchange program, native American scholarships, and operating expenses contained in subdivision 2 of section 1 of chapter 32 of the 1997 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations are available during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS. The state board of higher education is authorized to adjust or increase full-time equivalent positions as needed, subject to the availability of funds. The university

system shall report any adjustments to the office of management and budget prior to the submission of the 2001-03 budget request.

SECTION 7. UNEXPENDED GENERAL FUND APPROPRIATIONS - EXCESS INCOME. Unexpended general fund dollars appropriated to and excess income received by entities listed in section 1 of chapter 32 of the 1997 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations or revenues are available during the biennium beginning July 1, 1999, and ending June 30, 2001, and may be expended, as directed by the state board of higher education, for capital repairs and improvements, equipment, and other one-time expenditures.

SECTION 8. PROJECT AUTHORIZATIONS - LOCAL RESPONSIBILITY. The capital improvements at Bismarck state college and UND-Lake Region require a minimum local match as follows:

Bismarck state college - music addition	\$200,000
UND-Lake Region - auditorium renovation	\$495,000

Bismarck state college may, after receiving approval from the budget section, obtain and utilize any available funds, in addition to the minimum local match of \$200,000, received from federal, public, private, or other sources which are hereby appropriated to Bismarck state college to assist in the music addition and related renovations at Bismarck state college.

UND-Lake Region may, after receiving approval from the budget section, obtain and utilize any available funds, in addition to the minimum local match of \$495,000, received from federal, public, private, or other sources which are hereby appropriated to UND-Lake Region to assist in the auditorium renovation at UND-Lake Region.

SECTION 9. BOND ISSUANCE - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may issue and sell self-liquidating, tax-exempt bonds in an amount not exceeding \$4,750,000 for the purpose of financing capital projects at institutions under the control of the board, including an amount not exceeding \$250,000 for student union improvements at Bismarck state college and \$4,500,000 for a health and wellness center at North Dakota state university. Bonds issued under the provisions of this Act may not become a general obligation of the state of North Dakota.

SECTION 10. USE OF PROCEEDS - APPROPRIATION. The proceeds resulting from the sale of bonds authorized under section 9, or so much of the sum as may be necessary, in the amount of \$250,000 for the student union improvements at Bismarck state college and \$4,500,000 for a health and wellness center at North Dakota state university and other available funds from other sources are hereby appropriated for these projects. Any unexpended balance from the sale of bonds must be placed in a sinking fund for the retirement of the authorized bonds.

SECTION 11. LOCAL FUNDS APPROPRIATED. Any local funds beyond the local funds appropriated in Section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001, and may be spent subject to approval of the state board of higher education and reported to the budget section of the legislative council.

SECTION 12. SERVICE, ACCESS, GROWTH, AND EMPOWERMENT. Prior to purchasing goods or contracting for services for the service, access, growth,

and empowerment project, the state board of higher education must receive permission from either the legislative assembly or the budget section of the legislative council. Information provided must include a business plan project.

SECTION 13. NDSU/NDSCS SKILLS TRAINING CENTER. The general fund moneys provided by the 1999 legislative assembly for the skills training center may only be used for renovations to the skills training center. Any general fund moneys provided for the skills training center for the 1999-2001 biennium are intended to be the final direct general fund support provided by the legislative assembly, and no direct general fund support may be provided for the operations of or renovations or additions to the skills training center after the 1999-2001 biennium.

SECTION 14. PROGRAM COORDINATION AND ACCREDITATION. The legislative assembly urges the state board of higher education to carefully review requests by state institutions of higher education applying for accreditation of programs that have already been accredited at other state institutions. The board should consider student access and quality issues as well as costs when reviewing such requests. Whenever such a request is made or accreditation is granted, the board is encouraged to direct the campuses offering similar programs to cooperate in jointly offering the similar programs by using the staffs and resources of the other campuses. Also, the legislative assembly expresses its strong support for the board to continue implementing policies and procedures to ensure coordination and cooperation between campuses where similar programs are offered.

SECTION 15. TECHNOLOGY POOL. The technology pool amount in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by the board of higher education. Technology funding allocations are to be made based on historic funding, the higher education computer network strategic plan, base funding for higher education computer network computer center operations, and base funding for interactive video network and on-line Dakota information network operations.

SECTION 16. CRITICAL SALARY POOL. The critical salary pool amount in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in subdivisions 2 through 15 of section 1 as determined by the board of higher education. When making allocations from the critical salary pool in subdivision 1 of section 1, the state board of higher education shall allocate funds to address additional salary increases beyond legislative appropriations, for market and equity issues.

SECTION 17. EQUITY AND SPECIAL NEEDS POOL. The equity and special needs pool in subdivision 1 of section 1 must be used for the benefit of the institutions and entities in subdivisions 3 through 13 of section 1 as determined by the board of higher education. When making allocations from the equity and special needs pool in subdivision 1 of section 1, the board of higher education shall allocate the funds to address equity funding issues and special academic program needs of the entities under its control.

SECTION 18. MINOT STATE UNIVERSITY - BOTTINEAU INFORMATION TECHNOLOGY INITIATIVE. The board of higher education is strongly encouraged to consider allocating \$200,000 from either the equity and special needs pool or the board initiatives funding to Minot state university - Bottineau for Minot state university - Bottineau's information technology initiative.

SECTION 19. LEGISLATIVE COUNCIL INTERIM STUDY OF HIGHER EDUCATION FUNDING. The legislative council shall consider studying higher

education funding during the 1999-2000 interim. If conducted, the study should solicit input from the governor, board of higher education, executive branch, university system campuses, and representatives of business and industry. The study should address the expectations of the North Dakota university system in meeting the state's needs in the twenty-first century, the funding methodology needed to meet these expectations and needs, and an accountability system and reporting methodology for the university system. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 20. LEGISLATIVE COUNCIL STUDY - TRIBAL COLLEGES. The legislative council shall consider studying the tribally controlled colleges in this state and the United Tribes technical college, including a review of funding sources and the number of Indian and non-Indian students attending each college, for the purpose of determining the desirability and feasibility of a grant program to assist the colleges in providing education to students who are less than one-quarter Indian. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 21. UTILITY SAVINGS. Any utility savings realized during the 1999-2001 biennium by the entities listed in section 1 of this Act must be used for maintenance or capital project expenditures.

SECTION 22. LAND BOARD DISTRIBUTIONS. Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the appropriate entities in section 1 of this Act all income from permanent funds managed for the benefit of those institutions.

SECTION 23. PARTICIPATION IN MIDWESTERN REGIONAL HIGHER EDUCATION COMPACT STUDENT EXCHANGE PROGRAM. Notwithstanding section 24 of this Act, it is the intent of the fifty-sixth legislative assembly that during the 1999-2001 biennium North Dakota's membership in the midwestern regional higher education compact may not include participation in the compact's student exchange program. The legislative council shall consider including a review of North Dakota's participation in the student exchange program portion of the midwestern regional higher education compact in the study provided for in section 19 of this Act.

SECTION 24. A new chapter to title 15 of the North Dakota Century Code is created and enacted as follows:

Midwestern regional higher education compact. The midwestern regional higher education compact is adopted as follows:

Article I. Purpose

The purpose of the midwestern higher education compact is to provide greater higher education opportunities and services in the midwestern region, with the aim of furthering regional access to, research in, and choice of higher education for the citizens residing in the states that are parties to this compact.

Article II. The Commission

1. The compacting states create the midwestern higher education commission, hereinafter called the commission. The commission is a body corporate of each compacting state. The commission has all the responsibilities, powers, and duties set forth in this chapter, including the power to sue and be sued, and any additional powers conferred upon it by subsequent action of the respective legislative assemblies of the compacting states in accordance with the terms of this compact.
2. The commission consists of the following five resident members from each state: the governor or the governor's designee who serves during the tenure of office of the governor; two legislators, one from each house, except for Nebraska, which may appoint two legislators from its legislative assembly, who serve two-year terms and are appointed by the appropriate appointing authority in each house of the legislative assembly; and two other at large members, at least one of whom is to be selected from the field of higher education. The at large members are to be appointed as provided by the laws of the appointing state. One of the two at large members initially appointed in each state serves a two-year term. The other, and any regularly appointed successor to either at large member, serves a four-year term. All vacancies are to be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy serves until the end of the incomplete term.
3. The commission shall select annually, from among its members, a chairman, a vice chairman, and a treasurer.
4. The commission shall appoint an executive director who serves at its pleasure and who is secretary to the commission. The treasurer, the executive director, and other personnel as the commission determines must be bonded in the amounts required by the commission.
5. The commission shall meet at least once each calendar year. The chairman may call additional meetings and upon the request of a majority of the commission members of three or more compacting states, shall call additional meetings. The commission shall give public notice of all meetings. All meetings must be open to the public.
6. Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the commission.

Article III. Powers and Duties of the Commission

1. The commission shall adopt bylaws governing its management and operations.
2. Notwithstanding the laws of any compacting state, the commission shall provide for the personnel policies and programs of the compact in its bylaws.
3. The commission shall submit a budget to the governor and legislative assembly of each compacting state at the time and for the period

required by each state. The budget must contain recommendations regarding the amount to be appropriated by each compacting state.

4. The commission shall report annually to the legislative assemblies and governors of the compacting states, to the midwestern governors' conference, and to the midwestern legislative conference of the council of state governments regarding the activities of the commission during the preceding year. The reports must include any recommendations that have been adopted by the commission.
5. The commission may borrow, accept, or contract for the services of personnel from any state or from the United States, or from any subdivision or agency thereof, from any interstate agency, or from any person.
6. The commission may accept for any of its purposes and functions under the compact donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state or the United States or from any subdivision or agency thereof, from an interstate agency, or from any person, and may receive, use, and dispose of the same.
7. The commission may enter agreements with any other interstate education organization or agency, with institutions of higher education located in nonmember states, and with any of the various states to provide adequate programs and services in higher education for the citizens of the respective compacting states. After negotiations with interested institutions and interstate organizations or agencies, the commission shall determine the cost of providing the programs and services in higher education for use in these agreements.
8. The commission may establish and maintain offices in one or more of the compacting states.
9. The commission may establish committees and hire staff as necessary to carry out its functions.
10. The commission may provide for actual and necessary expenses for the attendance of its members at official meetings of the commission or of its designated committees.

Article IV. Activities of the Commission

1. The commission shall collect data on the long-range effects of the compact on higher education. By the end of the fourth year from the effective date of the compact and every two years thereafter, the commission shall review its accomplishments and make recommendations to the governors and legislative assemblies of the compacting states regarding continuance of the compact.
2. The commission shall study higher education issues that are of particular concern to the midwestern region. The commission also shall study the need for higher education programs and services in the compacting states and the resources for meeting those needs. The commission shall prepare reports, on its research, for presentation to the governors and legislative assemblies of the compacting states, as

well as to other interested parties. In conducting the studies, the commission may confer with any national or regional planning body. The commission may draft and recommend to the governors and legislative assemblies of the various compacting states suggested legislation addressing issues in higher education.

3. The commission shall study the need for the provision of adequate programs and services in higher education, such as undergraduate, graduate, or professional student exchanges in the region. If a need for exchange in a field is apparent, the commission may enter agreements with any institution of higher education and with any compacting state to provide programs and services in higher education for the citizens of the respective compacting states. After negotiating with interested institutions and the compacting states, the commission shall determine the cost of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute funds not otherwise provided, as determined by the commission, to carry out the agreements. The commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.
4. The commission shall serve as a clearinghouse for information regarding higher education activities among institutions and agencies.
5. The commission may provide services and research in any other area of regional concern.

Article V. Finance

1. The compacting states will appropriate the amount necessary to finance the general operations of the commission, not otherwise provided for, when authorized by their respective legislative assemblies. The amount must be apportioned equally among the compacting states.
2. The commission may not incur any obligations prior to the passage of appropriations adequate to meet the same; nor may the commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.
3. The commission shall keep accurate accounts of its receipts and disbursements. The receipts and disbursements of the commission are subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements handled by the commission must be audited yearly by a certified or licensed public accountant and the report of the audit must be included in and become part of the annual report of the commission.
4. The accounts of the commission must be open at any reasonable time for inspection by duly authorized representatives of the compacting states and by persons authorized by the commission.

Article VI. Eligible Parties and Entry Into Force

1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin

are eligible to become parties to this compact. Additional states may be eligible if approved by a majority of the compacting states.

2. This compact becomes effective, as to any eligible party state, when its legislative assembly enacts the compact into law.
3. An amendment to the compact becomes effective upon its enactment by the legislative assemblies of all compacting states.

Article VII. Withdrawal, Default, and Termination

1. A compacting state may withdraw from the compact by enacting a statute repealing the compact, but the withdrawal may not become effective until two years after the enactment of such statute. A withdrawing state is liable for any obligation that it incurred on account of its party status, up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it remains liable to the extent of the obligation.
2. If a compacting state at any time defaults in the performance of its obligations, assumed or imposed, in accordance with this compact, all rights, privileges, and benefits conferred by this compact or by agreements made under the compact are suspended from the effective date of the default, as fixed by the commission. The commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless the default is remedied under the stipulations and within the time period set by the commission, the compact may be terminated with respect to the defaulting state by affirmative vote of a majority of the other member states. A defaulting state may be reinstated by performing all acts and obligations required by the commission.

Article VIII. Severability and Construction

The provisions of this compact are severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or its applicability to any person or circumstance is held invalid, the validity of the remainder of the compact and its applicability to any person or circumstance may not be affected. If the compact is found to be contrary to the constitution of any compacting state, the compact remains in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of the compact must be liberally construed to effectuate the purpose of the compact.

Midwestern higher education commission - Terms - Vacancies.

1. The members of the midwestern higher education commission representing this state are:
 - a. The governor or the governor's designee.
 - b. One member of the senate and one member of the house of representatives, appointed by the chairman of the legislative council.

- c. Two at large members, one of whom must be knowledgeable about the field of higher education, appointed by the governor.
2. The term of each legislative appointee is two years. One initial at large member must be appointed for a term of two years and the other for a term of four years. Thereafter, the term of each at large member is four years.
3. If a member vacates the position to which the member was appointed, the position must be filled for the remainder of the unexpired term in the same manner as that position was filled initially.

SECTION 25. EMERGENCY. The capital improvements line items contained in subdivisions 2 through 14 of section 1 of this Act and the skills training center line item contained in subdivision 7 of section 1 of this Act are declared to be emergency measures, and those funds are available immediately upon filing of this Act with the secretary of state. Sections 9 and 10 of this Act are declared to be emergency measures.

Approved April 22, 1999
Filed April 22, 1999

CHAPTER 4

HOUSE BILL NO. 1004

(Appropriations Committee)
(At the request of the Governor)

HEALTH DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to provide for legislative intent; and to provide for a legislative council study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$26,162,622
Operating expenses	15,315,557
Equipment	1,321,678
Capital improvements	40,446
Grants	23,984,130
WIC food payments	<u>18,226,930</u>
Total all funds	\$85,051,363
Less estimated income	<u>70,595,319</u>
Total general fund appropriation	\$14,456,044

SECTION 2. ABANDONED MOTOR VEHICLE DISPOSAL FUND. The estimated income line item included in section 1 of this Act includes \$250,000, or so much of the sum as may be necessary, to be made available to the state department of health from the abandoned motor vehicle disposal fund under section 39-26-11 for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$200,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. DOMESTIC VIOLENCE FUND. The estimated income line item included in section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, to be made available to the state department of health from the domestic violence fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. ENVIRONMENTAL HEALTH PRACTITIONER LICENSURE FEE ADMINISTRATIVE FUND. The estimated income line item included in section 1 of this Act includes \$2,000, or so much of the sum as may be necessary, to be made available to the state department of health from the environmental health practitioner licensure fee administrative fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 6. WASTEWATER OPERATORS CERTIFICATION FUND. The estimated income line item included in section 1 of this Act includes \$12,017, or so much of the sum as may be necessary, to be made available to the state department of health from the wastewater operators certification fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. DEPARTMENT OF HEALTH - INDIRECT COST RECOVERIES. Notwithstanding section 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating account.

SECTION 8. LEGISLATIVE COUNCIL STUDY LABORATORY SPACE AND STATE MORGUE. The state department of health shall develop a master plan for its facilities; shall develop a definitive plan and firm cost estimates for upgrading the department's laboratory facilities, for providing a state morgue for the state medical examiner, and for bringing the department's facilities into compliance with applicable building code requirements; and shall submit the plans to the legislative council during the 1999-2000 interim. The legislative council shall study the plans submitted by the state department of health and shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 9. LEGISLATIVE COUNCIL STUDY COMMUNITY HEALTH GRANT PROGRAM. The state department of health shall develop a comprehensive plan for a community health grant program and shall submit the plan to the legislative council during the 1999-2000 interim. The legislative council shall study the plan submitted by the state department of health and shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 10. LEGISLATIVE INTENT - STATE AID TO LOCAL HEALTH DISTRICTS. It is the intent of the legislative assembly that the state department of health provide aid to local health districts grants during the biennium beginning July 1, 1999, and ending June 30, 2001, totaling \$1,100,000 and that the additional \$100,000 necessary to fund that level be found by the department within its appropriation.

Approved April 8, 1999
Filed April 8, 1999

CHAPTER 5**HOUSE BILL NO. 1005**

(Appropriations Committee)
(At the request of the Governor)

INDIAN AFFAIRS COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission; to provide for line item transfers; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$273,507
Operating expenses	53,275
Equipment	2,300
Total all funds	\$329,082
Less estimated income	16,300
Total general fund appropriation	\$312,782

SECTION 2. LEGISLATIVE INTENT - DIRECTORY FEES. It is the intent of the fifty-sixth legislative assembly that the Indian affairs commission establish a fee to recover all or a portion of its costs related to printing and distributing its directory.

SECTION 3. LEGISLATIVE INTENT - INDIAN AFFAIRS COMMISSION FUND. It is the intent of the fifty-sixth legislative assembly that the office of management and budget change the name of fund 318 from the Indian affairs alcohol and drug abuse fund to the Indian affairs commission fund and that the fund then be used to account for special fund revenues and expenditures associated with the general operation of the commission.

SECTION 4. LINE ITEM TRANSFERS - 1997-99 BIENNIUM. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer, at the request of the director of the Indian affairs commission, shall transfer \$4,500 from the salaries and wages line item contained in section 1 of chapter 34 of the 1997 Session Laws to the operating expenses line item contained in section 1 of chapter 34 of the 1997 Session Laws. The authority to make this transfer begins with the effective date of this Act and ends on June 30, 1999.

SECTION 5. EMERGENCY. Section 4 of this Act is declared to be an emergency measure.

Approved April 7, 1999
Filed April 8, 1999

CHAPTER 6**HOUSE BILL NO. 1006**

(Appropriations Committee)
(At the request of the Governor)

AERONAUTICS COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the aeronautics commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the aeronautics commission for the purpose of defraying the expenses of the aeronautics commission, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$592,419
Operating expenses	1,091,740
Equipment	61,500
Capital improvements	110,000
Grants	<u>12,755,000</u>
Total all funds	\$14,610,659
Less estimated income	<u>14,060,659</u>
Total general fund appropriation	\$550,000

Approved March 26, 1999

Filed March 26, 1999

CHAPTER 7**HOUSE BILL NO. 1007**

(Appropriations Committee)
(At the request of the Governor)

**VETERANS' HOME AND DEPARTMENT OF
VETERANS' AFFAIRS**

AN ACT to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide for line item transfers for the 1997-99 biennium; to provide for land board distributions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home and the department of veterans' affairs for the purpose of defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

VETERANS' HOME

Salaries and wages	\$5,841,293
Operating expenses	1,978,278
Equipment	45,050
Capital improvements	<u>482,220</u>
Total all funds	\$8,346,841
Less estimated income	<u>6,108,004</u>
Total general fund appropriation	\$2,238,837

Subdivision 2.

VETERANS' AFFAIRS

Total all funds	\$462,667
Less estimated income	<u>18,333</u>
Total general fund appropriation	\$444,334
Grand total general fund appropriation H.B. 1007	\$2,683,171
Grand total special funds appropriation H.B. 1007	\$6,126,337
Grand total all funds appropriation H.B. 1007	\$8,809,508

SECTION 2. LINE ITEM TRANSFERS - 1997-99 BIENNIUM.

Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer, at the request of the director of the department of veterans affairs, shall transfer \$1,772 from the salaries and wages line item contained in subdivision 2 of section 1 of chapter 36 of the 1997 Session Laws to the operating expenses line item contained in subdivision 2 of section 1 of chapter 36 of the 1997 Session Laws. The authority to make this transfer begins with the effective date of this Act and ends on June 30, 1999.

SECTION 3. APPROPRIATION. There is hereby appropriated \$3,300 of special funds from donations to the department of veterans affairs for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 4. LAND BOARD DISTRIBUTIONS. Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the veterans home all income from a permanent fund managed for this institution.

SECTION 5. EMERGENCY. Sections 2 and 3 of this Act are declared to be an emergency measure.

Approved April 14, 1999

Filed April 14, 1999

CHAPTER 8**HOUSE BILL NO. 1008**

(Appropriations Committee)
(At the request of the Governor)

BANKING AND FINANCIAL INSTITUTIONS

AN ACT to provide an appropriation for defraying the expenses of the department of banking and financial institutions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the financial institutions regulatory fund in the state treasury, not otherwise appropriated, to the department of banking and financial institutions for the purpose of defraying the expenses of the department of banking and financial institutions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$2,320,326
Operating expenses	529,272
Equipment	86,784
Contingency - banking and financial institutions	<u>20,000</u>
Total appropriation from the financial institutions regulatory fund	\$2,956,382

SECTION 2. EMERGENCY. Of the amount appropriated for equipment in section 1 of this Act, \$30,000 is declared to be an emergency measure.

Approved March 26, 1999

Filed March 26, 1999

CHAPTER 9**HOUSE BILL NO. 1009**

(Appropriations Committee)
 (At the request of the Governor)

STATE FAIR ASSOCIATION

AN ACT to provide an appropriation for defraying expenses of the state fair association.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Capital improvements	\$210,000
Premiums	<u>360,000</u>
Total all funds	\$570,000
Less estimated income	<u>20,000</u>
Total general fund appropriation	\$550,000

SECTION 2. MATCHING FUNDS REQUIRED. The state fair association shall provide matching funds for premiums from a source other than the state general fund in an amount equal to any general fund moneys spent in excess of \$320,000 from the premiums line item in section 1 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

Approved March 16, 1999

Filed March 16, 1999

CHAPTER 10

HOUSE BILL NO. 1010

(Appropriations Committee)
(At the request of the Governor)

COUNCIL ON THE ARTS

AN ACT to provide an appropriation for defraying the expenses of the council on the arts and an appropriation of funds from the cultural endowment fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$373,579
Operating expenses	189,267
Equipment	14,000
Grants	<u>1,185,200</u>
Total all funds	\$1,762,046
Less estimated income	<u>981,800</u>
Total general fund appropriation	\$780,246

SECTION 2. APPROPRIATION. All income from the cultural endowment fund is hereby appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. ADDITIONAL INCOME - EMERGENCY COMMISSION APPROVAL. All income of the council on the arts in excess of the estimated income appropriated in section 1 of this Act is hereby appropriated to the council on the arts for the biennium beginning July 1, 1999, and ending June 30, 2001, and may be spent only upon authorization of the emergency commission.

Approved March 26, 1999

Filed March 26, 1999

CHAPTER 11

HOUSE BILL NO. 1011

(Appropriations Committee)
(At the request of the Governor)

HIGHWAY PATROL

AN ACT to provide an appropriation for defraying the expenses of the highway patrol.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Administration	\$1,996,541
Field operations	22,083,004
Law enforcement training academy	922,445
Total all funds appropriation	<u>\$25,001,990</u>
Less estimated income	15,695,754
Total general fund appropriation	<u>\$9,306,236</u>

SECTION 2. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$13,285,610, or so much of the sum as may be necessary, from the state highway fund that may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$170 per month for the biennium beginning July 1, 1999, and ending June 30, 2001. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid without the presentation of receipts or other memorandums at the time and in the same manner as salaries of members of the highway patrol are paid.

SECTION 4. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the highway patrol may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

Approved April 22, 1999
Filed April 22, 1999

CHAPTER 12

HOUSE BILL NO. 1012

(Appropriations Committee)
(At the request of the Governor)

DEPARTMENT OF TRANSPORTATION

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the department of transportation; to provide an appropriation to the department of corrections and rehabilitation; to provide for a legislative council study; to create and enact a new section to chapter 39-04 of the North Dakota Century Code, relating to commemorative Lewis and Clark number plates; and to amend and reenact sections 39-04-08.1, 39-04-11, and subsection 4 of section 39-04-19 of the North Dakota Century Code, relating to the display of and fees for number plates and tabs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the department of transportation for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Administration	\$25,857,360
Motor vehicle	7,613,072
Driver's license	9,438,859
Highways	548,726,965
Fleet services	33,751,351
Total special funds	<u>\$625,387,607</u>

SECTION 2. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the director of the department of transportation may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 3. APPROPRIATION - ROUGHRIDER INDUSTRIES. There is hereby appropriated from special funds, derived from income, the sum of \$75,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for the purpose of defraying the expenses associated with the production of a Lewis and Clark commemorative license plate for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. LEGISLATIVE COUNCIL STUDY - FLEET SERVICES. The legislative council shall consider studying, during the 1999-2000 interim, the fleet services program of the department of transportation. The study should include a review, the cost-effectiveness of the program, and the methods used to project and set motor pool rates.

SECTION 5. LEGISLATIVE COUNCIL STUDY OF USED MOTOR VEHICLE DEALERS. During the 1999-2000 interim, the legislative council shall consider studying the licensing of used motor vehicle dealers, including fees, dealer plates, and insurance coverage. If the study is conducted, the legislative council shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 6. A new section to chapter 39-04 of the North Dakota Century Code is created and enacted as follows:

Commemorative Lewis and Clark number plates. The director shall design and issue a distinctive number plate commemorating Lewis and Clark. The director shall issue this plate upon application and payment of an additional fee of ten dollars. All additional fees collected under this section must be deposited in the highway fund.

SECTION 7. AMENDMENT. Section 39-04-08.1 of the North Dakota Century Code is amended and reenacted as follows:

39-04-08.1. Assignment of motor vehicle number plates. Motor vehicle number plates may not be assigned as a reward for any political activity, in recognition of any political affiliation or membership in any political party, or on the basis of political favoritism. However, an elected state office may be assigned a single or double digit number on a number plate as requested by that official. Except as provided in sections 39-04-10 and 39-04-10.3, the department shall charge a nonrefundable fee of ten dollars if an applicant chooses a number plate other than the number plate randomly assigned. The department of transportation ~~shall~~ may adopt rules governing the assignment of numbers on motor vehicle number plates in accordance with this section.

SECTION 8. AMENDMENT. Section 39-04-11 of the North Dakota Century Code is amended and reenacted as follows:

39-04-11. Display of number plates and tabs. Except as otherwise specifically provided, ~~no~~ a person may not operate or drive a vehicle on the public highways of this state unless the vehicle has a distinctive number assigned to it by the department, and two number plates, bearing the distinctive number conspicuously displayed, horizontally and in an upright position, one on the front and one on the rear of the vehicle, each securely fastened, except number plates assigned to a motorcycle, trailer, or housetrailer must be attached to the rear thereof. When only one number plate is furnished for an apportioned vehicle licensed under the international registration plan as authorized in section 39-19-04, truck tractor, or semitrailer, the plate must be attached to the front of the apportioned vehicle or truck tractor and the rear of the semitrailer. The bottom of each number plate must be at a height of not less than twelve inches [30.48 centimeters] above the level surface upon which the vehicle stands. Each plate must be mounted in a manner that does not cover any words, letter, or number on the plate. As far as is reasonably possible, the plates must at all times be kept free and clear of mud, ice, or snow so as to be clearly visible and all number plates, markers, or evidence of registration or licensing except for the current year must be removed from the vehicle. All vehicle license plates issued by the department continue to be the property of the state of North Dakota for the period for which the plates are valid. An annual registration tab or sticker for the current registration year must be displayed on each number plate, in the area designated by the department for the tab or sticker, in those years for which tabs or stickers are issued in lieu of number plates.

¹ **SECTION 9. AMENDMENT.** Subsection 4 of section 39-04-19 of the North Dakota Century Code is amended and reenacted as follows:

4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter must be furnished registration plates upon the payment of a twenty dollar annual fee. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter must be furnished an identification plate upon the payment of a fee of five dollars. Upon the request of a person with a trailer or farm trailer to whom a registration or identification plate is provided under this subsection, the department shall provide a plate of the same size as provided for a motorcycle. The department shall provide notification of this option to the person before the replacement or issuance of the plate.

Approved April 22, 1999
Filed April 22, 1999

¹ Section 39-04-19 was also amended by section 1 of House Bill No. 1312, chapter 335, and section 1 of House Bill No. 1183, chapter 336.

CHAPTER 13

HOUSE BILL NO. 1013

(Appropriations Committee)
(At the request of the Governor)

COMMISSIONER OF UNIVERSITY AND SCHOOL LANDS

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to declare legislative intent regarding priorities of the state abandoned property office administrator; and to amend and reenact subsection 2 of section 47-30.1-30 and section 47-30.1-32 of the North Dakota Century Code, relating to unclaimed property records and appeals.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from the state lands maintenance fund and the lands and minerals trust fund in the state treasury, not otherwise appropriated, and other income to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Assets management	\$2,415,900
Energy development impact office	<u>5,000,000</u>
Total special funds	<u>\$7,415,900</u>

SECTION 2. OIL AND GAS IMPACT GRANT FUND. The amount of \$5,000,000, or so much of the amount as may be necessary, included in the total special funds appropriated in section 1 of this Act may be spent from the oil and gas impact grant fund by the commissioner of university and school lands for the purpose of providing oil and gas development impact grants and the administration of the oil and gas development impact grant program for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. GRANTS. Section 54-44.1-11 does not apply to appropriations made for oil impact grants in section 1 of this Act.

SECTION 4. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the commissioner of university and school lands may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 5. LEGISLATIVE INTENT - UNCLAIMED PROPERTY EXAMINATIONS - REPORT TO THE FIFTY-SEVENTH LEGISLATIVE ASSEMBLY. It is the intent of the fifty-sixth legislative assembly that the administrator of the state abandoned property office give priority to unclaimed property holder education programs and, when conducting examinations under North Dakota Century Code

chapter 47-30.1, the administrator give priority to examinations of financial institutions and hospitals. The administrator shall report to the fifty-seventh legislative assembly on abandoned property examinations conducted during the 1999-2001 biennium.

SECTION 6. AMENDMENT. Subsection 2 of section 47-30.1-30 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The administrator, at reasonable times and upon reasonable notice, may examine the records of any person to determine whether the person has complied with this chapter. The administrator may not require a person to provide records for a period exceeding the current year and seven preceding fiscal years. The administrator may conduct the examination even if the person believes ~~it~~ that person is not in possession of any property reportable or deliverable under this chapter. The administrator may not contract for an examination done within this state.

SECTION 7. AMENDMENT. Section 47-30.1-32 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

47-30.1-32. Enforcement - Appeals. The administrator may bring an action in a court of competent jurisdiction to enforce this chapter. A person in this state who is aggrieved by an audit that in any form requests the payment of money or a civil penalty is entitled to a hearing before the board of university and school lands. A demand for a hearing must be made within thirty days of the request by the administrator. The request by the administrator must contain notice of the right to a hearing. The board's decision is the final order of the agency and is appealable to the district court. Any amount of money requested by the administrator which may increase over time is tolled at the time of filing an appeal, retroactive to the date of the request.

Approved April 14, 1999

Filed April 15, 1999

CHAPTER 14

HOUSE BILL NO. 1014

(Appropriations Committee)
(At the request of the Governor)

CHILDREN'S SERVICES COORDINATING COMMITTEE

AN ACT to provide an appropriation for defraying the expenses of the children's services coordinating committee; to provide for a legislative council study; to provide a statement of legislative intent; and to create and enact a new section to chapter 54-56 of the North Dakota Century Code, relating to the children's services coordinating committee operating fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from federal funds and other income to the children's services coordinating committee for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$70,161
Operating expenses	57,339
Grants	<u>6,622,500</u>
Total all funds	<u>\$6,750,000</u>

SECTION 2. GRANTS - BUDGET SECTION APPROVAL. Of the \$6,622,500 appropriated in the grants line item in section 1 of this Act, the children's services coordinating committee shall provide grants of \$200,000 to the native American alcohol and drug abuse education program during the biennium beginning July 1, 1999, and ending June 30, 2001. Any other statewide grants distributed by the committee, unless specifically approved by the legislative assembly, are subject to budget section approval.

SECTION 3. ADDITIONAL INCOME - EMERGENCY COMMISSION APPROVAL. All income of the children's services coordinating committee in excess of the estimated income line item appropriated in section 1 of this Act is hereby appropriated to the children's services coordinating committee for the biennium beginning July 1, 1999, and ending June 30, 2001, and may be spent only upon authorization of the emergency commission.

SECTION 4. LEGISLATIVE INTENT - FUNCTION OF REGIONAL AND TRIBAL CHILDREN'S SERVICES COORDINATING COMMITTEES. It is the intent of the legislative assembly that each regional and tribal children's services coordinating committee function as a regional planning committee to monitor and coordinate children's services in each region and that the regional and tribal children's services coordinating committees not directly provide services or programs.

SECTION 5. FEDERAL FUND ALLOCATIONS - EMERGENCY COMMISSION APPROVAL. Of the \$7,500,000 of federal funds estimated to be generated as a result of participating entities claiming federal administrative cost

reimbursements through the department of human services, the following allocations are made for the biennium beginning July 1, 1999, and ending June 30, 2001:

AGENCY/ORGANIZATION	ALLOCATION
Department of human services	10 percent
Children's services coordinating committee - Administration	1.7 percent
Children's services coordinating committee - Grants to regional and tribal children's services coordinating committees for administrative costs	18 percent
Children's services coordinating committee - Grants to regional and tribal children's services coordinating committees for collaboration efforts	2 percent
Regional and tribal children's services coordinating committees - Grants, including those to participating entities	62.3 percent, includes 20 percent that is returned to participating entities
Children's services coordinating committee - Statewide grants	6 percent

If less than \$7,500,000 is generated as a result of participating entities claiming federal administrative cost reimbursements for the 1999-2001 biennium, the children's services coordinating committee shall proportionately reduce the percentage allocations for statewide grants and regional and tribal children's services coordinating committee grants to generate the funds necessary to provide \$127,500 for children's services coordinating committee administration for the 1999-2001 biennium, \$1,350,000 for grants to regional and tribal committees for administrative costs for the 1999-2001 biennium, and \$150,000 for grants to regional and tribal children's services coordinating committees for collaboration efforts for the 1999-2001 biennium under this section. Any federal funds received by the state as a result of participating entities claiming federal administrative cost reimbursements through the department of human services in excess of \$7,500,000 for the biennium beginning July 1, 1999, and ending June 30, 2001, must be distributed, subject to emergency commission approval as follows:

AGENCY/ORGANIZATION	ALLOCATION
Regional and tribal children's services coordinating committees - Grants, including those to participating entities	100 percent, includes 20 percent that is returned to participating entities

SECTION 6. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the uses of funds appropriated to the children's services coordinating committee including:

1. A review of the uses of the funding received by the regional and tribal children's services coordinating committees and the appropriate level of administrative costs for these committees.
2. A review of the entities involved in generating "refinancing" funds and how the "refinancing" funding returned to them is being used.

SECTION 7. A new section to chapter 54-56 of the North Dakota Century Code is created and enacted as follows:

Operating fund balance. The children's services coordinating committee may not maintain an unobligated operating fund balance, excluding income received during the final thirty days of each fiscal year, which exceeds fifty thousand dollars or twenty percent of annual income allocated for its administrative costs and statewide grants, whichever is less, at the end of each fiscal year.

Approved April 14, 1999

Filed April 14, 1999

CHAPTER 15

HOUSE BILL NO. 1015

(Appropriations Committee)
(At the request of the Governor)

INDUSTRIAL COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the state industrial commission; to provide a continuing appropriation; to authorize transfers; to provide for a report to the budget section; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

Salaries and wages	\$5,838,079
Operating expenses	1,754,234
Equipment	149,520
Grants	10,450,000
Administrative contingency	10,000
Bond payments	15,891,168
Geophysical exploration	<u>245,102</u>
Total all funds	\$34,338,103
Less estimated income	<u>13,767,635</u>
Total general fund appropriation	<u>\$20,570,468</u>

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

Salaries and wages	\$14,394,153
Operating expenses	10,835,600
Equipment	500,000
Capital improvements	105,000
Contingency	<u>1,500,000</u>
Total appropriation from Bank of North Dakota fund	<u>\$27,334,753</u>

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

Partnership in assisting community expansion fund	\$6,000,000
Agriculture partnership in assisting community expansion fund	1,500,000
Beginning entrepreneur loan guarantee program	10,000
Beginning farmer	<u>1,000,000</u>
Total general fund appropriation	<u>\$8,510,000</u>

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

Salaries and wages	\$12,390,674
Operating expenses	7,834,814
Contingency	250,000
Agriculture promotion	50,000
Total appropriation from mill and elevator fund	\$20,525,488

Subdivision 5.

HOUSING FINANCE AGENCY

Salaries and wages	\$2,733,217
Operating expenses	2,570,690
Equipment	75,000
Grants	18,213,040
Contingency	100,000
Total appropriation from housing finance agency fund	\$23,691,947
Grand total general fund appropriation H. B. 1015	\$29,080,468
Grand total special funds appropriation H. B. 1015	\$85,319,823
Grand total all funds appropriation H.B. 1015	\$114,400,291

SECTION 2. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 1 of this Act, there is hereby appropriated any additional income or unanticipated income from federal or other funds that may become available to the agency for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the industrial commission in subdivision 1 of section 1 of this Act, there is hereby appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the industrial commission under chapters 4-36 and 54-17.2 and section 54-17-25, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. TRANSFER. The sum of \$66,473, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the North Dakota mill and elevator association. The moneys must be transferred during the biennium beginning July 1, 1999, and ending June 30, 2001, upon order of the industrial commission.

SECTION 5. TRANSFER. The sum of \$86,706, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the accumulated and undivided profits of the Bank of North Dakota. The moneys must be transferred during the biennium beginning July 1, 1999, and ending June 30, 2001, upon order of the industrial commission.

SECTION 6. TRANSFER. The sum of \$57,803, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the housing finance agency fund. The moneys must be transferred during the biennium beginning July 1, 1999, and ending June 30, 2001, upon order of the industrial commission.

SECTION 7. TRANSFER. The sum of \$20,231, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the revenues of the municipal bond

bank. The available moneys must be transferred during the biennium beginning July 1, 1999, and ending June 30, 2001, upon order of the industrial commission.

SECTION 8. INCOME AUTHORIZATION - STUDENT LOAN TRUST. There is hereby authorized the receipt of fees by the industrial commission in the sum of \$66,675, or so much of the sum as is owed, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, from the student loan trust for administrative services rendered by the industrial commission to the extent permitted by sections 54-17-24 and 54-17-25. The fees must be received during the biennium beginning July 1, 1999, and ending June 30, 2001, upon order of the industrial commission.

SECTION 9. TRANSFER. The industrial commission shall transfer to the general fund in the state treasury, the sum of \$3,000,000 from the North Dakota mill and elevator association. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - APPROPRIATION - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$500,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line items in subdivision 1 of section 1 of this Act, is from the lignite research fund for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and jobs or that will lead to increased development of lignite and its products and create new jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching environmental studies and activities, and studies and activities that assist with marketing of lignite-based electricity, and lignite-based byproducts. Moneys not needed for the purposes stated herein are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 11. LEGISLATIVE INTENT - LEASE PAYMENTS. The amount of \$15,891,168 included in subdivision 1 of section 1 of this Act in the bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 1999, and ending June 30, 2001:

Higher education institutions	\$1,190,590
General fund	13,952,899
Job service North Dakota	345,330
Federal portion for southeast human service center	131,331
Veterans' home improvement fund	<u>271,018</u>
Total	\$15,891,168

SECTION 12. APPROPRIATION - TRANSFER. The funds appropriated by subdivision 3 of section 1 of this Act must be transferred by the Bank of North Dakota to the partnership in assisting community expansion fund established by section 6-09.14-02; the agricultural partnership in assisting community expansion fund established by section 6-09.13-04; and the beginning farmer loan fund established by section 6-09-15.5, unless the beginning farmer loan fund is consolidated into the Bank of North Dakota, in the amounts set out in that subdivision. The Bank of North

Dakota may not be construed to be a general fund agency because of the appropriation made by subdivision 3 of section 1 of this Act.

SECTION 13. PACE AND AG PACE FUND TRANSFERS. Notwithstanding any other provision of law, the industrial commission may transfer any unobligated funds between the partnership in assisting community expansion fund and the agriculture partnership in assisting community expansion fund during the period beginning January 1, 2001, and ending June 30, 2001.

SECTION 14. BUDGET SECTION REPORT ON HOME MORTGAGE FINANCE PROGRAMS. The industrial commission and the Indian affairs commission shall report to the budget section regarding the status of home mortgage finance programs of the housing finance agency available within Indian reservations located within the state of North Dakota. Reports must be presented to the budget section at its first meeting of the 1999-2000 interim and subsequently thereafter as requested by the chairman of the budget section.

SECTION 15. EMERGENCY. The appropriation in subdivision 3 of section 1 and the transfer in section 12 of this Act for the partnership in assisting community expansion fund and section 14 are declared to be an emergency measure.

Approved April 14, 1999
Filed April 15, 1999

CHAPTER 16

HOUSE BILL NO. 1016

(Appropriations Committee)
(At the request of the Governor)

DEPARTMENT OF CORRECTIONS AND REHABILITATION

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 2 of section 12.1-32-07 and subsection 5 of section 19-03.1-23 of the North Dakota Century Code, relating to the supervision of probationers and sentencing for drug offenses; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

CENTRAL OFFICE

Salaries and wages	\$865,070
Operating expenses	118,682
Equipment	<u>26,950</u>
Total general fund appropriation	\$1,010,702

Subdivision 2.

JUVENILE SERVICES

Salaries and wages	\$9,552,045
Operating expenses	4,344,374
Equipment	123,571
Capital improvements	74,500
Grants	2,870,900
Delinquency prevention consortium	<u>200,000</u>
Total all funds	\$17,165,390
Less estimated income	<u>5,839,216</u>
Total general fund appropriation	\$11,326,174

Subdivision 3.

ADULT SERVICES

Victim services	\$2,609,036
Institutional offender services	821,649
Community offender services	9,836,759
Support services	19,350,252
Program services	3,833,361
Security and safety	20,465,352
Roughrider industries	<u>7,521,794</u>
Total all funds	\$64,438,203

Less estimated income	14,865,710
Total general fund appropriation	\$49,572,493
Grand total general fund appropriation H.B. 1016	\$61,909,369
Grand total special funds appropriation H.B. 1016	\$20,704,926
Grand total all funds appropriation H.B. 1016	\$82,614,295

SECTION 2. TRANSFER AUTHORITY - BUDGET SECTION APPROVAL.

Upon approval of the budget section, the director of the department of corrections and rehabilitation may transfer appropriation authority contained in the various subdivisions in section 1 of this Act.

SECTION 3. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the director of the department of corrections and rehabilitation may transfer between the various line items in subdivision 3 of section 1 of this Act, appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 4. LAND BOARD DISTRIBUTIONS. Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the youth correctional center all income from permanent funds managed for the benefit of that institution.

SECTION 5. CAPITAL PROJECT - ADULT SERVICES DIVISION. The support services line item in subdivision 3 of section 1 of this Act includes up to \$198,000 from the state general fund which must be used by the department of corrections and rehabilitation for the construction of a security fence around the roughrider industries building at the penitentiary during the 1999-2001 biennium.

² **SECTION 6. AMENDMENT.** Subsection 2 of section 12.1-32-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The conditions of probation must be such as the court in its discretion deems reasonably necessary to ensure that the defendant will lead a law-abiding life or to assist the defendant to do so. The court shall provide as an explicit condition of every probation that the defendant not commit another offense during the period for which the probation remains subject to revocation. The court shall order supervision costs and fees of not less than ~~thirty~~ thirty-six dollars per month unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship.

SECTION 7. AMENDMENT. Subsection 5 of section 19-03.1-23 of the North Dakota Century Code is amended and reenacted as follows:

5. A violation of this chapter or a law of another state or the federal government which is equivalent to an offense under this chapter committed while the offender was an adult and which resulted in a plea or finding of guilt must be considered a prior offense under

² Section 12.1-32-07 was also amended by section 2 of Senate Bill No. 2305, chapter 124.

subsections 1, 3, and 4. The prior offense must be alleged in the complaint, information, or indictment. The plea or finding of guilt for the prior offense must have occurred before the date of the commission of the offense or offenses charged in the complaint, information, or indictment.

SECTION 8. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from federal funds to the department of corrections and rehabilitation for the purpose of defraying its expenses for the period beginning with the effective date of this Act and ending June 30, 1999, as follows:

Operating expenses	\$15,000
Equipment	<u>18,209</u>
Total special funds	\$33,209

SECTION 9. EFFECTIVE DATE. Section 6 of this Act is effective for fees collected after December 31, 2000, for offenses committed after June 30, 1999.

SECTION 10. EMERGENCY. Sections 7 and 8 of this Act are declared to be an emergency measure.

Approved April 22, 1999

Filed April 22, 1999

CHAPTER 17

HOUSE BILL NO. 1017

(Appropriations Committee)
(At the request of the Governor)

JOB SERVICE NORTH DAKOTA

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota; to provide for a report to the budget section; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$31,431,972
Operating expenses	11,237,676
Equipment	887,100
Capital improvements	493,553
Grants	7,977,253
Work Force 2000	1,250,676
Total all funds	<u>\$53,278,230</u>
Less estimated income	<u>52,028,230</u>
Total general fund appropriation	<u>\$1,250,000</u>

SECTION 2. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from federal funds, to job service North Dakota for the purpose of defraying its expenses, for the period beginning with the effective date of this Act and ending June 30, 1999, as follows:

Operating expenses	\$707,580
Equipment	<u>460,600</u>
Total special funds	<u>\$1,168,180</u>

SECTION 4. WORK FORCE 2000 ALLOCATIONS. For the year beginning July 1, 1999, a minimum of \$100,000, of the \$1,250,676 provided for work force 2000, must be available for projects in areas of the state that are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. Any work force 2000 funds remaining after June 30, 2000, may be used for projects in any area of the state.

SECTION 5. WORK FORCE 2000. The work force 2000 funding contained in section 1 of this Act is only to be used by job service North Dakota for training to assist expanding businesses, new businesses creating new jobs, training which requires substantive instruction resulting from the introduction of new technologies or equipment, or training related to significant changes in business operations or production methods.

SECTION 6. ASBESTOS SETTLEMENT FUNDS - REPORT TO BUDGET SECTION. Job service North Dakota is to deposit all asbestos settlement proceeds in a special asbestos abatement fund. All earnings on the asbestos abatement fund are to be deposited in the asbestos abatement fund. The asbestos abatement fund shall only be used for job service North Dakota asbestos abatement projects. Funds in the asbestos abatement fund may only be spent pursuant to legislative appropriation. Job service North Dakota shall report to the budget section on the status of its asbestos abatement project.

SECTION 7. DEPARTMENT OF LABOR WAIVER. Job service North Dakota shall seek a waiver from the federal department of labor for the authority to use excess administrative funding, created through administrative efficiencies, for program costs.

SECTION 8. PUBLIC TRANSPORTATION PROVIDER PAYMENTS. Job service North Dakota shall reimburse, upon receipt of a detailed billing, public transportation providers for transportation services provided to welfare-to-work recipients. The rate of reimbursement must be at the same rate the public transportation provider charges to non-welfare-to-work recipients using the public transportation services. Total reimbursements to public transportation providers may not exceed \$225,000 per biennium.

SECTION 9. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

Approved April 16, 1999
Filed April 16, 1999

CHAPTER 18

HOUSE BILL NO. 1018

(Appropriations Committee)

(At the request of the Governor)

OFFICE OF ADMINISTRATIVE HEARINGS

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings; and to authorize a loan from the Bank of North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys from special funds derived from billing agencies for services, to the office of administrative hearings for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$605,464
Operating expenses	790,697
Equipment	26,350
Total special fund appropriation	\$1,422,511

SECTION 2. OFFICE OF ADMINISTRATIVE HEARINGS - LOAN FROM BANK OF NORTH DAKOTA - APPROPRIATION OF LOAN REPAYMENT.

Notwithstanding any other provision of law, the office of administrative hearings may borrow up to \$150,000, which amount is hereby appropriated from the Bank of North Dakota during the biennium beginning July 1, 1999, and ending June 30, 2001. The office of administrative hearings shall inform the office of management and budget of any loan required pursuant to this section. A loan made to the office of administrative hearings under this section must be repaid to the Bank of North Dakota by June 30, 2001, and any loan repayments made by the office of administrative hearings are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001. The office of administrative hearings may include any related interest costs in agency billings for services.

Approved April 7, 1999

Filed April 8, 1999

CHAPTER 19

HOUSE BILL NO. 1019

(Appropriations Committee)
(At the request of the Governor)

ECONOMIC DEVELOPMENT AND FINANCE

AN ACT to provide an appropriation for defraying the expenses of the department of economic development and finance and to the agricultural products utilization commission for grants; to provide for transfers of funds; to authorize a mutual fund capital pool; to create and enact a new subsection to section 54-44.3-20 of the North Dakota Century Code, relating to excepting officers and employees of the department of economic development and finance from the state classified service; to amend and reenact sections 4-14.1-03.1, 4-14.1-07, and 57-43.1-03.1 of the North Dakota Century Code, relating to grant repayments and ethanol plant production incentives for fuel used for agricultural purposes; to provide for a legislative council study; to provide legislative intent; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of economic development and finance for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$2,548,086
Operating expenses	2,158,447
Equipment	96,358
Grants	1,968,061
North Dakota development fund	750,000
Agricultural products utilization	<u>3,985,911</u>
Total all funds	\$11,506,863
Less estimated income	<u>3,693,075</u>
Total general fund appropriation	\$7,813,788

SECTION 2. APPROPRIATION. There is hereby appropriated out of any moneys in the agricultural fuel tax fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the agricultural products utilization commission for the purpose of obtaining assistance in resolving beef industry trade issues, for the biennium beginning July 1, 1999, and ending June 30, 2001. Notwithstanding any other provisions of law, the agricultural products utilization commission may use these funds to obtain the assistance of the ranchers and cattlemen action legal foundation.

SECTION 3. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. All income received in excess of the amounts appropriated in section 1 of this Act relating to agricultural products utilization commission activities is hereby appropriated to the agricultural products utilization commission for research, marketing, and utilization grants for the biennium beginning July 1, 1999, and ending

June 30, 2001. Any funds received require the approval of the emergency commission before they may be expended.

SECTION 4. AGRICULTURAL FUEL TAX FUND. The estimated income line item in section 1 of this Act includes \$995,046 from the agricultural fuel tax fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. HIGHWAY TAX DISTRIBUTION FUND - ETHANOL PRODUCTION INCENTIVES - INFORMATION FILED WITH BUDGET SECTION - CONTINGENT TRANSFER. The estimated income line item in section 1 of this Act includes \$1,507,000, or so much of the amount as may be necessary, from the highway tax distribution fund for the ethanol production incentive program. Of this amount, \$1,500,000 is for the purpose of providing production incentives and \$7,000 is for audits of the use of these funds for the biennium beginning July 1, 1999, and ending June 30, 2001. Distribution from the appropriation in section 1 of this Act to the producers of agriculturally-derived fuel must be at the rate of forty cents for each gallon of agriculturally-derived fuel produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota. For purposes of this section, "gallon of agriculturally-derived fuel" means a gallon [3.79 liters] of fuel that qualifies for the alcohol credit under 26 U.S.C. 40, specifically including fuel to which a denaturant has been added. Payment to the producing plant must be approved by the agricultural products utilization commission upon presentation by the plant of an affidavit to the effect that the ethanol sold from the plant and for which the producer's credit is being sought is to be sold at retail to consumers in North Dakota. The affidavit of the producer of the ethanol must be accompanied by an affidavit from the wholesaler or retailer to the same effect. Within ninety days after the end of each fiscal year of the ethanol plant beginning after December 31, 1992, any North Dakota ethanol plant receiving production incentives from the state shall file with the budget section of the legislative council a statement, certified by a certified public accountant, as to whether the plant produced a profit from its operation in the preceding fiscal year, after deducting the payments received from this incentive program. If, at the end of each fiscal year, funding appropriated for the ethanol incentive payments is not spent, the director of the office of management and budget shall transfer from the highway tax distribution fund the amount of unspent funds deposited into the fund pursuant to provisions of section 57-43.1-03.1 to the agricultural fuel tax fund for the agricultural products utilization commission for the purpose of providing grants as provided by law.

SECTION 6. EXEMPTION. The funds appropriated in the agricultural products utilization line item in section 1 of this Act are not subject to section 54-44.1-11 and any unexpended funds from this line item relating to grants awarded may be available for continued payment of grant awarded but not paid during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. LEGISLATIVE INTENT - ETHANOL INCENTIVE PAYMENTS. It is the intent of the legislative assembly that of the appropriation of \$1,500,000 contained in section 1 of this Act for ethanol incentives, a maximum of \$750,000 may be paid annually to the producers of agriculturally-derived fuel during the 1999-2001 biennium. For purposes of this section "agriculturally-derived fuel" means fuel that qualifies for the alcohol credit under 26 U.S.C. 40, specifically including fuel to which a denaturant has been added.

SECTION 8. NORTH DAKOTA DEVELOPMENT FUND ALLOCATIONS. The \$750,000 transferred to the North Dakota development fund must be dedicated for projects as follows: forty percent businesses in rural areas, forty percent businesses in urban areas, and twenty percent North Dakota American Indian

businesses. Any unused funds in any category may be transferred to another category during the second year of the biennium under rules adopted by the director of the department of economic development and finance. The director of the department of economic development and finance may reallocate up to twenty percent of any region's available remaining balance of regional rural development revolving loan funds to another region or regions for the biennium beginning July 1, 1999, and ending June 30, 2001. Of the amount available in the North Dakota development fund, \$4,000,000 or the unobligated balance on July 1, 1999, relating to the transfer of regional rural development revolving loan fund moneys, must continue to be dedicated for the purpose of providing financial assistance, research and development assistance, and loans or equity or debt financing on a matching basis to new or expanded primary sector businesses in areas of the state that are not within five miles [8.05 kilometers] of any city with a population of more than eight thousand. These funds must be allocated for the benefit of each of the areas delineated as regions by executive order of the governor pursuant to section 54-40.1-02.

SECTION 9. ECONOMIC DEVELOPMENT FUNDS - WAGE REQUIREMENTS. Any political subdivision or economic development authority may adopt a minimum wage requirement for any new business or business expansion in which a majority of the capital is provided by the North Dakota development fund and its own local development funds. These wage requirements may be imposed on all or any portion of the employees and may exceed federal minimum wage requirements.

SECTION 10. AMENDMENT. Section 4-14.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03.1. Agricultural products utilization commission - Authority. The North Dakota agricultural products utilization commission may apply for, accept, and expend any appropriation, grant, gift, or service made available from public or private sources consistent with the purpose of this chapter. The commission may administer grant programs consistent with the purpose of this chapter including a basic and applied research grant program, utilization and marketing grant program, cooperative marketing grant program, farm diversification grant program, agricultural prototype development grant program, and a North American marketing grant program. The commission may require, by contract, repayment of a grant, in whole or in part, if the grant recipient does not fulfill the conditions under which the grant was awarded.

³ **SECTION 11. AMENDMENT.** Section 4-14.1-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-14.1-07. Duration and limitation of ethanol plant production incentives. Notwithstanding any other provision of law, an ethanol plant may not receive production incentives except as permitted under this section.

1. An ethanol plant that was in operation before July 1, 1995, may not receive production incentives in the form of direct payments from the state for more than ~~five~~ twelve fiscal years of operation after June 30,

³ Section 4-14.1-07 was also amended by section 23 of Senate Bill No. 2015, chapter 37.

1995. An ethanol plant that begins operation after June 30, 1995, may not receive production incentives in the form of direct payments from the state for more than ~~ten~~ twelve fiscal years of operation. After December 31, ~~2007~~ 2009, the state may not provide production incentives in the form of direct payments to any ethanol plant.

2. An ethanol plant that was in operation before July 1, 1995, and which produced fewer than fifteen million gallons [56781000 liters] of ethanol in the previous fiscal year may receive up to ~~one million~~ seven hundred fifty thousand dollars in production incentives from the state for production in a fiscal year. ~~An ethanol plant that was in operation before July 1, 1995, and which produced fifteen million gallons [56781000 liters] or more of ethanol in the previous fiscal year and an ethanol plant that begins operation after June 30, 1995, are each eligible to receive an equal share in up to five hundred thousand dollars in production incentives from the state for production in a fiscal year.~~

⁴ **SECTION 12.** A new subsection to section 54-44.3-20 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Officers and employees of the department of economic development and finance.

SECTION 13. AMENDMENT. Section 57-43.1-03.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.1. (Effective until December 31, ~~1999~~ 2001) Refund of tax for fuel used for agricultural purposes - Reductions. Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund under this section must be reduced by seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund, one cent per gallon [3.79 liters] withheld from the refund must be retained in the highway tax distribution fund, and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.

(Effective January 1, ~~2000~~ 2002) Refund of tax for fuel used for agricultural purposes - Reductions. Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund under this section must be reduced by six cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund and four cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.

SECTION 14. MUTUAL FUND CAPITAL POOL - AUTHORIZATION. The department of economic development and finance, in conjunction with the

⁴ Section 54-44.3-20 was also amended by section 45 of House Bill No. 1188, chapter 162, and section 1 of Senate Bill No. 2291, chapter 473.

agricultural products utilization commission, may establish a mutual fund capital pool to attract farm and nonfarm investments in value-added processing projects.

SECTION 15. APPROPRIATION - CONTINGENT ETHANOL INCENTIVE PAYMENTS. In addition to the ethanol incentive payments provided in section 1 of this Act and notwithstanding any other sections of law, there is hereby appropriated \$300,000, or so much of the sum as may be necessary, from the highway tax distribution fund for the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing production incentives to any ethanol plant that becomes operational after July 1, 1999. An eligible plant shall receive ten cents for each gallon of agriculturally derived fuel as defined in this Act produced in the state which is marketed by the producing plant to a distributor or wholesaler for sale within North Dakota.

SECTION 16. LEGISLATIVE COUNCIL STUDY - ECONOMIC DEVELOPMENT AND FINANCE EFFORTS. The legislative council shall consider studying during the 1999-2000 interim the economic development efforts in the state, including the provision of economic development services statewide and the related effectiveness, the potential for the privatization of the department of economic development and finance, and the appropriate location of the North Dakota development fund, including the potential transfer of the fund to the Bank of North Dakota.

SECTION 17. LEGISLATIVE INTENT - GRANT ALLOCATION - UNITED STATES DEPARTMENT OF AGRICULTURE DESIGNATED CHAMPION COMMUNITIES. It is the intent of the legislative assembly that \$50,000 of the grants line item in section 1 of this Act be allocated to provide matching funds on a dollar-for-dollar basis to United States department of agriculture designated champion communities for the funding of an economic development coordinator employed by the champion communities to assist in economic development. Local matching funds may be in cash or in-kind contributions.

SECTION 18. LEGISLATIVE INTENT - GRANTS LINE ITEM. It is the intent of the legislative assembly that \$150,000 of the grants line item in section 1 of this Act be available for the manufacturing technology partnership.

SECTION 19. EFFECTIVE DATE. Section 13 of this Act is effective for refund claims for motor vehicle fuel taxes paid after December 31, 1998.

Approved April 22, 1999
Filed April 22, 1999

CHAPTER 20**HOUSE BILL NO. 1020**

(Appropriations Committee)
(At the request of the Governor)

**BOARD FOR VOCATIONAL AND TECHNICAL
EDUCATION**

AN ACT to provide an appropriation for defraying the expenses of the state board for vocational and technical education.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for vocational and technical education for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$2,688,484
Operating expenses	567,192
Equipment	60,000
Grants	23,788,522
Adult farm management	525,760
Postsecondary education vocational grants	357,452
Total all funds	\$27,987,410
Less estimated income	15,733,019
Total general fund appropriation	\$12,254,391

SECTION 2. LEGISLATIVE INTENT - FARM MANAGEMENT PROGRAM FEES. It is the intent of the fifty-sixth legislative assembly that all fees collected for farm management programs pursuant to sections 6-09.10-02.1 and 6-09.10-06 be transferred to the state board for vocational and technical education. The state board for vocational and technical education shall distribute the fees as it determines necessary to state agencies and organizations involved in providing farm management programs.

Approved April 17, 1999
Filed April 19, 1999

CHAPTER 21

HOUSE BILL NO. 1021

(Appropriations Committee)
(At the request of the Governor)

EXTENSION SERVICE, CROPS INSTITUTE, TRANSPORTATION INSTITUTE, EXPERIMENT CENTERS, AND SEED FARM

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, and the experiment centers; to provide for dairy diagnostic teams; to provide statements of legislative intent; and to amend and reenact sections 4-05.1-02, 4-05.1-04, 4-05.1-16, 4-05.1-17, 4-05.1-18, 4-05.1-19, 4-05.1-21, and 4-08-10 of the North Dakota Century Code, relating to the state board of agricultural research.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, and the North Dakota agricultural experiment centers for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

Salaries and wages	\$24,795,190
Operating expenses	3,656,836
Equipment	517,850
Grants	<u>580,000</u>
Total all funds	\$29,549,876
Less estimated income	<u>16,732,669</u>
Total general fund appropriation	\$12,817,207

Subdivision 2.

NORTHERN CROPS INSTITUTE

Salaries and wages	\$878,518
Operating expenses	118,650
Equipment	<u>72,880</u>
Total all funds	\$1,070,048
Less estimated income	<u>407,957</u>
Total general fund appropriation	\$662,091

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

Salaries and wages	\$3,076,552
Operating expenses	2,268,108
Equipment	256,000

Grants	1,150,000
Total all funds	<u>\$6,750,660</u>
Less estimated income	6,268,240
Total general fund appropriation	<u>\$482,420</u>

Subdivision 4.

MAIN RESEARCH CENTER

Salaries and wages	\$37,935,339
Operating expenses	4,193,330
Equipment	1,532,746
Capital improvements	748,800
Agricultural research grants	2,000,000
Animal replacement	300,000
Total all funds	<u>\$46,710,215</u>
Less estimated income	20,553,068
Total general fund appropriation	<u>\$26,157,147</u>

Subdivision 5.

RESEARCH CENTERS

Dickinson research center	\$2,314,316
Central grasslands research center	1,379,963
Hettinger research center	1,297,740
Langdon research center	1,075,049
North central research center	1,301,950
Williston research center	1,123,230
Carrington research center	<u>2,435,452</u>
Total all funds	<u>\$10,927,700</u>
Less estimated income	3,921,409
Total general fund appropriation	<u>\$7,006,291</u>

Subdivision 6.

AGRONOMY SEED FARM

Agronomy seed farm	<u>\$1,202,339</u>
Total special funds appropriation	<u>\$1,202,339</u>
Grand total general fund appropriation H.B. 1021	\$47,125,156
Grand total special funds appropriation H.B. 1021	\$49,085,682
Grand total all funds appropriation H.B. 1021	<u>\$96,210,838</u>

SECTION 2. ADDITIONAL INCOME - APPROPRIATION. Any additional income including funds from the federal government and gifts and donations from private sources received by the North Dakota agricultural experiment station, northern crops institute, upper great plains transportation institute, and the North Dakota state university extension service, except as otherwise provided by law, is hereby appropriated for the purpose designated in the gift, grant, or donation for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11 and any unexpended funds from these appropriations or revenues are available and may be expended during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 4. TRANSFER AUTHORITY. The state board of higher education is authorized to approve transfer of funds between line items for each agency

included in section 1 of this Act and shall notify the office of management and budget within ten days following the transfer.

SECTION 5. TRANSFER AUTHORITY. Upon approval of the state board of higher education and the state board of agricultural research and education, the director of the North Dakota agricultural experiment station may transfer appropriation authority from subdivision 4 to subdivision 5 of section 1 of this Act and shall notify the office of management and budget within ten days.

SECTION 6. INITIATIVES - TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education, the director of the North Dakota agricultural experiment station may transfer appropriation authority of up to \$227,335 from subdivision 4 to subdivision 1 of section 1 of this Act and shall notify the office of management and budget within ten days.

SECTION 7. LEGISLATIVE INTENT - FULL-TIME EQUIVALENTS. The board of higher education is authorized to adjust or increase full-time equivalent positions as needed, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 2001-03 budget request.

SECTION 8. TRANSFER AUTHORITY. The state board of higher education is authorized to transfer to the entities in subdivisions 1 through 3 and subdivision 5 of section 1 of this Act from subdivision 4 of section 1 of this Act up to \$422,400 to provide salary adjustments. The state board of higher education shall notify the office of management and budget within ten days of the transfer.

SECTION 9. Dairy diagnostic teams. The North Dakota state university extension service shall appoint regional dairy diagnostic teams consisting of agricultural business management professionals, dairy extension specialists, and dairy industry partners such as nutrition specialists, reproductive specialists, and animal health specialists. At the request of a dairy producer, a dairy diagnostic team shall conduct a site visit, offer the dairy producer educational and technological assistance, and develop a strategic plan to enhance the producer's productivity and profitability.

SECTION 10. ESTIMATED INCOME - MAIN RESEARCH CENTER - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of \$90,000, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of constructing chemical handling facilities at select research centers for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 11. ESTIMATED INCOME - TRANSPORTATION INSTITUTE - DEPARTMENT OF TRANSPORTATION. The estimated income line item in subdivision 3 of section 1 of this Act includes \$188,000 of federal strategic planning and research funds from the department of transportation. The director of the department of transportation may not transfer the \$188,000 of federal funds until the director of the upper great plains transportation institute has certified to the department of transportation that the institute has raised \$100,000 to supplement the federal funds available from the department of transportation for the strategic freight transportation analysis for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 12. LEGISLATIVE INTENT - SOIL CONSERVATION DISTRICT SUPERVISOR TRAINING. It is the intent of the fifty-sixth legislative assembly that the NDSU extension service use the funding provided for the soil conservation leadership initiative only for providing training to soil conservation district supervisors and that the training address specific issues and concerns of the local district supervisors for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 13. STATE BOARD OF AGRICULTURAL RESEARCH AND EDUCATION - REPORT TO LEGISLATIVE COUNCIL. The state board of agricultural research and education shall report periodically to the legislative council or a committee designated by the council on its activities associated with researching and developing market opportunities for biotechnologically enhanced crops for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 14. AMENDMENT. Section 4-05.1-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-02. Agricultural experiment station. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota agricultural experiment station subject to the supervision of the state board of higher education. Funds appropriated to the agricultural experiment station may not be commingled with funds appropriated to North Dakota state university. Appropriation requests to defray expenses of the agricultural experiment station must be separate from appropriation requests to defray expenses of North Dakota state university.

SECTION 15. AMENDMENT. Section 4-05.1-04 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-04. Reports. Each center director shall submit an annual report to the station director as directed by the state board of agricultural research and education. Each report must set forth in detail the investigations and experiments made during the preceding year, recommendations for the welfare of the center, the financial condition of the center, how all moneys have been expended, and the results of experiments. The station director shall submit these reports, with a report of the North Dakota state university main research center, to the state board of agricultural research and education and the state board of higher education on or before the first day of September of each year. If the state board of higher education submits a biennial report to the governor and the secretary of state in accordance with section 54-06-04, the report must include a composite of the reports from the main research center and each research extension center.

SECTION 16. AMENDMENT. Section 4-05.1-16 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-16. State board of agricultural research and education - Membership - Terms.

1. The state board of agricultural research and education consists of:
 - a. The president of North Dakota state university;
 - b. The vice president of agricultural affairs at North Dakota state university;
 - c. The administrator of the agricultural experiment station;

- d. The five persons appointed to the agricultural consultation board by the ag coalition and serving in that capacity on July 1, 1997;
 - e. The five persons appointed to the agricultural consultation board by the extension service's multicounty program units and serving in that capacity on July 1, 1997;
 - f. The two persons appointed to the agricultural consultation board by the president of North Dakota state university as representatives of the state's research extension centers and serving in that capacity on July 1, 1997;
 - g. The commissioner of agriculture, who serves in an ex officio nonvoting capacity; and
 - h. The director of the North Dakota state university extension service, ~~who serves in an ex officio capacity.~~
2.
 - a. The initial five members appointed by the ag coalition shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - b. The initial five members appointed by the extension service's multicounty program units shall select their terms by lot so that one member serves for one year, one member serves for two years, one member serves for three years, one member serves for four years, and one member serves for five years.
 - c. The two persons appointed as representatives of the state's research extension centers shall serve only through June 30, 1998.
 3. At the completion of each initial term, the term of office for each member is five years, beginning on July first. No person may be appointed to a second five-year term.
 4.
 - a. At least ninety days before the conclusion of the initial term of each member appointed by the ag coalition, the ag coalition shall provide to the state board of higher education a list of ~~two~~ one or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.
 - b. At least ninety days before the conclusion of the initial term of each member appointed by the extension service's multicounty program units, the units through their advisory groups shall provide to the state board of higher education a list of ~~two~~ one or more names from which the state board of higher education shall appoint a successor. Future appointments to these five positions must be made in the same manner. The state board of higher education shall ensure that four out of the five seats are held by agricultural producers.

SECTION 17. AMENDMENT. Section 4-05.1-17 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-17. Compensation of board members - Expenses. Each appointed member of the state board of agricultural research and education is entitled to receive sixty-two dollars and fifty cents per day as compensation for the time actually spent devoted to the duties of office and is entitled to receive necessary expenses in the same manner and amounts as state officials for attending meetings and performing other functions of office.

SECTION 18. AMENDMENT. Section 4-05.1-18 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-18. State board of agricultural research and education - Chairman - Meetings. The state board of agricultural research and education annually shall elect one of its members to serve as chairman. The board shall meet at the times and locations designated by the chairman in consultation with the vice president of agricultural affairs at North Dakota state university.

SECTION 19. AMENDMENT. Section 4-05.1-19 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-19. State board of agricultural research and education - Duties. Within the policies of the state board of higher education, the state board of agricultural research and education is responsible for the budgeting, supervision, and policymaking responsibilities associated with the supervision of the agricultural experiment station and the North Dakota state university extension service. The agricultural research and education board shall:

1. Determine the causes of any adverse economic impacts on crops and livestock produced in this state;
2. Develop ongoing strategies for the provision of research solutions to negate adverse economic impacts on crops and livestock produced in this state;
3. Make available financial resources, including grants and salaries, and make available equipment and facilities to implement the strategies developed under subsection 2, subject to approval by the state board of higher education;
4. Develop an annual budget for the operation of the agricultural experiment station and the North Dakota state university extension service;
5. Develop a biennial budget request and submit that request to the state board of higher education on or before March first of each even-numbered year;
6. Maximize the use of existing financial resources, equipment, and facilities to generate the greatest economic benefit from research and extension efforts and to promote efficiency;
7. Annually evaluate the results of research and extension activities and expenditures and report the findings to the legislative council and the state board of higher education;

8. Advise the administration of North Dakota state university regarding the recruitment and selection of the vice president of agricultural affairs, the extension service director, and the station director; and
9. ~~Advise the director of the extension service regarding~~ Develop ongoing strategies for the dissemination of research information and the best practices for management of the extension service.

SECTION 20. AMENDMENT. Section 4-05.1-21 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-05.1-21. State board of agricultural research and education - Apportionment of research funds.

1. The state board of agricultural research and education annually shall apportion the proceeds of the agricultural research fund as follows:
 - a. Seventy percent to research activities affecting North Dakota agricultural commodities that account for at least two percent of the gross sales of all agricultural commodities grown or produced in the state. The percentage of the dollars available for each agricultural commodity under this section may not exceed the percentage that the gross sales of the agricultural commodity bear to the North Dakota gross sales of all agricultural commodities grown or produced during the previous year, as determined by the agricultural statistics service;
 - b. Eighteen percent to research activities affecting North Dakota animal agriculture; and
 - c. Twelve percent to research activities affecting new and emerging crops in North Dakota.
2. The state board of agricultural research and education shall solicit proposals for research from the public and private sectors and shall appoint committees to review the proposals and award the agricultural research grants on a competitive basis. Each committee must consist of a majority of agricultural producers selected in consultation with the agricultural commodity groups representing commodities that are the subjects of the proposed research and may include researchers and other individuals knowledgeable about the proposed area of research. Whenever possible, the committees shall require that a grant recipient commit matching funds.
3. The state board of agricultural research and education shall develop policies regarding the award of research grants, including requirements for matching funds, cooperation with other in-state and out-of-state researchers, and coordination with other in-state and out-of-state proposed or ongoing research projects.

SECTION 21. AMENDMENT. Section 4-08-10 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-08-10. Extension agent to submit monthly account of expenditures.

The extension agent shall submit monthly an accurate itemized account of all expenditures incurred by the agent in the regular conduct of duties to the North Dakota state university extension service for examination and audit. When charges are made by an extension agent for money expended in the performance of official duties, all items of one dollar or more expended and charged for must be covered by a subvoucher or receipt that must be signed by the person to whom the money was paid. The subvoucher or receipt must show at what place, on what date, and for what the money expended was paid. The extension agent shall forward the subvouchers or receipts with the bill, claim, account, or demand against the county. When charges are made for transportation expenses, they may not exceed the amounts provided by section 11-10-15, and must be in itemized form showing the mileage traveled, the days when and how traveled, and the purpose thereof, verified by affidavit. The account must be transmitted and recommended for payment by the North Dakota state university extension service which shall audit the same and which may approve or disallow any expense item therein. The state board of agricultural research and education and the president of North Dakota state university shall control and administer the North Dakota state university extension service ~~is under the control,~~ and subject to the supervision, of the state board of higher education. Funds appropriated to the North Dakota state university extension service may not be commingled with funds appropriated to North Dakota state university. An appropriation request to defray expenses of the North Dakota state university extension service must be separate from an appropriation request to defray expenses of North Dakota state university.

Approved April 17, 1999

Filed April 19, 1999

CHAPTER 22

HOUSE BILL NO. 1022

(Appropriations Committee)
(At the request of the Governor)

CAPITAL IMPROVEMENTS

AN ACT to provide an appropriation for capital projects of various state departments and institutions; to authorize the industrial commission to issue and sell bonds for capital projects; to provide an appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, hereby declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, during the biennium beginning July 1, 1999, and ending June 30, 2001. The proceeds of the evidences of indebtedness and other available funds are hereby appropriated during the biennium beginning July 1, 1999, and ending June 30, 2001, for the following projects:

UND-Williston	Health and wellness center addition	\$4,500,000
North Dakota state university	Animal research facility	2,207,500
Department of corrections and rehabilitation	Pine cottage - Youth correctional center	1,475,000

The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2001. This authority of the industrial commission to issue evidences of indebtedness ends June 30, 2001, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and to comply with any covenants entered into before that date.

North Dakota state university may obtain and utilize federal funds to assist in the construction of an animal research facility at North Dakota state university. There is hereby appropriated to North Dakota state university the sum of \$2,207,500, or so much of the sum as may be necessary, from any federal or other funds that may become available for this project for the biennium beginning July 1, 1999, and ending June 30, 2001.

The department of corrections and rehabilitation may obtain and utilize federal funds to assist in the renovation of pine cottage at the youth correctional center. There is hereby appropriated to the department of corrections and rehabilitation the sum of \$500,000, or so much of the sum as may be necessary, from any federal or other funds that may become available for this project for the biennium beginning July 1, 1999, and ending June 30, 2001.

Grand total special funds appropriation	\$10,890,000
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SECTION 2. BOND ISSUANCE REPAYMENT RESPONSIBILITY. Of the total amount of evidences of indebtedness issued under the provisions of section 1 of this Act, a total of \$3,000,000 must be available from nongeneral fund sources to assist in the retirement of the evidences of indebtedness, issued for the project costs associated with construction of the projects authorized by this Act:

UND-Williston	\$3,000,000
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The university of North Dakota-Williston shall provide \$1,500,000 of funding towards the health and wellness center addition before construction may begin. The remaining \$1,500,000 of local responsibility is to be paid in ten annual payments of \$150,000.

If the project is reduced in size and funding, the local responsibility is to be reduced proportionately.

SECTION 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 22, 1999
Filed April 22, 1999

CHAPTER 23

SENATE BILL NO. 2001

(Appropriations Committee)
(At the request of the Governor)

GOVERNOR

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; and to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to the salaries of the governor and lieutenant governor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the governor, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$1,876,350
Operating expenses	198,870
Equipment	4,200
Contingency	10,000
Presidential electors	500
Governor's transition in	10,000
Governor's transition out	5,000
Rough rider awards	<u>10,800</u>
Total general fund appropriation	\$2,115,720

SECTION 2. APPROPRIATION - AUTHORIZATION - GOVERNOR'S OFFICE. The governor's office is hereby authorized to receive and expend any federal or private funds which are hereby appropriated which become available during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. AMENDMENT. Section 54-07-04 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor. The annual salary of the governor is ~~seventy-three~~ seventy-six thousand ~~one~~ eight hundred ~~seventy-six~~ seventy-nine dollars through June 30, ~~1998~~ 2000, ~~seventy-eight~~ seventy-eight thousand four hundred ~~seventeen~~ seventeen dollars through December 31, 2000, and ~~seventy-five~~ eighty-three thousand ~~three~~ thirteen dollars thereafter.

SECTION 4. AMENDMENT. Section 54-08-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor. The annual salary of the lieutenant governor is ~~sixty~~ sixty-three thousand one hundred ~~thirty-two~~ eighty-three dollars through June 30, ~~1998~~ 2000, and ~~sixty-one~~ sixty-four thousand ~~nine~~ four hundred ~~forty-four~~ forty-seven dollars thereafter.

Approved April 7, 1999

Filed April 8, 1999

CHAPTER 24

SENATE BILL NO. 2002

(Appropriations Committee)
(At the request of the Governor)

SECRETARY OF STATE

AN ACT to provide an appropriation for defraying the expenses of the secretary of state and public printing; to provide for line item transfers for the 1997-99 biennium; to create and enact a new section to chapter 54-09 of the North Dakota Century Code, relating to the secretary of state's general services operating fund; to amend and reenact sections 41-09-42.1 and 54-09-05 of the North Dakota Century Code, relating to fees collected by the secretary of state and the salary of the secretary of state; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

SECRETARY OF STATE

Salaries and wages	\$1,827,218
Operating expenses	1,673,790
Equipment	60,000
Petition review	<u>12,000</u>
Total all funds	\$3,573,008
Less estimated income	<u>250,000</u>
Total general fund appropriation	<u>\$3,323,008</u>

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

Operating expenses	<u>\$535,200</u>
Total general fund appropriation	\$535,200
Grand total general fund appropriation S.B. 2002	\$3,858,208
Grand total special funds appropriation S.B. 2002	\$250,000
Grand total all funds appropriation S.B. 2002	\$4,108,208

SECTION 2. LINE ITEM TRANSFERS - 1997-99 BIENNIUM.

Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer, at the request of the secretary of state, shall transfer \$7,000 from the operating expenses line item contained in subdivision 1 of section 1 of chapter 2 of the 1997 Session Laws to the equipment line item contained in subdivision 1 of section 1 of chapter 2 of the 1997 Session Laws. The authority to make this transfer begins with the effective date of this Act and ends on June 30, 1999.

SECTION 3. AMENDMENT. Section 41-09-42.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

41-09-42.1. Fees collected by secretary of state. Any fees collected by the secretary of state pursuant to section 41-09-42, except for fees collected under subsections 8 and 11, must be deposited in the general fund in the state treasury. Fees collected pursuant to subsections 8 and 11 of section 41-09-42 must be deposited in the secretary of state's general services operating fund.

SECTION 4. A new section to chapter 54-09 of the North Dakota Century Code is created and enacted as follows:

Secretary of state's general services operating fund. The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under subsections 8 and 11 of section 41-09-42 and subsection 10 of section 54-09-04. At the close of each fiscal year, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.

SECTION 5. AMENDMENT. Section 54-09-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-09-05. Salary of secretary of state. The annual salary of the secretary of state is ~~forty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-one thousand one hundred ~~twenty~~ forty-two dollars thereafter.

SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure.

Approved April 7, 1999

Filed April 8, 1999

CHAPTER 25

SENATE BILL NO. 2003

(Appropriations Committee)
(At the request of the Governor)

ATTORNEY GENERAL

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to provide statements of legislative intent; to amend and reenact subsection 3 of section 53-06.1-14 and section 54-12-11 of the North Dakota Century Code, relating to gaming stamp fees and the salary of the attorney general; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$13,981,817
Operating expenses	4,572,703
Equipment	811,710
Grants	5,396,025
Litigation fees	50,000
Arrest and return of fugitives	10,000
Gaming commission	5,109
Racing commission	222,067
National criminal history improvement project	2,344,118
Law enforcement programs	627,280
High-intensity drug trafficking area	1,604,175
Total all funds	\$29,625,004
Less estimated income	15,894,903
Total general fund appropriation	\$13,730,101

SECTION 2. FIRE AND TORNADO FUND. The estimated income line item in section 1 of this Act includes the sum of \$385,517, or so much of the sum as may be necessary, from the state fire and tornado fund, for the purpose of defraying the expenses related to the state fire marshal program.

SECTION 3. LEGISLATIVE INTENT - STATE FIRE MARSHAL PROGRAM. It is the intent of the legislative assembly that the attorney general charge and collect a fee for services provided by the state fire marshal program to entities insured by the fire and tornado fund. For services provided to entities not insured by the fire and tornado fund, the attorney general is to prepare and submit a memorandum billing to the entity receiving the service. For the purpose of this section a "memorandum billing" means a document detailing services and cost of services provided. The memorandum billing does not require a remittance of funds.

SECTION 4. ASSET FORFEITURE FUND. The sum of \$74,201 is available from the asset forfeiture fund to the attorney general as included in the estimated income line item in section 1 of this Act.

SECTION 5. LOCAL GAMING ENFORCEMENT GRANTS. The grants line item in section 1 of this Act includes \$221,877 for local gaming enforcement grants.

SECTION 6. LEGISLATIVE INTENT - LOCAL GAMING ENFORCEMENT GRANTS. It is the intent of the legislative assembly that the attorney general, through the state treasurer's office, disburse local gaming enforcement grants based on a competitive basis in accordance with criteria established by the attorney general.

SECTION 7. LEGISLATIVE INTENT - LITIGATION FEES - EMERGENCY COMMISSION REQUEST. It is the intent of the legislative assembly that the attorney general submit a request to the emergency commission for an additional appropriation for litigation fees from the contingency fund if the \$50,000 appropriated in the litigation fees line item in section 1 of this Act is exhausted.

SECTION 8. LEGISLATIVE INTENT - ARREST AND RETURN OF FUGITIVES - EMERGENCY COMMISSION REQUEST. It is the intent of the fifty-sixth legislative assembly that the attorney general submit a request to the emergency commission for additional appropriation authority from the state contingencies appropriation for reimbursing counties for costs relating to the arrest and return of fugitives if the funding provided for this purpose in section 1 of this Act is not adequate for the biennium beginning July 1, 1999, and ending June 30, 2001.

⁵ **SECTION 9. AMENDMENT.** Subsection 3 of section 53-06.1-14 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

3. A licensed distributor shall affix a North Dakota gaming stamp to each deal of pull tabs and bingo cards, punchboard, sports pool board, calcutta board, and series of paddlewheel ticket cards sold and shall purchase the stamps from the attorney general for ~~twenty-five~~ thirty-five cents each. Ten cents of each stamp sold, up to thirty-six thousand dollars per biennium, must be credited to the attorney general's operating fund to defray the costs of issuing the gaming stamps.

SECTION 10. AMENDMENT. Section 54-12-11 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-12-11. Salary of attorney general. The annual salary of the attorney general is ~~sixty-two~~ sixty-five thousand ~~five~~ seven hundred ~~ninety-two~~ fifty-three dollars through June 30, ~~1998~~ 2000, ~~sixty-seven~~ sixty-eight thousand dollars through December 31, 2000, and ~~sixty-four~~ sixty-nine thousand ~~four hundred~~ sixty-four two dollars thereafter.

⁵ Section 53-06.1-14 was also amended by section 12 of Senate Bill No. 2132, chapter 441.

SECTION 11. EMERGENCY. The high-intensity drug trafficking area line item in section 1 of this Act is declared to be an emergency measure.

Approved April 16, 1999

Filed April 16, 1999

CHAPTER 26

SENATE BILL NO. 2004

(Appropriations Committee)
(At the request of the Governor)

STATE AUDITOR

AN ACT to provide an appropriation for defraying the expenses of the state auditor; and to amend and reenact section 54-10-10 of the North Dakota Century Code, relating to the salary of the state auditor.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Administration	\$268,538
Division of local government audits	1,204,310
Division of state audits	3,852,274
Mineral royalty auditing	746,196
Total all funds	<u>\$6,071,318</u>
Less estimated income	1,950,506
Total general fund appropriation	<u>\$4,120,812</u>

SECTION 2. APPROPRIATION. Section 1 of this Act includes an appropriation of up to \$1,204,310 in funds generated by the state auditor from political subdivision audit service fees for the period beginning July 1, 1999, and ending June 30, 2001. Any amount in excess of \$1,204,310 must be deposited in the state auditor operating account and made available for appropriation after June 30, 2001.

SECTION 3. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the state auditor may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 4. STATEWIDE SINGLE AUDIT. The state auditor shall complete the North Dakota statewide single audit for fiscal years 1999 and 2000. The state auditor may not use additional contracted services above the amount of contracted services used to complete the statewide single audit for fiscal years 1997 and 1998.

SECTION 5. AMENDMENT. Section 54-10-10 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor. The annual salary of the state auditor is ~~forty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-two thousand ~~one~~ eight hundred ~~twenty~~ fifty-five dollars thereafter.

Approved April 16, 1999

Filed April 16, 1999

CHAPTER 27

SENATE BILL NO. 2005

(Appropriations Committee)
(At the request of the Governor)

STATE TREASURER

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; and to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$595,766
Operating expenses	95,079
Equipment	4,000
Total general fund appropriation	\$694,845

SECTION 2. AMENDMENT. Section 54-11-13 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer. The annual salary of the state treasurer is ~~fifty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, fifty-nine thousand four hundred twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-one thousand one hundred ~~twenty~~ forty-two dollars thereafter.

Approved March 26, 1999
Filed March 26, 1999

CHAPTER 28

SENATE BILL NO. 2006

(Appropriations Committee)
(At the request of the Governor)

TAX COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the state tax commissioner and for payment of state reimbursement under the homestead tax credit; to amend and reenact section 57-01-04 and subsection 2 of section 57-01-13 of the North Dakota Century Code, relating to the salary of the state tax commissioner and the payment of fees for services rendered by a collection or credit agency; to provide a continuing appropriation for the payment of fees for services rendered by a collection or credit agency; and to provide a contingent expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the state tax commissioner for the purpose of defraying the expenses of the state tax commissioner and paying the state reimbursement under the homestead tax credit, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

TAX COMMISSIONER

Salaries and wages	\$11,761,828
Operating expenses	4,678,051
Equipment	343,500
City tax administration fees	50,000
Motor fuels federal grant	<u>293,729</u>
Total all funds	\$17,127,108
Less estimated income	<u>293,729</u>
Total general fund appropriation	\$16,833,379

Subdivision 2.

HOMESTEAD TAX CREDIT

Grants	<u>\$4,540,813</u>
Total general fund appropriation	\$4,540,813
Grand total general fund appropriation S.B. 2006	\$21,374,192
Grand total special funds appropriation S.B. 2006	\$293,729
Grand total all funds appropriation S.B. 2006	\$21,667,921

SECTION 2. TRANSFER. There is hereby transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue, collected pursuant to section 57-43.1-02, the sum of \$1,380,608 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

SECTION 3. EXEMPTION. The appropriation contained in section 1 of chapter 6 of the 1997 Session Laws is not subject to the provisions of section

54-44.1-11 for an amount of up to \$60,000 and this amount may be spent for continued development of "Project 2001", the department's new tax processing system, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. AMENDMENT. Section 57-01-04 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary. The annual salary of the state tax commissioner is ~~fifty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, ~~fifty-nine~~ thirty-nine thousand ~~four~~ hundred ~~twenty-eight~~ twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-six thousand ~~one~~ two hundred ~~twenty~~ eighty-two dollars thereafter.

SECTION 5. AMENDMENT. Subsection 2 of section 57-01-13 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. a. Fees for services, reimbursement, or any other remuneration to a collection or credit agency must be based on the amount of tax, penalty, and interest actually collected. Each contract entered into between the tax commissioner and the collection or credit agency must provide for the payment of fees for the services, reimbursements, or other remuneration not in excess of fifty percent of the amount of delinquent sales, use, motor vehicle fuels, special fuels, importer for use, aviation fuel, motor vehicle excise, income, or business and corporation privilege tax, including penalties and interest actually collected.
- b. All funds collected, ~~less the fees for collection services, as provided in the contract,~~ by the collection or credit agency must be remitted to the tax commissioner monthly from the date of collection from a taxpayer. Forms to be used for the remittances must be prescribed by the tax commissioner. The tax commissioner shall transfer the funds to the state treasurer for deposit in the state general fund. An amount equal to the amount of fees for services, reimbursement, or any other remuneration to the collection or credit agency as set forth in the contract authorized by this section is appropriated as a standing and continuing appropriation to the tax commissioner for payment of fees due under the contract.
- c. Before entering into a contract, the tax commissioner shall require a bond from the collection or credit agency not in excess of ten thousand dollars, guaranteeing compliance with the terms of the contract.

SECTION 6. CONTINGENT EXPIRATION DATE. Section 5 of this Act is effective until such time as section 12 of article X of the Constitution of North Dakota is effectively amended to provide for the retention of public money by a nongovernmental entity as fees for services rendered to the state of North Dakota.

Approved April 1, 1999
Filed April 2, 1999

CHAPTER 29**SENATE BILL NO. 2007**

(Appropriations Committee)
(At the request of the Governor)

LABOR COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the labor commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from other special funds derived from federal funds, to the labor commissioner for the purpose of defraying the expenses of the labor commissioner, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$621,658
Operating expenses	110,219
Equipment	<u>10,250</u>
Total all funds	\$742,127
Less estimated income	<u>82,249</u>
Total general fund appropriation	\$659,878

Approved March 26, 1999

Filed March 26, 1999

CHAPTER 30

SENATE BILL NO. 2008

(Appropriations Committee)
(At the request of the Governor)

PUBLIC SERVICE COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the public service commission; and to amend and reenact section 49-01-05 and subsection 3 of section 49-21-01 of the North Dakota Century Code, relating to the salary of public service commissioners and the definition of an essential telecommunications service.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$4,389,004
Operating expenses	1,067,294
Equipment	71,311
Grants	6,000
AML contractual services	3,668,492
Total all funds	<u>\$9,202,101</u>
Less estimated income	5,633,045
Total general fund appropriation	<u>\$3,569,056</u>

SECTION 2. AMENDMENT. Section 49-01-05 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners. The annual salary of a commissioner is ~~fifty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, ~~fifty-nine~~ fifty-nine thousand ~~four~~ four hundred ~~twenty-eight~~ twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-four thousand ~~one~~ five hundred ~~twenty~~ sixty-nine dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity, must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

⁶ **SECTION 3. AMENDMENT.** Subsection 3 of section 49-21-01 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

⁶ Section 49-21-01 was also amended by section 1 of House Bill No. 1451, chapter 410, and section 2 of Senate Bill No. 2420, chapter 411.

3. "Essential telecommunications service" means service that is necessary for switched access to interexchange telecommunications companies and necessary for two-way switched communications for both residential and business service within a local exchange area. A charge based on measured service may not be required for residential and business local exchange service. Essential telecommunications services are limited to:
- a. Switched access;
 - b. Any new product or service offered in North Dakota after July 1, 1989, deemed essential by the commission after notice and hearing in accordance with chapter 28-32;
 - c. Billing and collection of the billing company's own essential telecommunications services and billing and collection recording for interexchange carriers to which the local exchange carrier provides feature group C access service;
 - d. Primary directory listing, including nonlisted and nonpublished service, and ~~local exchange~~ access to directory assistance;
 - e. Emergency 911 services and emergency operator assistance in local exchange areas in which emergency 911 service is not available;
 - f. Except as provided in section 49-02-01.1, mandatory, flat-rate extended area service to designated nearby local exchange areas;
 - g. Installation of the service connection for essential services from the end user's premises to the local exchange network;
 - h. Transmission service necessary for the connection between the end user's premises and the local exchange central office switch including a trunk connection that has direct inward dialing and necessary signaling service such as touchtone used by end users for essential telecommunications services;
 - i. Single or multiparty flat-rate or measured residence and business service;
 - j. Single or multiparty flat-rate or measured combination business and residence service; and
 - k. The transmission service line for a coin or pay telephone.

Approved April 17, 1999

Filed April 19, 1999

CHAPTER 31

SENATE BILL NO. 2009

(Appropriations Committee)
(At the request of the Governor)

AGRICULTURE COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to create a legislative council committee; to provide an appropriation to the legislative council; to provide a statement of legislative intent; to provide for a transfer; to create and enact a new subdivision to subsection 1 of section 57-38-01.2 and a new subdivision to subsection 3 of section 57-38-30.3 of the North Dakota Century Code, relating to an income tax exemption for indemnities received for destruction of cattle; to amend and reenact sections 4-01-21, 4-35-06.3, and 19-18-04 of the North Dakota Century Code, relating to the minor use pesticide fund, the salary of the agriculture commissioner, and pesticide registration fees; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the commissioner of agriculture for the purpose of defraying the expenses of the commissioner of agriculture for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

AGRICULTURE COMMISSIONER

Salaries and wages	\$3,128,452
Operating expenses	778,957
Equipment	22,900
Grants	161,700
Board of animal health	502,922
Ag mediation	801,681
Ag in the classroom	96,000
Anhydrous ammonia storage	8,154
Waterbank program	414,000
Pride of Dakota	151,516
Wildlife services	779,694
Safe send	573,907
Noxious weeds	<u>1,174,696</u>
Total all funds	\$8,594,579
Less estimated income	<u>4,133,216</u>
Total general fund appropriation	\$4,461,363

SECTION 2. AMENDMENT. Section 4-01-21 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-01-21. Salary of commissioner of agriculture. The annual salary of the commissioner of agriculture is ~~fifty-five~~ fifty-eight thousand ~~four~~ two hundred ~~sixty-four~~ sixty-two dollars through June 30, ~~1998~~ 2000, fifty-nine thousand four

hundred twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-four thousand ~~one~~ five hundred ~~twenty~~ sixty-nine dollars thereafter.

SECTION 3. AMENDMENT. Section 4-35-06.3 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

4-35-06.3. Minor use pesticide fund - Continuing appropriation. The minor use pesticide fund is created as a special fund in the state treasury. All moneys in the fund are appropriated on a continuing basis to the pesticide control board for the purpose of conducting or commissioning studies, investigations, and evaluations regarding the registration and use of pesticides for minor crops, minor uses, and ~~emergency uses~~ other uses as determined by the board.

SECTION 4. AMENDMENT. Section 19-18-04 of the North Dakota Century Code is amended and reenacted as follows:

19-18-04. Registration - Fees.

1. Any person before selling or offering for sale any pesticide for use within this state shall file biennially with the commissioner an application for registration of the pesticide. The application must:
 - ~~4-~~ a. Give the name and address of each manufacturer or distributor.
 - ~~2-~~ b. Give the name and brand of each product registered.
 - ~~3-~~ c. Be accompanied by a current label of each product so registered.
 - ~~4-~~ d. Be accompanied by a registration fee of three hundred fifty dollars for each product registered. At the close of each calendar month, the commissioner shall transmit to the state treasurer all moneys received for the registrations. The state treasurer shall credit fifty dollars for each registered product to the general fund in the state treasury and the remainder of the registration fee for each registered product to the environment and rangeland protection fund.
 - ~~5-~~ e. Be accompanied by a material safety data sheet.
2. The commissioner may require an applicant or registrant to provide efficacy, toxicity, residue, and any other data necessary to determine if the pesticide will perform its intended function without unreasonable adverse effects on the environment. If the commissioner finds that the application conforms to law, the commissioner shall issue to the applicant a certificate of registration of the product. If after public hearing before the commissioner the application is denied, the product may not be offered for sale.
3. Each registration covers a two-year period beginning January first and expiring December thirty-first of the following year. A certificate of registration may not be issued for a term longer than two years, and is not transferable from one person to another, or from the ownership to whom issued to another ownership, or from one place to another place or location. A penalty of fifty percent of the license or registration fee must be imposed if the license or certificate of registration is not applied for on or before January thirty-first following the expiration date, or within

the same month the pesticides are first manufactured or sold within this state. Each product must go through a two-year discontinuance period in order to clear all outstanding products in the channel of trade.

4. This section does not apply to a pesticide sold by a retail dealer if the registration fee has been paid by the manufacturer, jobber, or any other person, as required by this section.

⁷ **SECTION 5.** A new subdivision to subsection 1 of section 57-38-01.2 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

Reduced by an amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

⁸ **SECTION 6.** A new subdivision to subsection 3 of section 57-38-30.3 of the 1997 Supplement to the North Dakota Century Code is created and enacted as follows:

An amount equal to any indemnity received under this Act for the destruction of cattle infected or suspected of being infected with bovine tuberculosis.

SECTION 7. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$1,925,576, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various agriculture department programs, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 8. ESTIMATED INCOME - ANHYDROUS AMMONIA STORAGE INSPECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$75,992, or so much of the sum as may be necessary, from the anhydrous ammonia storage inspection fund for the purpose of defraying the expenses of regulating anhydrous ammonia storage facilities, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 9. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, from the game and fish department operating fund for the waterbank program for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. TRANSFER. The office of management and budget shall transfer \$285,000 from the environment and rangeland protection fund to the minor

⁷ Section 57-38-01.2 was also amended by section 20 of House Bill No. 1201, chapter 211, section 2 of House Bill No. 1106, chapter 487, and section 3 of House Bill No. 1106, chapter 487.

⁸ Section 57-38-30.3 was also amended by section 11 of House Bill No. 1492, chapter 369, and section 1 of House Bill No. 1113, chapter 512.

use pesticide fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 11. LEGISLATIVE COUNCIL - CROP HARMONIZATION COMMITTEE. The legislative council shall create a crop harmonization committee consisting of the chairman of the house agriculture committee, the chairman of the senate agriculture committee, and three other individuals appointed by the legislative council chairman, one of whom must represent the crop protection manufacturing industry. In consultation with the pesticide control board, the committee shall:

1. Identify and prioritize crop protection product labeling needs;
2. Explore the extent of authority given to this state under the federal Insecticide, Fungicide, and Rodenticide Act;
3. Identify the data necessary to enable registration of a use to occur in a timely manner;
4. Determine what research, if any, is necessary to fulfill data requirements for activities listed in this section and communicate its findings to the agriculture commissioner;
5. Request the agriculture commissioner to pursue specific research funding options from public and private sources; and
6. Report to the legislative council in the same manner as do other interim legislative council committees.

SECTION 12. APPROPRIATION - LEGISLATIVE COUNCIL. There is hereby appropriated out of any moneys in the minor use pesticide fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000, or so much of the sum as may be necessary, and from special funds derived from grants or donation income, the sum of \$150,000, or so much of the sum as may be necessary, to the legislative council for the purpose of addressing crop protection product registration and labeling as provided for in section 11 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 13. LEGISLATIVE INTENT. It is the intent of the fifty-sixth legislative assembly that the agriculture commissioner, agricultural experiment station, and North Dakota state university extension service use resources available to them to assist in the registration of crop protection pesticides in cooperation with the crop protection industry for use in the North Dakota agriculture industry for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 14. APPROPRIATION - BOARD OF ANIMAL HEALTH - 1997-99 BIENNIUM. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$65,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying an indemnity and other expenses associated with destroying a herd of cattle infected with bovine tuberculosis for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 15. BUDGET SECTION REPORT. The agriculture commissioner and the state veterinarian shall periodically report to the budget section on the status

of the bovine tuberculosis disease in cattle and associated costs during the 1999-2000 interim.

SECTION 16. EFFECTIVE DATE - EXPIRATION DATE. Sections 5 and 6 of this Act are effective for the first two taxable years beginning after December 31, 1998, and are thereafter ineffective.

SECTION 17. EXPIRATION DATE. Section 4 of this Act is effective through June 30, 2001, and after that date is ineffective.

SECTION 18. EMERGENCY. Section 14 of this Act is declared to be an emergency measure.

Approved April 19, 1999
Filed April 19, 1999

CHAPTER 32

SENATE BILL NO. 2010

(Appropriations Committee)
(At the request of the Governor)

INSURANCE COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to provide for the appointment of legislative representatives to the national conference of insurance legislators; and to amend and reenact subsection 3 of section 26.1-01-07.1, sections 26.1-01-09, and 26.1-23-03 of the North Dakota Century Code, relating to the cash balance of the insurance regulatory trust fund, the salary of the insurance commissioner, and the unsatisfied judgment fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the insurance regulatory trust fund in the state treasury, not otherwise appropriated, and from other special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$4,195,649
Operating expenses	1,498,289
Equipment	<u>119,355</u>
Total special funds appropriation	\$5,813,293

SECTION 2. APPROPRIATION - INSURANCE TAX PAYMENTS TO FIRE DEPARTMENTS. There is hereby appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$5,200,000, or so much of the sum as may be necessary, to the commissioner of insurance for the purpose of making payments of insurance premiums to fire departments for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. BONDING FUND. Section 1 of this Act includes the sum of \$67,431, or so much of the sum as may be necessary, from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. FIRE AND TORNADO FUND. Section 1 of this Act includes the sum of \$831,145, or so much of the sum as may be necessary, from the state fire and tornado fund to pay fire and tornado fund administrative expenses for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes the sum of \$4,170, or so much of the sum as may be necessary, from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 6. PETROLEUM TANK RELEASE COMPENSATION FUND.

Section 1 of this Act includes the sum of \$68,820, or so much of the sum as may be necessary, from the petroleum tank release compensation fund to pay petroleum tank release compensation fund administrative expenses for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. National conference of insurance legislators - Appointment of representatives. The chairman of the legislative council, in consultation with the insurance commissioner, shall appoint two members of the house of representatives and two members of the senate to represent the state at functions of the national conference of insurance legislators. Each member shall serve a two-year term. If a member is unable to complete the member's term, the chairman of the legislative council shall appoint another member to complete the term. The insurance commissioner shall pay the necessary expenses of the legislative members for attending functions of the national conference of insurance legislators.

SECTION 8. AMENDMENT. Subsection 3 of section 26.1-01-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. Except as otherwise provided by law, at the end of each fiscal year, the state treasurer shall transfer, after all fiscal year expenses have been paid, any cash balance remaining in the insurance regulatory trust fund that exceeds one million ~~five hundred thousand~~ dollars to the general fund.

SECTION 9. AMENDMENT. Section 26.1-01-09 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner. The annual salary of the commissioner is ~~fifty-five~~ fifty-eight thousand ~~four~~ two hundred ~~eighty-seven~~ sixty-two dollars through June 30, ~~1998~~ 2000, ~~fifty-nine~~ sixty-two thousand four hundred ~~twenty-eight~~ twenty-eight dollars through December 31, 2000, and ~~fifty-seven~~ sixty-two thousand ~~one~~ eight hundred ~~twenty~~ fifty-five dollars thereafter.

SECTION 10. AMENDMENT. Section 26.1-23-03 of the North Dakota Century Code is amended and reenacted as follows:

26.1-23-03. Additional registration fee - Deposit in fund - Suspension of fee. At the time of registering a motor vehicle, the owner shall pay to the director of the department of transportation, in addition to the registration fees, a fee of one dollar for each motor vehicle registered. The fees must be deposited with the state treasurer who shall credit the fees to the unsatisfied judgment fund. If on June first of any year the amount of uncommitted money in the fund is ~~three hundred one~~ three hundred one hundred fifty thousand dollars or more, the requirement for the payment of the fee is suspended during the succeeding year and until the year in which the fee is reimposed. The fee must be reimposed for any year whenever on June first of the previous year the uncommitted amount of the fund is less than ~~three hundred one~~ three hundred one hundred fifty thousand dollars.

Approved April 16, 1999
Filed April 16, 1999

CHAPTER 33**SENATE BILL NO. 2011**

(Appropriations Committee)
(At the request of the Governor)

SECURITIES COMMISSIONER

AN ACT to provide an appropriation for defraying the expenses of the office of the securities commissioner.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the securities commissioner for the purpose of defraying the expenses of the office of the securities commissioner, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$810,067
Operating expenses	259,174
Equipment	<u>20,800</u>
Total general fund appropriation	\$1,090,041

Approved March 26, 1999
Filed March 26, 1999

CHAPTER 34

SENATE BILL NO. 2012

(Appropriations Committee)
(At the request of the Governor)

HUMAN SERVICES

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to create and enact a new section to chapter 25-03.2, a new section to chapter 50-09, a new section to chapter 50-11, a new chapter to title 50, and a new section to chapter 50-24.4 of the North Dakota Century Code, relating to a moratorium on residential treatment center and residential child care facility beds, the children's health insurance program, the county share of foster care costs, and the limits on geropsychiatric nursing facilities; to amend and reenact section 25-03.1-04, subsection 3 of section 50-01.2-03.2, subsection 5 of section 50-24.4-10, and section 50-24.4-13 of the North Dakota Century Code, relating to public treatment facilities, human services financing in exceptional circumstances, operating cost limits for nursing homes, and to exceptions to case mix nursing home rates; to amend and reenact section 4 of chapter 561 of the 1991 Session Laws, as amended by section 18 of chapter 2 of the 1993 Session Laws, section 9 of chapter 34 of the 1995 Session Laws, and section 16 of chapter 12 of the 1997 Session Laws, relating to appropriation for projects at westwood park; to repeal section 25-04-20 of the North Dakota Century Code, relating to the westwood park assets management committee; to provide for the transfer of appropriations between agencies and institutions; to provide for reports to the budget section; to provide for a legislative council study; to provide legislative intent; to provide a contingent appropriation; to provide for land board distributions; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services and its various divisions, for the purpose of defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

MANAGEMENT AND COUNCILS

Salaries and wages	\$11,171,996
Operating expenses	39,431,599
Equipment	1,782,707
Capital improvements	493
Grants	1,055,889
Loan fund - DD	<u>1,840,956</u>
Total all funds	\$55,283,640
Less estimated income	<u>40,478,356</u>
Total general fund appropriation	\$14,805,284

Subdivision 2.

ECONOMIC ASSISTANCE

Salaries and wages	\$8,914,445
Operating expenses	11,855,427
Equipment	26,000
Capital improvements	2,543
Grants - assistance payments	118,748,623
Grants - medical assistance	<u>668,673,150</u>
Total all funds	\$808,220,188
Less estimated income	<u>612,275,533</u>
Total general fund appropriation	\$195,944,655

Subdivision 3.

PROGRAM AND POLICY

Salaries and wages	\$9,971,172
Operating expenses	12,561,478
Equipment	166,325
Capital improvements	1,619
Grants	<u>125,218,183</u>
Total all funds	\$147,918,777
Less estimated income	<u>110,838,978</u>
Total general fund appropriation	\$37,079,799

Subdivision 4.

NORTHWEST HUMAN SERVICE CENTER

Total all funds	\$7,656,098
Less estimated income	<u>3,554,087</u>
Total general fund appropriation	\$4,102,011

NORTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$14,352,172
Less estimated income	<u>7,030,328</u>
Total general fund appropriation	\$7,321,844

LAKE REGION HUMAN SERVICE CENTER

Total all funds	\$7,383,028
Less estimated income	<u>3,086,833</u>
Total general fund appropriation	\$4,296,195

NORTHEAST HUMAN SERVICE CENTER

Total all funds	\$17,265,256
Less estimated income	<u>10,589,332</u>
Total general fund appropriation	\$6,675,924

SOUTHEAST HUMAN SERVICE CENTER

Capital improvements	\$151,332
Human service center operations	<u>18,485,400</u>
Total all funds	\$18,636,732
Less estimated income	<u>10,922,681</u>
Total general fund appropriation	\$7,714,051

SOUTH CENTRAL HUMAN SERVICE CENTER

Total all funds	\$9,386,728
Less estimated income	<u>4,341,654</u>
Total general fund appropriation	\$5,045,074

WEST CENTRAL HUMAN SERVICE CENTER	
Total all funds	\$17,918,416
Less estimated income	<u>10,680,615</u>
Total general fund appropriation	\$7,237,801
BADLANDS HUMAN SERVICE CENTER	
Total all funds	\$8,900,485
Less estimated income	<u>4,626,639</u>
Total general fund appropriation	\$4,273,846
STATE HOSPITAL	
Capital improvements	\$1,699,665
Operations	<u>49,170,289</u>
Total all funds	\$50,869,954
Less estimated income	<u>15,717,017</u>
Total general fund appropriation	\$35,152,937
DEVELOPMENTAL CENTER	
Capital improvements	\$195,390
Operations	<u>39,031,377</u>
Total all funds	\$39,226,767
Less estimated income	<u>29,840,448</u>
Total general fund appropriation	\$9,386,319
Total all funds - subdivision 4	\$191,595,636
Total estimated income - subdivision 4	\$100,389,634
Total general fund appropriation - subdivision 4	\$91,206,002
Grand total general fund appropriation section 1	\$339,035,740
Grand total special fund appropriation section 1	\$863,982,501
Grand total all funds section 1	\$1,203,018,241

SECTION 2. LANDS AND MINERALS TRUST FUND. The amount of \$1,840,956, or so much of the sum as may be necessary, as appropriated in the developmentally disabled facility loan fund line item in section 1 of this Act, may be expended by the department of human services from the lands and minerals trust fund for the purpose of making payments of principal and interest to the common schools trust fund on any loans made from it pursuant to the developmentally disabled loan fund program nos. 2 and 3 for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND. There may be expended by the department of human services, on or before June 1, 2001, from the cash balance of, any payments deposited in, the revolving loan fund created under section 6-09.6-01, the sum of \$1,192,700, or so much of the sum as may be necessary, which is appropriated in section 1 of this Act.

SECTION 4. TRANSFER. Subject to the provisions of chapter 54-16, the director of the department of human services may transfer appropriation authority between agencies and institutions included in subdivisions 1 through 4 of section 1 of this Act.

SECTION 5. CORRELATION OF RESOURCES FOR DEPARTMENTAL CLIENTS. Notwithstanding section 4 of this Act, the director of the department of human services may transfer appropriation authority and authorized positions between agencies and institutions included within subdivision 4 of section 1 of this Act to correlate fiscal and staff resources with the flow of institutional residents and human service center clients between community-based programs and institutions.

The transfers from human service centers require prior consultation with the regional human service center advisory boards.

SECTION 6. LEGISLATIVE INTENT - FULL-TIME EQUIVALENT EMPLOYEES - REPORTS TO THE BUDGET SECTION AND THE LEGISLATIVE COUNCIL. It is the intent of the legislative assembly that the human service centers, the state hospital, and the developmental center report to the budget section and the legislative council, or its designee, on the hiring of any additional full-time equivalent positions in addition to those authorized by the legislative assembly in subdivision 4 of section 1 of this Act for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. AMENDMENT. Section 25-03.1-04 of the North Dakota Century Code is amended and reenacted as follows:

25-03.1-04. Voluntary Screening and admission to a public treatment facility. ~~Under rules adopted by the department, an application for screening and admission of an individual to a public treatment facility for observation, diagnosis, care, or treatment as a voluntary patient may be made by any person who is mentally ill or chemically dependent or who has symptoms of these illnesses for mental illness or chemical dependency must be performed by a regional human service center. An application for admission as a voluntary patient may be made on behalf of a minor who is mentally ill or chemically dependent or who has symptoms of these illnesses, by the~~ This screening must be performed in the region where the individual is physically located. Upon the request of a court, a law enforcement official, a qualified mental health professional, the individual's legal guardian, a minor's parent or legal guardian custodian, or the individual requesting services, the regional human service center shall conduct a screening. The application must be submitted to a regional human services center, or, in an emergency, to the state hospital. Upon receipt of an application the request, the regional human service center must shall arrange for an evaluation a screening of the applicant individual and must, if appropriate, treat the applicant, or refer the applicant to the appropriate treatment facility. Upon admittance to a public treatment facility, the superintendent or the director shall immediately designate a physician, psychiatrist, psychologist, or mental health professional to examine the patient individual.

SECTION 8. A new section to chapter 25-03.2 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential treatment center for children bed capacity. Notwithstanding sections 25-03.2-03 and 25-03.2-08, the department may not issue a license under this chapter for any additional bed capacity for a residential treatment center for children above the state's gross number of beds licensed as of June 30, 1999.

SECTION 9. AMENDMENT. Subsection 3 of section 50-01.2-03.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- ~~The~~ Notwithstanding any other provisions of law, the department shall seek appropriations for the purpose of providing additional financial assistance to reimburse county social service boards for human service program costs and local expenses of administering human service locally administered economic assistance programs in counties in which the presence of an Indian reservation substantially reduces the amount of property subject to taxation more than twenty percent of the caseload

for these programs consists of people who reside on a federally recognized Indian reservation or property tax-exempt tribal trust lands. The reimbursement must be such that:

- a. An affected county's expenses for locally administered economic assistance programs in excess of the statewide average of such costs, expressed in mills, for all other counties will be reimbursed at one hundred percent;
- b. Each calendar year the affected counties will receive quarterly allocations based on the actual county expenses for the state fiscal year ending the previous June thirtieth and the most recent taxable valuations published pursuant to section 57-13-07 available on that date;
- c. The reimbursement will be calculated for each county and reported to the county social service board prior to August first of the year preceding the allocation; and
- d. For calendar year 2000, up to fifteen percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement. For the first six months of calendar year 2001, up to seven and one-half percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement.

SECTION 10. A new section to chapter 50-09 of the North Dakota Century Code is created and enacted as follows:

County share of foster care costs.

1. For all periods after January 1, 1998, each county shall reimburse the state agency, upon claim being made therefor by the state agency, for that county's share of one-fourth of the amount expended in the state in excess of any amount provided by the federal government under title IV-E for payments on behalf of children approved and granted foster care for children or subsidized adoption, without regard to that child's eligibility for benefits under title IV-E.
2. Each county's share of all counties' shares must be calculated under a formula established by the state agency through consultation with county representatives. The formula must:
 - a. Include consideration of the most recent census data or official census estimates of the number of youth in each county;
 - b. Include consideration of recent expenditures for foster care for youth from each county; and
 - c. Be established by policy, and not by rule.

SECTION 11. A new section to chapter 50-11 of the North Dakota Century Code is created and enacted as follows:

Moratorium on expansion of residential child care facility bed capacity. Notwithstanding sections 50-11-02 and 50-11-09, the department may not issue a license under this chapter for any additional bed capacity for a residential child care facility above the state's gross number of beds licensed as of June 30, 1999.

SECTION 12. A new chapter to title 50 of the North Dakota Century Code is created and enacted as follows:

Definitions. As used in this chapter:

1. "Children's health insurance program" means a program to provide health assistance to low-income children funded through title XXI of the federal Social Security Act [42 U.S.C. 1397aa, et seq.].
2. "County agency" means the county social service board.
3. "Department" means the department of human services.
4. "Plan" means the children's health insurance program state plan.
5. "Poverty line" means the official income poverty line as defined by the United States office of management and budget and revised annually in accordance with 42 U.S.C. 9902(2), applicable to a family of the size involved.

Duties of the department. The department shall:

1. Prepare, submit, and implement the plan that includes eligibility determinations for self-employed applicants based on the average of the previous three years of adjusted gross income, which means the adjusted gross income as computed for an individual for federal income tax purposes under the Internal Revenue Code;
2. Supervise the administration of the children's health insurance program throughout this state;
3. Take action, give directions, and adopt rules as may be necessary or desirable to carry out the provisions of this chapter;
4. After federal approval of the plan, apply for a federal waiver allowing plan coverage for a family through an employer-based insurance policy if an employer-based family insurance policy is more cost-effective than the traditional plan coverage for the children;
5. Report annually to the legislative council and describe enrollment statistics and costs associated with the plan;
6. Reimburse counties for expenses incurred in the administration of the children's health insurance program at rates based upon all counties' total administrative costs; and
7. Administer all funds appropriated or made available to the department for the purpose of carrying out the provisions of this chapter.

Duties of county agency. In the administration of the plan, unless the department otherwise establishes eligibility, the county agency shall:

1. Administer the plan under the direction and supervision of the department; and
2. Make an investigation and record the circumstances of each applicant, obtaining information as may be required by the department.

Plan requirements. The plan:

1. Must be provided through private contracts with insurance carriers;
2. Must allow conversion to another health insurance policy;
3. Must be based on an actuarial equivalent of a benchmark plan;
4. Must incorporate every state-required waiver approved by the federal government;
5. Must include community-based eligibility outreach services; and
6. Must provide:
 - a. An income eligibility limit of one hundred forty percent of the poverty line;
 - b. A copayment requirement for each pharmaceutical prescription and for each emergency room visit;
 - c. A deductible for each inpatient hospital visit;
 - d. Coverage for:
 - (1) Inpatient hospital, medical, and surgical services;
 - (2) Outpatient hospital and medical services;
 - (3) Psychiatric and substance abuse services;
 - (4) Prescription medications;
 - (5) Preventive screening services;
 - (6) Preventive dental and vision services; and
 - (7) Prenatal services; and
 - e. A coverage effective date that is the first day of the month, following the date of application and determination of eligibility.

Limitations of chapter. Health assistance provided under this chapter is not an entitlement. A person does not have a property interest in any health assistance sought or provided under this chapter. If the department estimates that available funds are insufficient to allow participation by additional applicants, the department may take any action appropriate to avoid commitment of funds in excess of available funds, including denying applications and establishing waiting lists, that is not forbidden by title XXI of the federal Social Security Act [42 U.S.C. 1397aa, et seq.] or regulations adopted thereunder. If federal children's health insurance program

funding decreases, the department may decrease the income eligibility limit to accommodate the decrease in federal funding, notwithstanding any other provisions of this chapter.

SECTION 13. AMENDMENT. Subsection 5 of section 50-24.4-10 of the 1995 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5. The department shall establish a composite index or indices ~~by determining the appropriate economic change indicators based on the average of the increase in the Data Resources, Incorporated, nursing home input price index and the increase in the consumer price index for all urban wage earners and clerical workers (all items, United States city average)~~ to be applied to specific operating cost categories or combination of operating cost categories.

SECTION 14. AMENDMENT. Section 50-24.4-13 of the North Dakota Century Code is amended and reenacted as follows:

50-24.4-13. Exclusion. Until procedures for determining operating cost payment rates according to mix of resident needs are established for nursing homes that exclusively provide residential services for the nongeriatric physically handicapped individuals with physical disabilities or units within nursing homes which exclusively provide geropsychiatric services, such nursing homes or units within nursing homes may not be included in the calculation of the percentiles of any group. Each of these nursing homes or units within nursing homes shall receive their its actual allowed historical operating cost per diem adjusted by a percentage amount equal to the increase, if any, in the national or state economic change index, made available under section 50-24.4-10, and which the department determines to be relevant to residential services for the nongeriatric physically handicapped individuals with physical disabilities or geropsychiatric services.

SECTION 15. A new section to chapter 50-24.4 of the North Dakota Century Code is created and enacted as follows:

Limits on geropsychiatric facilities. The number of units within nursing homes which exclusively provide geropsychiatric services may not exceed one, and admission to a nursing home which exclusively provides geropsychiatric services may only be granted after the state hospital has performed an evaluation of the individual being admitted. After a geropsychiatric unit has been established within a nursing home, the state hospital may not offer geropsychiatric services through a separate geropsychiatric unit.

SECTION 16. AMENDMENT. Section 4 of chapter 561 of the 1991 Session Laws as amended by section 18 of chapter 2 of the 1993 Session Laws, by section 9 of chapter 34 of the 1995 Session Laws, and by section 16 of chapter 12 of the 1997 Session Laws is amended and reenacted as follows:

SECTION 4. PROCEEDS - APPROPRIATION. The proceeds from the sale of land, property, and equipment at westwood park must be deposited in the lands and minerals trust fund. There is hereby appropriated \$200,000, or so much thereof as may be necessary, from the lands and minerals trust fund, to the department of human services for capital improvements or demolition of existing buildings at westwood park for the period beginning July 1, 1991, and ending June 30, ~~1999~~ 2001.

SECTION 17. LEGISLATIVE INTENT - BASIC CARE RATES. It is the intent of the legislative assembly that rates effective July 1, 1999, and July 1, 2000, for basic care facilities include a three percent operating margin on direct care costs and include property costs as pass-through costs, not subject to limitations. The department may adopt interim final rules without a finding that emergency rulemaking is necessary to implement this intent. Any interim final rules so adopted may take effect on a date no earlier than the date of first filing with the legislative council of the notice of proposed adoption of a rule.

SECTION 18. NORTHEAST HUMAN SERVICE CENTER BUDGET SAVINGS - BUDGET SECTION REPORT. The department of human services shall identify savings in the budget to be requested for the northeast human service center for the 2001-03 biennium totaling five hundred thousand dollars from the general fund through efficiencies and related to the collocation of service delivery. The department of human services shall present a report regarding the planned reductions to the budget section prior to the submission of the department's budget request for the 2001-03 biennium.

SECTION 19. TRADITIONAL MEDICAID GRANTS - BUDGET SECTION APPROVAL. The department of human services shall periodically report to the budget section regarding the status of funding for traditional medicaid grants and receive prior budget section approval before exceeding the amount appropriated for traditional medicaid grants during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 20. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER SERVICES - SERIOUSLY MENTALLY ILL. The legislative council shall consider studying during the 1999-2000 interim community services provided for the seriously mentally ill including human service center services and the number of clients served.

SECTION 21. LEGISLATIVE COUNCIL STUDY - OPTIONAL MEDICAID SERVICES. The legislative council shall consider studying during the 1999-2000 interim the services provided by the state in its medical assistance program, including optional medical assistance services and the impact to the state and its citizens of providing those services.

SECTION 22. LEGISLATIVE COUNCIL STUDY - RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES. The legislative council shall consider studying during the 1999-2000 interim residential treatment centers and residential child care facilities, including occupancy rates, the number of out-of-state residents, and the need for additional facilities.

SECTION 23. LEGISLATIVE INTENT - MEDICAL ASSISTANCE - CERTIFIED NURSE MIDWIVES. It is the intent of the legislative assembly that the department of human services reimburse through the medical assistance program certified nurse midwives at a rate of at least eighty-five percent of the fee paid physicians for the same service.

SECTION 24. LEGISLATIVE INTENT - SOCIAL SERVICES BLOCK GRANT FUNDING. It is the intent of the legislative assembly that the department of human services in presenting the department's budget request for the 2001-03 biennium to the fifty-seventh legislative assembly identify the use of social services block grant funds, including information on any proposed federal changes in the block grant funding, and identify specific areas where an appropriation from the state general fund is requested to replace reduced social services block grant funds.

SECTION 25. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES PROGRAMS - PROGRAM EFFICIENCIES - APPROPRIATE USE OF FEDERAL FUNDS - REPORTS TO THE LEGISLATIVE COUNCIL. It is the intent of the legislative assembly that the department of human services review departmental program funding issues during the 1999-2000 interim, including the appropriateness of maximizing the use of federal funds, the opportunities to reduce general fund program expenditures, the appropriate methods to provide detailed justification prior to the expansion of programs, the appropriateness of the state replacing reductions in federal funds with state resources, the coordination of programs to avoid duplication in program delivery, and the cost/benefit of programs. The department of human services shall report its findings and recommendations as a result of reviewing these issues to the legislative council, or an appropriate committee of the legislative council during the 1999-2000 interim.

SECTION 26. LEGISLATIVE INTENT - NURSING HOME LIMITATIONS - BUDGET SECTION APPROVAL. It is the intent of the legislative assembly that the department of human services not reduce the nursing home limitations for direct, other direct, and indirect cost categories from the levels anticipated in the executive budget and contained in section 1 of this Act during the biennium beginning July 1, 1999, and ending June 30, 2001, unless receiving prior budget section approval.

SECTION 27. LEGISLATIVE INTENT - WAGE INCREASES FOR DIRECT CONTACT AND PROFESSIONAL STAFF OF COMMUNITY DEVELOPMENTAL DISABILITIES PROVIDER AGENCIES. It is the intent of the legislative assembly that funding increases provided community developmental disabilities provider agencies in subdivision 2 of section 1 of this Act specifically for salaries and wages adjustments be allocated by the department of human services specifically to the salaries and wages line item for the individual provider agencies and those funds be used only for that purpose by the provider agencies.

SECTION 28. LEGISLATIVE COUNCIL STUDY - HUMAN SERVICE CENTER SERVICES. The legislative council shall consider studying during the 1999-2000 interim the services provided by human service centers, including the appropriateness of and justification for continuing human service center programs, the cost/benefit of human service programs, methods for evaluating the effectiveness and outcomes of human service center programs, and the need to establish priorities relating to human service center programs.

SECTION 29. LEGISLATIVE COUNCIL STUDY - NURSING HOME REGULATIONS - IMPACT ON COST OF CARE. The legislative council shall consider studying during the 1999-2000 interim the state and federal regulations relating to nursing homes, the impact of those regulations on the cost of care at North Dakota nursing homes, and state options for reducing regulations and the related reductions in cost of care.

SECTION 30. LEGISLATIVE COUNCIL STUDY - NURSING HOME RATE EQUALIZATION. The legislative council shall consider studying during the 1999-2000 interim the appropriateness of the state continuing rate equalization for private pay and public pay residents in nursing homes, including the fiscal impact on private pay and public pay residents of the repeal of rate equalization.

SECTION 31. LEGISLATIVE COUNCIL STUDY. The legislative council shall consider studying, during the 1999-2000 interim, the feasibility and desirability of collocating the developmental center and the state hospital at one location and the feasibility and desirability of transferring additional buildings on the state hospital grounds to the department of corrections and rehabilitation.

SECTION 32. ALCOHOL AND DRUG EDUCATION PROGRAM - EXPENDITURE - LIMITATIONS. The moneys appropriated in the grants line item in subdivision 3 of section 1 of this Act for the native American youth alcohol and drug abuse education program may not be spent for the services provided by the tribes to administer the program. The local grant recipient is required to provide match equal to the grant amount with funding or in-kind service.

SECTION 33. ESTIMATED INCOME. The estimated income line item in subdivision 3 of section 1 of this Act includes the sum of \$200,000, or much of the sum as may be necessary, from the children's services coordinating committee for the purpose of defraying the expenses related to the native American youth alcohol and drug abuse education program.

SECTION 34. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - NETWORK TECHNICAL SUPPORT. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, and federal funds of \$50,000 to the department of human services for the purpose of providing network technical support to county social service boards, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 35. CONTINGENT APPROPRIATION - TRAUMATIC BRAIN-INJURED FACILITY. There is hereby appropriated a total of \$200,000, including \$140,000 of federal funds and \$60,000 from the general fund in the state treasury, not otherwise appropriated, or so much of the funds as may be necessary, for the biennium beginning July 1, 1999, and ending June 30, 2001. This money may be spent by the department of human services only if additional beds for traumatic brain-injured persons are established in western North Dakota and after receiving emergency commission and budget section approval.

SECTION 36. LEGISLATIVE INTENT - COMPREHENSIVE CHILD WELFARE INFORMATION AND PAYMENT SYSTEM. It is the intent of the legislative assembly that the funding provided in subdivision 1 of section 1 of this Act for the comprehensive child welfare information and payment system is for the completion of the project during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 37. CONTINGENT GENERAL FUND APPROPRIATION - SPED PROGRAM. The estimated income line item in subdivision 3 of section 1 of this bill includes \$4,262,410 from special funds derived from the health care trust fund created pursuant to Senate Bill No. 2168. In the event that moneys in the health care trust fund are less than anticipated resulting in a reduction of funds available for the SPED program there is hereby appropriated up to \$4,262,410, or so much of the funds as may be necessary, from the general fund in the state treasury, not otherwise appropriated, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 38. LAND BOARD DISTRIBUTIONS. Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the state hospital all income from a permanent fund managed for this institution.

SECTION 39. REPEAL. Section 25-04-20 of the 1997 Supplement to the North Dakota Century Code is repealed.

SECTION 40. EFFECTIVE DATE. Section 9 of this Act becomes effective on January 1, 2000, and section 12 of this Act becomes effective on October 1, 1999.

SECTION 41. EXPIRATION DATE. Sections 8 and 11 of this Act are effective through June 30, 2001, and after that date are ineffective.

SECTION 42. EMERGENCY. The appropriation contained in subdivision 4 of section 1 of this Act for the state hospital includes \$1,050,000 from the general fund to replace a boiler, which is declared to be an emergency measure and those funds are available immediately upon filing of this Act with the secretary of state. Section 17 of this Act is declared to be an emergency measure.

Approved April 23, 1999

Filed April 23, 1999

CHAPTER 35

SENATE BILL NO. 2013

(Appropriations Committee)
(At the request of the Governor)

PUBLIC INSTRUCTION

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the school for the deaf, the school for the blind, and the state library; to provide for a legislative council study; to amend and reenact sections 15-21-02 and 15-21-03 of the North Dakota Century Code or in the alternative to amend and reenact sections 15.1-02-02 and 15.1-02-03 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction and the appointment of a deputy superintendent; and to amend and reenact sections 15-59-06, 15-59-06.2, 15-59-07, 44-03-01, and 54-44.1-12 of the North Dakota Century Code, relating to special education, the appointment of deputies, and executive budget allotments.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, the school for the blind, and the state library for the purpose of defraying the expenses of their various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

Salaries and wages	\$11,152,952
Operating expenses	9,809,720
Equipment	491,036
Grants - Foundation aid and transportation	479,006,259
Grants - Revenue supplement payments	3,100,000
Grants - Tuition apportionment	53,528,217
Grants - Special education	46,600,000
Grants - Other grants	143,318,663
Geographic education	50,000
SENDIT network	546,669
National board certification	20,000
Total all funds	<u>\$747,623,516</u>
Less estimated income	<u>204,137,871</u>
Total general fund appropriation	<u>\$543,485,645</u>

Subdivision 2.

STATE LIBRARY

Salaries and wages	\$1,953,203
Operating expenses	1,109,782
Equipment	40,000
Grants	<u>1,453,745</u>
Total all funds	<u>\$4,556,730</u>

Less estimated income	<u>1,593,819</u>
Total general fund appropriation	\$2,962,911

Subdivision 3.

SCHOOL FOR THE DEAF

Salaries and wages	\$4,275,930
Operating expenses	1,015,458
Equipment	74,824
Capital improvements	<u>36,327</u>
Total all funds	\$5,402,539
Less estimated income	<u>720,903</u>
Total general fund appropriation	\$4,681,636

Subdivision 4.

SCHOOL FOR THE BLIND

Salaries and wages	\$2,391,456
Operating expenses	678,059
Equipment	70,500
Capital improvements	<u>51,790</u>
Total all funds	\$3,191,805
Less estimated income	<u>1,002,577</u>
Total general fund appropriation	\$2,189,228
Grand total general fund appropriation S.B. 2013	\$553,319,420
Grand total special funds appropriation S.B. 2013	\$207,455,170
Grand total all funds appropriation S.B. 2013	\$760,774,590

SECTION 2. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$53,528,217, or such greater or lesser sums as become available, included in the grants - tuition apportionment and estimated income line items in subdivision 1 of section 1 of this Act, are hereby appropriated to the department of public instruction out of any moneys in the state tuition fund in the state treasury to the public schools of this state as provided in section 2 of article IX of the Constitution of North Dakota and chapter 15-44 for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds appropriated in the grants - foundation aid and transportation and grants - special education line items in subdivision 1 of section 1 of this Act in payment of grants for education services that were due in the 1997-99 biennium but which were not filed, claimed, or properly supported by the education provider in question until after June 30, 1999.

SECTION 4. NATIONAL BOARD CERTIFICATION. The national board certification line item in subdivision 1 of section 1 of this Act must be distributed by the department of public instruction to the education standards and practices board to pay one-half of the application fee required to be remitted to the national board for professional teaching standards for each applicant from this state taking the national board examination.

SECTION 5. DISTRIBUTION OF SPECIAL EDUCATION AID. The grants - special education line item in subdivision 1 of section 1 of this Act must be distributed as follows:

1. Eleven million five hundred thousand dollars to reimburse school districts or special education units for excess costs incurred relating to contracts for students with disabilities and for boarding care

reimbursements, as provided in sections 15-40.2-08, 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2. Of this amount, \$5,500,000 must be distributed during the fiscal year ending June 30, 2000, and \$6,000,000 must be distributed during the fiscal year ending June 30, 2001. Any funds remaining after distributions pursuant to sections 15-40.2-08, 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2 for either year must be distributed to school districts and special education units to proportionately reduce school district and special education unit liability for costs in excess of 2.5 times the state average per student cost, as provided in sections 15-59-06, 15-59-06.2, 15-59-07, and 15-59-07.2.

2. Four hundred thousand dollars to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
3. Any amount remaining in the grants - special education line item must be distributed on a per student basis as required by section 15-40.1-07.6, excluding reimbursements for student contracts, boarding care, and gifted and talented programs. State special education payments distributed as required by section 15-40.1-07.6 must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 6. TECHNOLOGY GRANTS. The grants - other grants line item in subdivision 1 of section 1 of this Act includes \$6,000,000 from the state general fund for grants to schools for technology or teacher professional development related expenditures. The educational telecommunications council shall determine the maximum amount to which each school district is entitled by dividing the number of elementary and secondary students in average daily membership in this state into the amount appropriated from the state general fund in subdivision 1 of section 1 of this Act for technology grants and then multiplying the result by the number of students in average daily membership in each district. Prior to the distribution of grants pursuant to this section, the educational telecommunications council may establish a minimum grant amount of \$5,000. A school district is not eligible to receive a grant under this section unless the administrative office of the district is connected to the internet.

SECTION 7. PAYMENTS FOR LIMITED ENGLISH PROFICIENT STUDENTS. The grants - foundation aid and transportation line item in subdivision 1 of section 1 of this Act includes up to \$400,000 from the state general fund which, pursuant to section 15-40.1-07.7, must be distributed to school districts educating limited English proficient students.

SECTION 8. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 9. DISPLACED HOMEMAKER FUND. The amount of \$250,000, or so much of the sum as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act is from the displaced homemaker fund for the purpose of providing services for displaced homemakers as provided in chapter 14-06.1 for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$888,745 for aid to public libraries of which no more than one-half is to be expended during the fiscal year ending June 30, 2000.

SECTION 11. FEES DEPOSITED IN OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 12. EXEMPTION. The operating expenses line item in subdivision 1 of section 1 of chapter 13 of the 1997 Session Laws includes up to \$70,400 from the state general fund which is not subject to the provisions of section 54-44.1-11 and may be used for continued operating costs for the accreditation program during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 13. RED RIVER VALLEY WRITING PROJECT. The operating expenses line item in subdivision 1 of section 1 of this Act includes \$10,000 from the state general fund which must be used to support the Red River Valley writing project.

SECTION 14. FUNDING FOR LEADERSHIP IN EDUCATIONAL ADMINISTRATION DEVELOPMENT CONSORTIUM AND TEACHER CENTER NETWORK. The grants - other grants line item in subdivision 1 of section 1 of this Act includes \$200,000 from the state general fund for grants to the leadership in educational administration development consortium and \$210,000 from the state general fund for grants to the teacher center network.

SECTION 15. LEGISLATIVE INTENT - LEADERSHIP IN EDUCATIONAL ADMINISTRATION DEVELOPMENT CONSORTIUM AND TEACHER CENTER NETWORK - COOPERATIVE PROGRAMS. It is the intent of the fifty-sixth legislative assembly that to the extent possible, the leadership in educational administration development consortium and the teacher center network work cooperatively to improve the development and delivery of programs and services to educational administrators and teachers.

SECTION 16. LEGISLATIVE INTENT - ELECTRONIC ACCESS TO DEPARTMENT OF PUBLIC INSTRUCTION PUBLICATIONS - SCHOOL DISTRICT ELECTRONIC REPORTING. It is the intent of the fifty-sixth legislative assembly that to reduce printing and mailing costs incurred by the department of public instruction and to provide additional access to information, by July 1, 2000, the department shall, to the extent possible, provide electronic access to all publications and other documents produced by the department for distribution to school districts and shall reduce the number of publications and documents printed and distributed by mail. It is the intent of the fifty-sixth legislative assembly that to reduce mailing costs incurred by school districts and to increase the efficiency of communications between school districts and the department of public instruction, by July 1, 2001, school districts shall, to the extent possible, electronically prepare and transfer all reports and information required to be submitted to the department of public instruction.

SECTION 17. CREDENTIALING PROCESS FOR SPECIAL EDUCATION TEACHERS. The superintendent of public instruction may not change the credentialing process for special education teachers as it is in effect on March 1, 1999, without first convening a meeting to include representatives of the North Dakota council of education leaders, the council of exceptional children, the North Dakota education association, and the North Dakota school boards association. The purpose of the meeting is to receive comments regarding the proposed changes, the applicability of the proposed changes, including the scheduling, the manner of implementation, associated costs, and the short-term and long-term effects of the proposed changes. If, within thirty days after the date of the meeting, members of any two representative groups present at the meeting object in writing to the proposed changes, the superintendent may not implement the change prior to July 1, 2001.

SECTION 18. SCHOOL DISTRICT FINANCIAL DATA - REPORTING - REQUIREMENTS. The superintendent of public instruction shall develop standardized reporting forms, in both hard copy and electronic format, prescribing the manner in which school district superintendents and business managers must account for and report financial data. The superintendent of public instruction shall report to the interim education finance committee of the legislative council regarding the content of the reports and specific actions taken to account for transfers from school district general funds, to eliminate or reduce variations in the reporting of data, and to ensure that the financial data is available in a form that allows for accurate and consistent comparisons.

SECTION 19. NATIONAL ASSESSMENT OF EDUCATIONAL PROGRESS TESTING. The department of public instruction shall participate in the national assessment of educational progress (NAEP) testing program for the 1999-2001 biennium.

SECTION 20. FEDERAL FUNDING FOR SPECIAL EDUCATION URGED. The fifty-sixth legislative assembly urges the Congress of the United States and the President to increase federal funding for special education to achieve, within the next three years, the statutory goal of the federal government providing funding for special education students equal to 40 percent of the national average per student educational expenditure. The secretary of state shall send copies of this section to the President, the members of the North Dakota congressional delegation, the national conference of state legislatures, and the state superintendent of public instruction.

SECTION 21. LAND BOARD DISTRIBUTIONS. Notwithstanding the provisions of section 15-03-05.2, during the 1999-2001 biennium, the board of university and school lands shall distribute to the school for the deaf and the school for the blind all income from permanent funds managed for the benefit of those institutions.

SECTION 22. LEGISLATIVE COUNCIL STUDY - DIVISION OF INDEPENDENT STUDY. The legislative council shall consider studying, during the 1999-2001 interim, the role, mission, operation, and privatization of the division of independent study, including educational services provided by the division to out-of-state students. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 23. LEGISLATIVE INTENT - POSITION TRANSFERS - DIVISION OF INDEPENDENT STUDY. It is the intent of the fifty-sixth legislative assembly that

for the 1999-2001 biennium, the department of public instruction be authorized to have no more than 131.95 full-time equivalent positions and that no more than 38.7 of these positions be in the division of independent study. It is the intent of the fifty-sixth legislative assembly that if, during the 1999-2001 biennium, the superintendent of public instruction transfers any positions to the division of independent study from other divisions of the department of public instruction, the transfers be reported to the budget section of the legislative council at its next meeting.

SECTION 24. CLASS SIZE REDUCTION GRANTS - REPORT TO BUDGET SECTION. During the 1999-2001 biennium, the department of public instruction shall present a report to the budget section on the distribution of federal class size reduction initiative grants.

SECTION 25. AMENDMENT. If House Bill No. 1034 does not become effective, section 15-21-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-21-02. Salary and traveling expenses. The annual salary of the superintendent of public instruction is ~~fifty-six~~ fifty-nine thousand ~~five~~ four hundred ~~sixty-eight~~ thirty-seven dollars through June 30, ~~1998~~ 2000, sixty thousand six hundred twenty-six dollars through December 31, 2000, and ~~fifty-eight~~ sixty-seven thousand ~~two~~ six hundred ~~seventy-two~~ nineteen dollars thereafter. The superintendent is also entitled to reimbursement for expenses incurred in the discharge of official duties, such expenses to be paid monthly on a warrant prepared by the office of management and budget and signed by the state auditor, upon the filing of an itemized and verified statement of expenses.

SECTION 26. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-six legislative assembly, is amended and reenacted as follows:

15.1-02-02. Salary and traveling expenses. The annual salary of the superintendent of public instruction is ~~fifty-eight~~ fifty-nine thousand ~~two~~ four hundred ~~seventy-two~~ thirty-seven dollars through June 30, 2000, sixty thousand six hundred twenty-six dollars through December 31, 2000, and sixty-seven thousand six hundred nineteen dollars thereafter.

SECTION 27. AMENDMENT. If House Bill No. 1034 does not become effective, Section 15-21-03 of the North Dakota Century Code is amended and reenacted as follows:

15-21-03. Appointment of ~~deputy~~ - Assistant assistant - Clerks. The superintendent of public instruction may appoint a ~~deputy for whose official acts he is responsible, and~~ an assistant whose duty it is to assist the superintendent of public instruction in visiting schools and institutes, to attend school officers' meetings, and to perform such other duties as may be required of him. The superintendent also may employ such clerks as are necessary in carrying on the work of the department.

⁹ **SECTION 28. AMENDMENT.** Section 15.1-02-03 of the North Dakota Century Code as created by House Bill No. 1034, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

15.1-02-03. Appointment of ~~deputy~~ assistant - Employment of personnel. The superintendent of public instruction may appoint a ~~deputy superintendent and~~ an assistant. The superintendent may also hire personnel or contract with other persons to perform the work of the department of public instruction.

SECTION 29. AMENDMENT. Section 15-59-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-06. State cooperation in special education. Students with disabilities who are receiving special education services must be deemed to be regularly enrolled in the school district of residence and must be included in the determination of payments from the state foundation aid program whether or not the students regularly attend school in the school or school district receiving the payments. A prorated state foundation aid payment for a student to attend a public school program for students with disabilities, approved by the superintendent of public instruction, may be made if the individualized education program for the student is written during the last quarter of the school term and specifically requires that the student attend a summer special education program. In the case of a student who is enrolled in a nonpublic school but who attends a public school special education program, payments must be made to the appropriate public school district for the portion of a normal schoolday the student participates in special education. For the purposes of this section, a normal schoolday consists of six hours. The amount the school district is required to expend must be reduced proportionately if a student attends the school for less than an entire year. If any school district within a special education unit has a student with disabilities who, in the opinion of the student's multidisciplinary team, is unable to attend the public schools in the special education unit because of a disability, the school district shall contract with an in-state public school located outside the special education unit in which the student is a legal resident, if the school will accept the student and has proper services for the student's education. No school district may enter into a contract with any in-state public school for the education of any student because of a disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the in-state public school as part of the cost of educating the student an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment. The payment may not exceed the actual per student cost incurred by the in-state public school. The school district's liability must be reduced proportionately if the student attends the in-state public school for less than an entire year. The superintendent of public instruction, upon notification by the admitting district and upon verification by the superintendent that tuition payments are due the admitting district and are unpaid, shall withhold ~~all payments~~ from the state for foundation aid payments to the district of residence an amount equal to the unpaid tuition until ~~the tuition due~~ that amount has been paid. The transportation must be furnished as provided by rules of the superintendent of public instruction. The

⁹ Section 15.1-02-03 was created by section 2 of House Bill No. 1034, chapter 196.

superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating the student with disabilities not covered by other payments or credits ~~must be paid from funds~~, within the limits of legislative appropriations for that purpose.

SECTION 30. AMENDMENT. Section 15-59-06.2 of the North Dakota Century Code is amended and reenacted as follows:

15-59-06.2. Cost of special education - Liability of school district. If allowable costs for special education and related services for a child with disabilities in a special education program, as determined by the superintendent of public instruction, exceed the reimbursement provided by the state, the school district is liable to pay for each such student an amount over the state reimbursement up to a maximum each school year of two and one-half times the state average ~~per pupil per student~~ elementary or high school cost, depending on whether the enrollment would be in a grade or high school department, and twenty percent of all remaining costs. The two and one-half times amount includes the amount the school district is required to pay in section 15-59-06. The state is liable for ~~one hundred eighty~~ percent of the remainder of the cost of education and related services for each such student with disabilities within the limits of legislative appropriations for that purpose.

SECTION 31. AMENDMENT. Section 15-59-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

15-59-07. Contracts for students with disabilities to attend private or out-of-state public schools. If any school district in this state has a student with disabilities who in the opinion of the student's multidisciplinary team is unable to attend the public schools in the district because of a physical or mental disability or because of a learning disability, the school district shall contract with any accredited private nonsectarian nonprofit corporation within or outside the state or an out-of-state public school which has proper facilities for the education of the student, if there is no public school in the state which has the necessary services and which will accept the student. No school district may enter a contract with any private nonsectarian nonprofit corporation or out-of-state public school for the education of any student having a physical or learning disability, unless the services provided by the school and the contract have been approved in advance by the superintendent of public instruction. The contract must provide that the school district agrees to pay to the private nonsectarian nonprofit corporation or the out-of-state public school as part of the cost of educating the student an amount for the school year equal to two and one-half times the state average per student elementary or high school cost, depending upon the student's level of enrollment and twenty percent of all remaining costs. The payment may not exceed the actual per student cost incurred by the private nonsectarian nonprofit corporation or out-of-state public school. The transportation must be furnished and reimbursed as provided by rules of the superintendent of public instruction. ~~The remainder of the actual cost of educating the student with disabilities not covered by other payments or credits must be paid from funds appropriated by the legislative assembly for special education notwithstanding limitations cited in section 15-59-06.~~ The superintendent of public instruction shall reimburse school districts eighty percent of the remainder of the actual cost of educating each student with disabilities not covered by other payments or credits within the limits of legislative appropriations for that purpose. The district of residence is entitled to the per student foundation payment.

¹⁰ **SECTION 32. AMENDMENT.** Section 44-03-01 of the North Dakota Century Code is amended and reenacted as follows:

44-03-01. Deputies may be appointed by certain officers. The secretary of state, state auditor, state treasurer, ~~superintendent of public instruction,~~ commissioner of insurance, commissioner of agriculture, commissioner of labor, district assessor, and city assessor each may appoint a deputy for whose acts as such ~~he~~ the officer shall be responsible. Each officer required to give a bond may require a bond from any deputy appointed by ~~him~~ the officer. Any such bond must be in the penal sum of not more than half the penal sum of the appointing officer's own bond and may be retained by the officer for ~~his~~ the officer's own protection. Such appointment must be in writing and is revocable in writing at the pleasure of the principal, and such appointment and revocation must be filed as the bond and oath of the principal are filed.

SECTION 33. AMENDMENT. Section 54-44.1-12 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-44.1-12. Control over rate of expenditures. The director of the budget shall exercise continual control over the execution of the budget affecting the departments and agencies of state government, with the exception of the legislative and judicial branches. Execution means the analysis and approval of all commitments for conformity with the program provided in the budget, frequent comparison of actual revenues and budget estimates, and on the basis of these analyses and comparisons control the rate of expenditures through a system of allotments. The allotment must be made by specific fund and all departments and agencies that receive moneys from that fund must be allotted on a uniform percentage basis, except that appropriations to the department of public instruction for foundation aid, transportation aid, and special education aid may only be allotted to the extent that the allotment can be offset by transfers from the foundation aid stabilization fund. Before an allotment is made which will reduce the amount of funds which can be disbursed pursuant to an appropriation or before an allotment disallowing a specific expenditure is made, the director shall find one or more of the following circumstances to exist:

1. The moneys and estimated revenues in a specific fund from which the appropriation is made are insufficient to meet all legislative appropriations from the fund.
2. The payment or the obligation incurred is not authorized by law.
3. The expenditure or obligation is contrary to legislative intent as recorded in any reliable legislative records, including:
 - a. Statements of legislative intent expressed in enacted appropriation measures or other measures enacted by the legislative assembly; and

¹⁰ Section 44-03-01 was also amended by section 14 of Senate Bill No. 2360, chapter 113.

- b. Statements of purpose of amendment explaining amendments to enacted appropriation measures, as recorded in the journals of the legislative assembly.
4. Circumstances or availability of facts not previously known or foreseen by the legislative assembly which make possible the accomplishment of the purpose of the appropriation at a lesser amount than that appropriated.

Approved April 19, 1999

Filed April 19, 1999

CHAPTER 36**SENATE BILL NO. 2014**

(Appropriations Committee)
 (At the request of the Governor)

COMMITTEE ON PROTECTION AND ADVOCACY

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds, to the committee on protection and advocacy for the purpose of defraying the expenses of protection and advocacy services, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Total all funds	\$2,238,136
Less estimated income	<u>1,507,492</u>
Total general fund appropriation	\$730,644

Approved April 13, 1999

Filed April 14, 1999

CHAPTER 37**SENATE BILL NO. 2015**

(Appropriations Committee)
(At the request of the Governor)

OFFICE OF MANAGEMENT AND BUDGET

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide other appropriations; to provide for various transfers and financial transactions; to provide an exemption from the provisions of section 54-44.1-11 of the North Dakota Century Code; to provide statements of legislative intent; to provide for a legislative council study; to create and enact a new section to chapter 54-06, a new section to chapter 54-11, a new section to chapter 54-23.2, five new sections to chapter 57-34, and a new section to chapter 65-02 of the North Dakota Century Code, relating to the collection and receipt of public funds, mobile data terminal and 911 service fees, the audit and assessment of telecommunications carriers, deficiency notice protest and appeal procedure, claim for credit or refund of the tax on telecommunications carriers, preservation of records, and resale certificates, and payments in lieu of taxes on workers compensation bureau property; to amend and reenact subsection 2 of section 4-14.1-07, section 15-39.1-26, subsection 2 of section 32-12.2-07, sections 34-15-07, 39-12-20, subdivision g of subsection 3 of section 49-23-04, sections 54-16-04.1, 54-16-04.2, 54-27.2-02, 54-44-04.6, 57-34-01, 57-34-02, 57-34-03, 57-34-06, and 57-34-10 of the North Dakota Century Code, relating to ethanol plants, the collection, investment, and deposit of state funds, time periods under the one-call excavation notice system, the risk management fund, emergency commission approvals, the budget stabilization fund, and telecommunications carriers gross receipts tax revenues; to provide a penalty; to provide a continuing appropriation; to provide an effective date; to provide an expiration date; to provide for retroactive application; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the various divisions under the supervision of the director of the office of management and budget for the purpose of defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

OFFICE OF MANAGEMENT AND BUDGET

Administration	\$2,982,026
Fiscal management	3,875,828
Facility management	8,074,694
Central personnel	1,212,300
Division of community services	42,035,197
Risk management	959,911
Statewide compensation plan	<u>5,400,000</u>

Total all funds	\$64,539,956
Less estimated income	<u>46,088,243</u>
Total general fund appropriation	\$18,451,713

Subdivision 2.

INFORMATION SERVICES DIVISION

Information resource management	\$49,659,295
Total all funds	<u>\$49,659,295</u>
Less estimated income	<u>49,409,295</u>
Total general fund appropriation	\$250,000

Subdivision 3.

CENTRAL SERVICES

Central services	\$5,454,471
Total all funds	<u>\$5,454,471</u>
Less estimated income	<u>4,774,332</u>
Total general fund appropriation	\$680,139

Subdivision 4.

STATE RADIO COMMUNICATIONS

Salaries and wages	\$2,468,120
Operating expenses	1,788,580
Equipment	<u>160,000</u>
Total all funds	\$4,416,700
Less estimated income	<u>514,990</u>
Total general fund appropriation	<u>\$3,901,710</u>
Grand total general fund appropriation section 1	\$23,283,562
Grand total special funds appropriation section 1	\$100,786,860
Grand total all funds appropriation section 1	\$124,070,422

SECTION 2. APPROPRIATION. There is hereby appropriated from federal funds \$6,000,000, or so much of the sum as may be necessary, to the director of the office of management and budget for the division of community services for flood-related disasters and the weatherization of low-income homes, for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 3. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$360,000, or so much of the sum as may be necessary, to the emergency commission for the purpose of paying costs associated with Americans with Disabilities Act litigation to which the department of transportation is a party for the biennium beginning July 1, 1999, and ending June 30, 2001. The emergency commission may use the funds to make payments to the plaintiffs in the event a judgement is entered against the state in Miller v. State of North Dakota.

SECTION 4. APPROPRIATION - UNIVERSITY SYSTEM - GRANT TO PRAIRIE PUBLIC BROADCASTING. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$415,000, or so much of the sum as may be necessary, to the university system office for the purpose of providing a grant to be used as matching funds by prairie public broadcasting for phase I of the project to convert to digital television broadcasting.

SECTION 5. ATTORNEY GENERAL - GAMING ENFORCEMENT GRANTS - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04 and section 5 of Senate Bill No. 2003, as approved by the fifty-sixth legislative assembly, the

emergency commission may authorize the attorney general to make transfers between the line items in section 1 of Senate Bill No. 2003 of up to the sum of \$310,086 for the purpose of providing additional local gaming enforcement grants in accordance with the provisions of section 6 of Senate Bill No. 2003, for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 6. APPROPRIATION. The amount of \$25,000, or so much of that amount as may be necessary, is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the council on the arts for the purpose of providing a grant to the plains art museum for the Lewis and Clark bicentennial event, for the biennium beginning July 1, 1999, and ending June 30, 2001. The council on the arts may provide the grant only after the plains art museum has raised \$25,000 of other funds to be used to match the general fund moneys appropriated in this section.

SECTION 7. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the director of the office of management and budget may transfer between various line items in subdivisions 1, 2, and 3 of section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 8. CAPITOL BUILDING FUND. The amount of \$225,000, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the facility management division from the capitol building fund during the biennium beginning July 1, 1999, and ending June 30, 2001. The amount of \$25,000, or so much of the sum as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is to be spent by the administration division from the capitol building fund for capitol grounds planning during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 9. EXEMPTION. The fiscal management appropriation contained in subdivision 1 of section 1 of chapter 15 of the 1997 Session Laws is not subject to the provisions of section 54-44.1-11 for up to an amount of \$750,000 and any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems during the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 10. SPECIAL COMPENSATION ADJUSTMENTS FOR CLASSIFIED STATE EMPLOYEES. It is the intent of the fifty-sixth legislative assembly that the statewide compensation plan appropriation included in subdivision 1 of section 1 of this Act be used for market equity compensation adjustments for classified state employees. The special market equity adjustments are to begin with the month of July 1999, to be paid in August 1999. The special market equity adjustments are to be independent of any general salary increase provided by this legislative assembly.

The special market equity increases are to be prioritized based on equity for employees whose salaries are furthest from their respective salary range midpoints effective July 1, 1999. Special market equity increases may not be given to employees whose salary exceeds the midpoints of their assigned salary range effective July 1, 1999.

Probationary employees are eligible for the special market equity increases. Employees whose documented performance levels do not meet standards are not eligible for the special market equity increases.

The central personnel division shall provide a model base plan to each agency. Agencies may adopt the model plan, adopt the model plan with exceptions, or offer an alternative plan that meets the intent outlined in this section.

Upon adoption of an appropriate plan and application to the central personnel division, the division shall transfer appropriated general funds or special fund spending authority for the increases to the agencies.

SECTION 11. INTENT - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES. It is the intent of the fifty-sixth legislative assembly that 1999-2001 compensation adjustments for permanent state employees are to be increases of a minimum of \$35 per month, beginning with the month of July 1999, to be paid in August 1999, and a minimum of \$35 per month, beginning with the month of July 2000, to be paid in August 2000. Any increases greater than \$35 per month may not be given across-the-board and must be based on merit and equity. Each agency appropriation is increased by 2.0 percent per year.

Probationary employees and employees whose documented performance levels do not meet standards are not eligible for the general or additional increases.

During the biennium, no salary increase other than the \$35 per month in July 1999 and \$35 per month in July 2000 may be given to an employee whose salary exceeds or would exceed the salary range maximum.

It is the intent of the fifty-sixth legislative assembly that the workers compensation bureau provide pay raises based on merit and performance throughout the 1999-2001 biennium.

An agency may provide average salary increases of up to 3.0 percent for the second year of the 1999-2001 biennium only to the extent that the increase can be paid without an increase in the agency's appropriation. State agencies and institutions shall report to the office of management and budget on the amounts provided for salary increases for the second year of the biennium, any amounts transferred between line items pursuant to section 12 of this Act, the source of funding, and the impact on the provision of agency services. The office of management and budget shall report to the budget section at its December 2000 meeting concerning the amounts provided by state agencies and institutions for salary increases for the second year of the biennium, line item transfers relating to the increases, the source of the funding, and the impact on the provision of agency services.

SECTION 12. STATE AGENCIES - LINE ITEM TRANSFER AUTHORITY. Notwithstanding the provisions of chapter 54-16, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of an agency or institution upon the request of the agency or institution in order to provide for an average of 3.0 percent employee salary increases for the second year of the 1999-2001 biennium as provided in section 11 of this Act.

SECTION 13. INTENT. Within the authority included in subdivision 1 of section 1 of this Act, are the following grants and special items:

Boys and girls clubworks	\$53,000
State contingencies	600,000
State memberships and related expenses	317,000
Firemen's association	63,000
Unemployment insurance	1,200,000
Capitol grounds planning commission	25,000
State lobbyist	120,000

SECTION 14. TRANSFER. During the biennium beginning July 1, 1999, and ending June 30, 2001, the director of the office of management and budget is authorized to transfer special funds to the general fund as follows:

Lands and minerals trust fund	\$3,000,000
Public employees life insurance program	1,500,000
Financial institutions regulatory fund	200,000

SECTION 15. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND - AUTHORITY TO SELL LOANS - TRANSFERS. Between January 1 and June 30, 2001, at the request of the director of the office of management and budget, the executive director of the department of human services shall sell such loans in the developmental disabilities revolving loan fund created under North Dakota Century Code section 6-09.6-01, as may be necessary to the Bank of North Dakota to provide \$2,150,000, or so much thereof as may be necessary, with the proceeds to be deposited in the general fund. The loans may only be sold to the extent necessary to achieve the June 30, 2001, ending general fund balance as estimated by the fifty-sixth legislative assembly.

SECTION 16. FIRE AND TORNADO FUND. The amount of \$63,000, or so much of the amount as is necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act, is from the fire and tornado fund.

SECTION 17. BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND. During the biennium ending June 30, 2001, the industrial commission shall transfer to the state general fund up to \$50,000,000 from the current earnings and the accumulated undivided profits of the Bank of North Dakota. No more than \$15,000,000 of the amount transferred may come from accumulated undivided profits. The moneys must be transferred in the amounts and at such times as requested by the director of the office of management and budget.

No transfers may be made that would reduce the Bank's capital structure below \$100,000,000.

SECTION 18. CONTINGENT BANK OF NORTH DAKOTA TRANSFERS TO STATE GENERAL FUND - BUDGET SECTION APPROVAL. If, during the biennium ending June 30, 2001, the director of the office of management and budget determines via revised projections that general fund revenue collections will not meet the revenues as forecast in the March 1999 legislative forecast, then the industrial commission shall transfer to the state general fund an additional amount, as determined by the director of the office of management and budget and as approved by the budget section, from the earnings and accumulated and undivided profits of the Bank of North Dakota. Transfers made under the provisions of this section may not be made before July 1, 2000, and may only be made to the extent that the

transfer is necessary to achieve a projected June 30, 2001, general fund balance of \$10,000,000. The moneys must be transferred in amounts and at such times as requested by the director of the office of management and budget. The additional amount transferred may not exceed the lesser of \$40,000,000 or the revenue shortfall of actual collections compared to the March 1999 legislative forecast.

No transfers may be made that would reduce the Bank's capital structure below \$100,000,000.

SECTION 19. FEDERAL PROGRAM TERMINATIONS - BLOCK GRANT - FUNDING REDUCTIONS - RELATED PROGRAM REDUCTIONS - REPORTS TO THE BUDGET SECTION. If the federal government during the 1999-2001 biennium terminates funding for any program administered by an agency, department, or institution of the state of North Dakota, the agency, department, or institution, subject to budget section approval, may terminate the program and not replace the reduction in federal funds with state funds, notwithstanding any other provision of law. If the federal government combines funding for separate programs in a block grant resulting in a reduction of total federal funds available for those programs, the administering agency, department, or institution may, subject to budget section approval, prioritize or reprioritize programs as necessary in making programmatic reductions. The agency, department, or institution may administer funds available under a new federal block grant or similar measure, consistent with the terms of that measure, notwithstanding any other provisions of law intended to conform to or implement the provisions of the repealed federal Act, and shall report any program terminations, reductions, or changes resulting from this section to the budget section of the legislative council for its approval.

SECTION 20. PROGRAM-BASED PERFORMANCE BUDGETING. The office of management and budget shall discontinue the program-based performance budgeting pilot project when preparing the 2001-03 biennium budget documents and accompanying appropriation bills. Budget documents for the 2001-03 biennium are to be based on the standard line items and are not to contain agency performance measures.

SECTION 21. LEGISLATIVE COUNCIL INTERIM STUDY OF PERFORMANCE INCENTIVE PILOT PROGRAMS. The legislative council shall consider studying the establishment of agency performance incentive pilot programs. If conducted, the study should address how agencies could develop, implement, administer, maintain, and evaluate performance incentive pilot programs. The study should also address the development of personnel policies and procedure manuals and how pay raises which may not be across the board are to be awarded as a reward and incentive for superior performance and the length of time they may be in effect. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-seventh legislative assembly.

SECTION 22. UNIVERSITY OF NORTH DAKOTA WINTER SPORTS FACILITY MAINTENANCE FUND. The university of North Dakota shall establish a reserve fund to be used to provide for future repair and maintenance costs related to the winter sports facility to be constructed at the university of North Dakota. The university shall establish a reserve fund for this purpose from building operating profits, donations, or other funds.

¹¹ **SECTION 23. AMENDMENT.** Subsection 2 of section 4-14.1-07 of the 1997 Supplement to the North Dakota Century Code as amended by section 11 of House Bill No. 1019, as approved by the fifty-sixth legislative assembly, is amended and reenacted as follows:

2. An ethanol plant that was in operation before July 1, 1995, and which ~~produced~~ has a production capacity of fewer than fifteen million gallons [56781000 liters] of ethanol in the previous fiscal year may receive up to seven hundred fifty thousand dollars in production incentives from the state for production in a fiscal year. An ethanol plant that was in operation before July 1, 1995, and which has a production capacity of fifteen million gallons [56781000 liters] or more of ethanol per year is not eligible for production incentives from the state.

SECTION 24. AMENDMENT. Section 15-39.1-26 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-26. Investment of moneys in fund - Interest and earnings attributable to fund. Investment of the fund ~~shall be~~ is under the supervision of the state investment board in accordance with chapter 21-10. ~~Such~~ The moneys must be placed for investment only with a firm or firms whose endeavor is money management, and only after a trust agreement or contract has been executed. Investment costs may be paid directly from the fund, and are hereby appropriated for that purpose, in accordance with section 21-10-06.2. All interest and earnings on funds administered by the board must be credited to the fund.

SECTION 25. AMENDMENT. Subsection 2 of section 32-12.2-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

2. The state risk management fund is a special fund in the state treasury administered by the director of the office of management and budget. The fund is a revolving fund consisting of contributions from participating state entities, all payments received by the fund from its activities, and other appropriations by the legislative assembly. The state investment board shall invest the fund in accordance with chapter 21-10. Funds received as contributions from state entities, all other payments deposited in the fund, and interest and income received on investments are hereby appropriated on a continuing basis for the purposes of the fund. Section 54-44.1-11 does not apply to the fund.

SECTION 26. AMENDMENT. Section 34-15-07 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

34-15-07. Disposition of civil money penalties. A civil money penalty collected under this chapter must be paid into the state treasury for deposit in the general fund ~~after the costs of recovering the civil money penalty are deducted therefrom.~~

¹¹ Section 4-14.1-07 was also amended by section 11 of House Bill No. 1019, chapter 19.

SECTION 27. AMENDMENT. Section 39-12-20 of the North Dakota Century Code is amended and reenacted as follows:

39-12-20. Proceeds of sale - Continuing appropriation. The proceeds of sale must be applied first to the payment of deposited with the state treasurer. The state treasurer shall deposit in the highway fund an amount equal to the amount of the charges assessed pursuant to section 39-12-17 after paying the costs to the county. An amount equal to the costs of the proceedings, including attorneys and witness fees and costs, and next to the payment of the charges assessed. Such charges must be remitted to the state treasurer to be credited to the highways fund is appropriated on a continuing basis out of the funds collected to the county in which the prosecution took place for the purpose of defraying the costs of prosecution. The balance of the proceeds of any sale after the payment of costs and charges must is appropriated on a continuing basis out of the funds collected to be paid over by the sheriff to the person entitled thereto as determined by the court or must be deposited with the clerk of court for such payment.

¹² **SECTION 28. AMENDMENT.** Subdivision g of subsection 3 of section 49-23-04 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- g. An excavator may not use a location more than ~~seventy-two hours~~ ten days, or any extension of that period, after the planned excavation date unless the excavator has made previous arrangements with the operators affected.

SECTION 29. A new section to chapter 54-06 of the North Dakota Century Code is created and enacted as follows:

Expenses incurred to collect funds owed the state - Continuing appropriation. If a state agency enters a contract with a collection or credit agency to collect money due the state, the fees for services, reimbursement, or other remuneration to the collection or credit agency must be based on the amount of money actually collected. All funds collected on behalf of a state agency by a collection or credit agency must be deposited with the state treasurer. An amount equal to the amount of fees for services, reimbursement, or any other remuneration to the collection or credit agency as set forth in the contract is appropriated from the fund into which the money collected was deposited to the state agency for which the funds were collected for the payment of fees due under the contract.

SECTION 30. A new section to chapter 54-11 of the North Dakota Century Code is created and enacted as follows:

Appointment of agents. The treasurer may appoint agents for the purpose of receiving public funds as required by section 12 of article X of the Constitution of North Dakota. If appointed by the state treasurer, the Bank of North Dakota shall serve as an agent of the state treasurer for the purpose of receiving public funds, including funds that must be deposited in higher education institution special revenue funds.

¹² Section 49-23-04 was also amended by section 7 of House Bill No. 1451, chapter 410, and section 1 of Senate Bill No. 2265, chapter 418.

SECTION 31. AMENDMENT. Section 54-16-04.1 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.1. May authorize acceptance and disbursement of federal funds. The emergency commission with the advice and counsel of the executive office of the budget may authorize the state treasurer to receive any moneys not appropriated by the legislative assembly which are made available by any federal agency and which the legislative assembly has not indicated an intent to reject. The emergency commission may authorize pass-through federal funds from one state agency to another state agency. The emergency commission, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize any state officer to expend federal moneys from the date such moneys become available until June thirtieth following the next regular legislative session. The expenditures must be consistent with state law and with the terms of the grant and the program may not commit the legislative assembly for matching funds in the future unless the program has first been approved by the legislative assembly. A state officer may not expend funds received from the federal government which have not been specifically appropriated by the legislative assembly except as provided in this chapter. A state officer shall submit an expenditure plan with a request for approval under this section of expenditure of federal funds combined with or as part of a block grant for a new or existing program.

SECTION 32. AMENDMENT. Section 54-16-04.2 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-16-04.2. Commission may authorize acceptance and expenditure of moneys. The emergency commission, upon the advice of the office of management and budget, with approval of the budget section of the legislative council if the amount under consideration exceeds fifty thousand dollars, may authorize a state officer to receive moneys from gifts, grants, donations, or other sources, not otherwise appropriated by the legislative assembly, for new or existing programs if the legislative assembly has not indicated an intent to reject the moneys or the program. The emergency commission may authorize the state officer to expend money received under this section from the date the money becomes available until June thirtieth following the next regular legislative session.

SECTION 33. A new section to chapter 54-23.2 of the North Dakota Century Code is created and enacted as follows:

Mobile data terminal and 911 service fees. State radio communications shall establish and charge fees to provide mobile data terminal service to interested local law enforcement agencies. The fees must be based on actual costs incurred by state radio communications for providing the service.

State radio communications shall charge at least twenty cents per telephone for 911 services provided to political subdivisions. Each county currently receiving 911 services from state radio communications shall abide by the standards established by the governor's emergency services advisory committee.

SECTION 34. AMENDMENT. Section 54-27.2-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-27.2-02. (Effective through June 30, 1999) Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of sixty-five million dollars at the end of any biennium must be

transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

(Effective July 1, 1999) Certain general fund revenues to be deposited in the budget stabilization fund. Notwithstanding any other provision of law except section 54-27.2-01, any amount in the state general fund in excess of forty million dollars at the end of any biennium must be transferred by the state treasurer to the budget stabilization fund. For purposes of this section, "at the end of any biennium" means after cancellation of unexpended appropriations under section 54-44.1-11.

¹³ **SECTION 35. AMENDMENT.** Section 54-44-04.6 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

54-44-04.6. State surplus property - Department heads to inform director - Disposition of property - Proceeds - Exchange of property.

1. The person in charge of any department, agency, or institution of the state shall inform the director of the office of management and budget or the director's designee whenever that department, agency, or institution possesses property surplus to its needs, whether originally obtained with state or other funds.
2. State surplus property must be transferred at fair market value to state agencies, political subdivisions, and nonprofit organizations eligible to receive federal surplus property under the Federal Property Administrative Services Act of 1949, as amended. Eligible organizations must be notified of the availability of property on a regular basis.
3. If not disposed of under subsection 2, then by sale on sealed bids or at public auction to the highest and best bidder for property valued at more than three thousand dollars, with no money deposit required prior to sale, or by sealed bids, public auction, or negotiation at fair value for property valued at less than three thousand dollars.
4. All proceeds received from the transfer or sale of state surplus property must be deposited into the fund from which the property was originally purchased, less administrative expenses with the state treasurer for deposit in the surplus property operating fund. For each piece of property, the office of management and budget shall transfer to the agency from which the property was received an amount equal to the proceeds of the sale less the administrative expenses of the sale. The agency shall deposit the proceeds into the fund from which the property was originally purchased.
5. No department, agency, or institution may exchange items as part of a purchase price of new items until a detailed statement of the value of the items to be exchanged and request for approval have been submitted to the director of the office of management and budget. The director shall

¹³ Section 54-44-04.6 was also amended by section 10 of House Bill No. 1170, chapter 474.

approve the exchange only if the director has determined that the item has been valued at fair value.

SECTION 36. A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

Tax commissioner to audit returns and state board of equalization to assess tax. The tax commissioner shall proceed to audit the returns of telecommunications carriers not later than three years after the due date of the return, or three years after the return was filed, whichever period expires later. The state board of equalization shall assess the tax and, if any additional tax is found due, the tax commissioner shall notify the taxpayer in detail as to the reason for the increase.

SECTION 37. A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

Deficiency, protest, and appeal.

1. When tax is understated on a return because of a mathematical or clerical error, the tax commissioner shall notify the telecommunications carrier of the error and the amount of additional tax due. This notice is not a notice of deficiency and the telecommunications carrier has no right to protest.
2. If upon audit the tax commissioner finds additional tax due, the tax commissioner shall notify the telecommunications carrier and the state board of equalization of the deficiency in the tax amount. A notice of deficiency must be sent to the telecommunications carrier by first-class mail and must state the amount of additional tax due and set forth the reasons for the increase.
3. A telecommunications carrier has thirty days from the date of mailing of the notice of deficiency to file a written protest with the state board of equalization objecting to the assessment of additional tax due. The protest must set forth the basis for the protest and any other information that may be required by the state board of equalization. If a telecommunications carrier fails to file a written protest within the time provided, the amount of additional tax stated in the notice of deficiency becomes finally and irrevocably fixed. If a telecommunications carrier protests only a portion of the tax commissioner's finding, the portion that is not protested becomes finally and irrevocably fixed.
4. If a protest is filed, the state board of equalization shall reconsider the assessment of additional tax due.
5. Within six months after the protest is filed, the state board of equalization shall mail to the telecommunications carrier a notice of reconsideration and assessment which must respond to the telecommunications carrier's protest and assess the amount of any additional tax due. The amount set forth in that notice becomes finally and irrevocably fixed unless the telecommunications carrier brings an action against the state in district court within six months of the mailing of the notice of reconsideration and assessment.

SECTION 38. A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

Claims for credit or refund.

1. A telecommunications carrier may file a claim for credit or refund of an overpayment of any tax imposed by this chapter within three years after the due date of the return or within three years after the return was filed, whichever period expires later.
2. A claim for credit or refund must be made by filing with the tax commissioner an amended return, or other report as prescribed by the tax commissioner, accompanied by a statement outlining the specific grounds upon which the claim for credit or refund is based.
3. The tax commissioner shall notify the telecommunications carrier if the state board of equalization disallows all or part of a claim for credit or refund. The decision of the state board of equalization denying a claim for credit or refund is final and irrevocable unless the telecommunications carrier brings an action against the state in district court within six months of the mailing of the notice denying the claim for credit or refund.

SECTION 39. A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

Preservation of records. Every telecommunications carrier required to make a return and pay any tax under this chapter shall preserve records of the gross proceeds of sale as the commissioner may require and every carrier shall preserve for a period of three years and three months all invoices and other records of telecommunications services purchased for resale. All of these books, invoices, and other records must be open to examination at any time by the commissioner or any duly authorized agent of the commissioner.

SECTION 40. A new section to chapter 57-34 of the North Dakota Century Code is created and enacted as follows:

Resale certificates. A telecommunications carrier who receives a resale certificate certifying that another telecommunications carrier holds a North Dakota sales and use tax permit for sales or use tax purposes under section 57-39.2-14 is relieved from submitting the telecommunications gross receipts tax upon the sale of telecommunications services to be resold by the telecommunications carrier submitting the certificate. When a telecommunications carrier submits a false resale certificate to another telecommunications carrier, the telecommunications carrier that submitted the certificate is liable for the telecommunications gross receipts tax on the sale. A hospital, hotel, motel, or similar place of temporary accommodation selling telecommunications service to its patients or guests is not a telecommunications carrier under this section.

SECTION 41. AMENDMENT. Section 57-34-01 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-34-01. Definitions. The definitions in this section may not be construed to subject a telecommunications carrier or telecommunications service to the provisions of title 49. As used in this chapter, unless the context or subject matter otherwise clearly requires:

1. "Adjusted gross receipts" means telecommunications carrier gross receipts less all amounts paid by the reporting telecommunications carrier on telecommunications service that is taxable under this chapter in state and local sales and use taxes and federal excise taxes and less amounts paid by the reporting telecommunications carrier to another telecommunications carrier for directory assistance originated by a caller in this state.
2. "Company" includes any individual, copartnership, business trust, corporation, limited liability company, joint-stock company, association, or any other organization.
- ~~2-~~ 3. "Gross receipts" means all telecommunications carrier retail revenues from telecommunications service charges billed to any station in this state and from charges to another telecommunications carrier for directory assistance originated by a caller in this state.
- ~~3-~~ 4. "Station" means a subscriber service address located in this state with a distinct call number designation or distinct extension number designation. If this is not a defined location, "station" means the location of the primary use of telecommunications equipment as determined by telephone number, authorization code, or billing address.
4. 5. "Telecommunications carrier" means a ~~person~~ company that is engaged in the business of furnishing telecommunications service within this state. The term includes a reseller of telecommunications service.
- ~~5-~~ 6. "Telecommunications service" means transmitting for consideration of two-way communication by wire, cable, fiber optics, radio, lightwave, microwave, satellite, or other means. The term includes:
 - a. Essential telecommunications service and nonessential telecommunications service as defined in section 49-21-01;
 - b. Telecommunications service that originates and terminates in this state and is billed to a station in this state;
 - c. Interstate telecommunications service that originates or terminates in this state and is billed to a station in this state; and
 - d. ~~A hospital, hotel, motel, or similar place of temporary accommodation selling telecommunications service to its patients or guests, if there is a separately stated charge for the service; and~~
 - e. Telegraph service.
- ~~6-~~ 7. "Telecommunications service charges" means the value of all consideration received by a telecommunications carrier for provision of telecommunications service and recovery within the year of telecommunications service charges written off in a prior year as uncollectible. For a telecommunications carrier operating on any form of mutual basis, the term includes all amounts assessed against the members for the operation and maintenance of the business. The term does not include revenue from merchandising, jobbing and contract work, maintenance or repair of customer premises equipment including

equipment leased or rented by the customer from any source, operations not directly related to provision of telecommunications service, amounts charged for billing and collection on behalf of another telecommunications carrier, proceeds from transfer of capital stock, or transfer, sale, or lease of property not directly related to telecommunications service. The term does not include amounts collected for or amounts collected from federal and state mechanisms to preserve and advance universal service.

SECTION 42. AMENDMENT. Section 57-34-02 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-34-02. Reports of telecommunications carriers - Penalty.

1. Each telecommunications carrier that received intercarrier telecommunications revenue in the preceding calendar year shall make and file with the tax commissioner, on or before January fifteenth of each year, a list containing the name and mailing address of each telecommunications carrier from which the reporting telecommunications carrier received intercarrier telecommunications revenue in the preceding calendar year. This list is to be filed in addition to the report required by subsection 3.
2. Each telecommunications carrier that provided telecommunications service in the preceding calendar year to one or more pay telephones owned by another company shall make and file with the tax commissioner, on or before January fifteenth of each year, a list containing the name and mailing address for each company that owned a pay telephone served by the reporting telecommunications carrier in the preceding calendar year. This list is to be filed in addition to the report required by subsection 3.
3. Each telecommunications carrier subject to gross receipts taxes under this chapter shall make and file with the tax commissioner, on or before May first of each year, on the form as the tax commissioner may prescribe, a report containing a statement of its gross receipts in this state during the preceding calendar year, amounts paid by the carrier on telecommunications service that is taxable under this chapter during the preceding calendar year in state and local sales and use taxes and federal excise taxes, amounts received from or paid to another telecommunications carrier for directory assistance, and any other information as the tax commissioner may require. The form must include a notice of a telecommunications carrier's right to appeal its assessment to the state board of equalization prior to or at the August meeting of the state board of equalization. Each report must be signed, subject to section 12.1-11-02, by the president, secretary, or other official of the telecommunications carrier.

¹⁴ **SECTION 43. AMENDMENT.** Section 57-34-03 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

¹⁴ Section 57-34-03 was also amended by section 1 of Senate Bill No. 2101, chapter 506.

57-34-03. Computation of taxes by tax commissioner - Exemption for high-volume customers - Continuing appropriation.

1. On or before July fifteenth of each year, the tax commissioner shall review the report under subsection 3 of section 57-34-02 and compute the ~~tentative~~ total tax to be assessed against each telecommunications carrier in this state at a rate of two and one-half percent of adjusted gross receipts. ~~The~~ If the tax commissioner's computation of the total tax differs from the amount computed by a telecommunications carrier, the tax commissioner shall give ten days' notice of the change by mail to each that telecommunications carrier of its tentative total tax under this section and of its right to contest the determination before the state board of equalization at its August meeting on or before July fifteenth. The state board of equalization shall assess the tax under this section after consideration of any contest presented.
2. A telecommunications carrier's retail customer in this state is entitled to a refund equal to two and one-half percent of the amount of telecommunications service charges paid to telecommunications carriers by that customer in excess of eight hundred thousand dollars in a calendar year. A refund claim under this subsection must be filed with the tax commissioner before July first of the year following the calendar year for which the refund is claimed. A claim for refund must be made in the manner prescribed by the tax commissioner. Refunds under this subsection must be paid by the tax commissioner from tax collections under this chapter and are appropriated as a standing and continuing appropriation to the tax commissioner for that purpose.

SECTION 44. AMENDMENT. Section 57-34-06 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-34-06. Duties of county treasurer. The county treasurer shall allocate taxes received under this chapter to the state, the county, and the various taxing districts within the county according to the proportion that taxes paid by telecommunications carriers in locally assessed property taxes and taxes assessed under chapter 57-06 and this chapter in 1997 and received by the state, the county, and each currently existing taxing district in the county bears to all taxes paid by telecommunications carriers in locally assessed property taxes and taxes assessed under chapter 57-06 and this chapter in 1997 and received by the state, the county, and all taxing districts in the county.

SECTION 45. AMENDMENT. Section 57-34-10 of the 1997 Supplement to the North Dakota Century Code is amended and reenacted as follows:

57-34-10. Penalties - Interest - Lien for tax.

1. If a telecommunications carrier refuses or neglects to make the reports required by this chapter, or refuses or neglects to furnish any information requested, the tax commissioner shall use the best available facts and estimates to determine taxation of the gross receipts of that carrier. The tax must be imposed upon the basis of that information, ~~and~~ If any company fails to make the report required under this chapter on or before the first day of May of any year, the state board of equalization shall add a penalty of one-quarter of the tax due for failure to make the required report which must be collected as a part of the tax,

but the tax commissioner, upon application, may grant extensions of time within which the returns must be filed.

2. Taxes levied under this chapter are due and payable to the tax commissioner on January first following the year in which the taxes were assessed. The unpaid principal balance of taxes on the following March first is subject to a penalty of three percent, on the following May first an additional penalty of three percent, on the following July first an additional penalty of three percent, and on the following October fifteenth an additional penalty of three percent. Beginning January first of the year following the year the taxes became due, simple interest at the rate of twelve percent per annum applies to the unpaid principal balance until the taxes and penalties are paid. Interest penalties must be prorated to the nearest full month for a fractional year of delinquency. A remittance of tax need not be made and any assessment or collection of tax may not be made unless the amount is at least five dollars, including penalty and interest.
3. If any amount of tax imposed by this chapter is not paid on or before March first, or if upon audit an additional tax is found to be due, there must be added to the tax remaining due interest at the rate of one percent of the additional tax for each month or fraction of a month during which the tax remains unpaid, computed from March first to the date paid.
3. 4. Taxes under this chapter constitute a first and paramount lien in favor of the state upon all property and rights to property of the taxpayer. The lien may be foreclosed in the same manner provided by law for mortgages on real or personal property. Whenever any taxpayer liable to pay a tax or penalty imposed refuses or neglects to pay the liability, the amount, including any interest, penalty, or addition to the tax, and the additional costs that may accrue are a lien in favor of the state of North Dakota upon all property and rights to property, whether real or personal, belonging to the taxpayer. The lien attaches at the time the tax becomes due and payable and continues until the liability for the amount is satisfied.
5. Any mortgagee, purchaser, judgment creditor, or lien claimant acquiring any interest in, or lien on, any property situated in the state, prior to the tax commissioner filing in the central indexing system maintained by the secretary of state a notice of the lien provided for in subsection 4, takes free of, or has priority over, the lien. The tax commissioner shall index in the central indexing system the following data:
 - a. The name of the taxpayer.
 - b. The tax identification number or social security number of the taxpayer.
 - c. The name "State of North Dakota" as claimant.
 - d. The date and time the notice of lien was indexed.
 - e. The amount of the lien.

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

6. Upon payment of the tax, and any accrued penalties and interest, as to which the tax commissioner has filed a notice of lien, the tax commissioner shall index a satisfaction of the lien in the central indexing system without fees or costs.

SECTION 46. A new section to chapter 65-02 of the North Dakota Century Code is created and enacted as follows:

Payments in lieu of taxes by bureau. If a building and associated real property is purchased by the workers compensation bureau pursuant to a legislative grant of authority, the bureau shall make payments in lieu of property taxes in the manner and according to the conditions and procedures that would apply if the building and property were privately owned.

SECTION 47. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,055,877, or so much thereof as may be necessary, and from special funds the sum of \$348,985 to the office of management and budget for the purpose of providing funding to state agencies and institutions to assist in providing the minimum of \$35 per month to permanent state employees for the biennium beginning July 1, 1999, and ending June 30, 2001. The office of management and budget shall transfer the funding provided in this section to state agencies and institutions to provide sufficient funding for the \$35 per month minimum salary increase.

SECTION 48. RETROACTIVE APPLICATION. Section 25 of this Act is effective for all funds received and deposited into the risk management fund on or after July 1, 1997.

SECTION 49. RETROACTIVE APPLICATION - EFFECTIVE DATE - EXPIRATION DATE. Sections 36 through 45 of this Act apply retroactively to all tax years beginning after December 31, 1997. The amendments to subsections 1 and 3 of section 57-34-01 as amended by section 41 of this Act are effective for taxable years beginning after December 31, 1998. The amendments to subsections 1 and 2 of section 57-34-02 as amended by section 42 of this Act are effective for the first two taxable years beginning after December 31, 1999, and are thereafter ineffective.

SECTION 50. APPLICATION. North Dakota Century Code sections 54-16-04 and 54-44.1-11 do not apply to chapter 30 of the 1997 Session Laws.

Approved April 23, 1999

Filed April 23, 1999

CHAPTER 38

SENATE BILL NO. 2016

(Appropriations Committee)
(At the request of the Governor)

EMERGENCY MANAGEMENT

AN ACT to provide an appropriation for defraying the expenses of the division of emergency management; and to provide for the filing and paying of disaster claims relating to the spring 1997 Red River flooding.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the division of emergency management under the supervision of the adjutant general for the purpose of defraying its expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$2,298,200
Operating expenses	931,852
Equipment	186,653
Grants	62,738,332
Total all funds	<u>\$66,155,037</u>
Less estimated income	65,230,947
Total general fund appropriation	<u>\$924,090</u>

SECTION 2. APPROPRIATION. All federal funds received by the division of emergency management, for expenditures for projects at the university of North Dakota, in excess of those funds appropriated in section 1 of this Act are hereby appropriated for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. STATE HAZARDOUS MATERIAL PREPAREDNESS AND RESPONSE FUND. The estimated income line item in section 1 of this Act includes \$248,799 from the state hazardous material preparedness and response fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. FINAL SETTLEMENT OF SPRING 1997 FLOOD DISASTER CLAIMS - EMERGENCY MANAGEMENT, EMERGENCY COMMISSION, AND BUDGET SECTION APPROVAL. Before September 1, 2001, all disaster claims resulting from the governor's disaster declaration relating to the spring 1997 flooding in the Red River valley must be presented for final payment unless otherwise authorized by the legislative assembly. During the 1999-2001 biennium, the division of emergency management may request that loans be made by the Bank of North Dakota to affected political subdivisions, including school districts, for only those disaster claims that have been approved by the division of emergency management, the emergency commission, and the budget section of the legislative council.

Approved April 14, 1999
Filed April 14, 1999

CHAPTER 39

SENATE BILL NO. 2017

(Appropriations Committee)
(At the request of the Governor)

ADJUTANT GENERAL

AN ACT to provide an appropriation for defraying the expenses of the adjutant general.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the adjutant general's office for the purpose of defraying the expenses of the adjutant general's office, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$3,113,511
Operating expenses	2,790,586
Equipment	50,000
Capital improvements	834,000
Grants	355,226
Army guard contract	13,148,810
Tuition and enlistment compensation	967,500
Air guard contract	5,342,154
Civil air patrol	105,584
Civil air patrol - workers' compensation payment	9,186
Total all funds	\$26,716,557
Less estimated income	<u>18,354,815</u>
Total general fund appropriation	<u>\$8,361,742</u>

SECTION 2. APPROPRIATION. There is hereby appropriated any funds received by the adjutant general from federal and private sources for the purpose of operating the North Dakota veterans' cemetery at or adjacent to Fort Abraham Lincoln state park for the biennium beginning July 1, 1999, and ending June 30, 2001.

Approved April 16, 1999

Filed April 16, 1999

CHAPTER 40

SENATE BILL NO. 2018

(Appropriations Committee)
(At the request of the Governor)

SEED DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the state seed department.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from income, to the state seed department for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$3,523,363
Operating expenses	1,201,470
Equipment	70,000
Capital improvements	20,000
Grants	300,000
Contingency	<u>200,000</u>
Total appropriation from seed department fund	<u>\$5,314,833</u>

SECTION 2. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the state seed commission, the state seed department may transfer from the contingency line item in its appropriation to all other line items except the capital improvements line item. The commission shall notify the office of management and budget of each transfer.

Approved April 1, 1999

Filed April 2, 1999

CHAPTER 41

SENATE BILL NO. 2019

(Appropriations Committee)
(At the request of the Governor)

GAME AND FISH DEPARTMENT

AN ACT to make an appropriation for defraying the expenses of the state game and fish department; and to amend and reenact section 20.1-02-16.1 of the North Dakota Century Code, relating to the minimum balance of the game and fish fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state game and fish department for the purpose of defraying the expenses of the various divisions of the department, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$12,218,261
Operating expenses	7,779,014
Equipment	771,505
Capital improvements	1,602,122
Grants	3,397,050
Noxious weed control	200,000
Land habitat and deer depredation	2,703,224
Grants, gifts, and donations	100,000
Nongame wildlife conservation	120,000
Waterbank program	200,000
Wildlife services	100,000
Lonetree reservoir	1,314,860
Total special funds appropriation	<u>\$30,506,036</u>

SECTION 2. LAND HABITAT AND DEER DEPREDATION. The amount of \$2,500,000, or such lesser amount as may be available, for the line item entitled land habitat and deer depredation in section 1 of this Act, is from the habitat and depredation fund, to lease privately owned lands for wildlife habitat to reestablish wildlife population, to improve wildlife habitat on private lands, and to alleviate big game and furbearer depredation for the biennium beginning July 1, 1999, and ending June 30, 2001. These funds may be spent only for the purposes and using the guidelines contained in sections 20.1-03-12.1 and 20.1-02-05.

SECTION 3. NONGAME WILDLIFE. The amount of \$60,000, or such lesser amount as may be available, for the line item entitled nongame wildlife in section 1 of this Act, is from the nongame wildlife fund for the purpose of preservation, inventory, perpetuation, and conservation of nongame wildlife, natural areas, and nature preserves in this state for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. WATERBANK PROGRAM. The amount of \$200,000, or such lesser amount as may be available, for the line item entitled waterbank program in section 1 of this Act, is from the game and fish department operating fund and must be used to increase water storage and enhance wildlife habitat in North Dakota. Contracts and agreements relating to the waterbank program may be entered into by the director of the game and fish department, in cooperation with the commissioner of agriculture.

SECTION 5. WILDLIFE SERVICES. The amount of \$100,000, or such lesser amount as may be available, for the line item entitled wildlife services in section 1 of this Act, is from the game and fish fund and must be used to provide grants to the wildlife services agency for projects to alleviate wildlife depredation and damage. Projects funded may include projects to alleviate waterfowl depredation and damage and must be approved by the director of the game and fish department.

SECTION 6. AMENDMENT. Section 20.1-02-16.1 of the North Dakota Century Code is amended and reenacted as follows:

20.1-02-16.1. ~~Use of game~~ Game and fish fund - Use - Required balance - Budget section approval. All income of the state game and fish department, deposited by the director with the state treasurer must be credited to the state game and fish fund and the fund may be used only by the department. All money derived from the investment of the fund or portions ~~thereof~~ of the fund must be credited to the game and fish department private land habitat and access improvement fund. The department shall spend moneys in the game and fish fund within the limits of legislative appropriations, only to the extent the balance of the fund is not reduced below ten million dollars, unless otherwise authorized by the budget section.

Approved April 15, 1999
Filed April 15, 1999

CHAPTER 42

SENATE BILL NO. 2020

(Appropriations Committee)
(At the request of the Governor)

HISTORICAL SOCIETY

AN ACT to provide an appropriation for defraying the expenses of the state historical society; to provide for line item transfers for the 1997-99 biennium; to authorize line item transfers for the 1999-2001 biennium; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and from other income, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$4,299,169
Operating expenses	908,323
Equipment	81,244
Capital improvements	782,735
Grants	485,559
Yellowstone-Missouri-Fort Union Commission	4,727
Lewis and Clark bicentennial	<u>931,345</u>
Total all funds	\$7,493,102
Less estimated income	<u>1,032,438</u>
Total general fund appropriation	\$6,460,664

SECTION 2. LINE ITEM TRANSFERS - 1999-2001 BIENNIUM. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between the capital improvements line item and the Lewis and Clark bicentennial line item in section 1 of this Act as may be requested by the state historical board for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 3. LINE ITEM TRANSFERS - 1997-99 BIENNIUM. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer, at the request of the superintendent of the state historical society, shall transfer \$34,886 from the equipment line item contained in subdivision 1 of section 1 of chapter 22 of the 1997 Session Laws to the operating expenses line item contained in subdivision 1 of section 1 of chapter 22 of the 1997 Session Laws. The authority to make this transfer begins with the effective date of this Act and ends on June 30, 1999.

SECTION 4. APPROPRIATION. There is hereby appropriated the sum of \$4,900 of federal funds available to the state historical society for the purpose of purchasing equipment for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 5. EMERGENCY. Sections 3 and 4 of this Act are declared to be an emergency measure.

Approved April 17, 1999

Filed April 19, 1999

CHAPTER 43

SENATE BILL NO. 2021

(Appropriations Committee)
(At the request of the Governor)

PARKS AND RECREATION DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department and the International Peace Garden.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and from other income, to the parks and recreation department for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

Administration	\$1,403,829
Recreation	1,695,274
Natural resources	7,150,825
Lewis and Clark bicentennial	<u>337,700</u>
Total all funds	\$10,587,628
Less estimated income	<u>4,450,999</u>
Total general fund appropriation	\$6,136,629

Subdivision 2.

INTERNATIONAL PEACE GARDEN

International Peace Garden	\$364,583
Total general fund appropriation	<u>\$364,583</u>
Grand total general fund appropriation S.B. 2021	\$6,601,212
Grand total special funds appropriation S.B. 2021	\$4,450,999
Grand total all funds appropriation S.B. 2021	\$11,052,211

SECTION 2. FUNDING - INTERNATIONAL PEACE GARDEN. The director of the parks and recreation department shall transfer fifty percent of the amount appropriated in the international peace garden line item in subdivision 2 of section 1 of this Act to the International Peace Garden within ten days of July 1, 1999, and transfer the remaining fifty percent within ten days of July 1, 2000. The director of the parks and recreation department may not reduce the funds appropriated for the International Peace Garden in subdivision 2 of section 1 of this Act by a percentage greater than any percentage allotment of general fund moneys required of the department pursuant to the provisions of sections 54-44.1-12 and 54-44.1-13.1.

SECTION 3. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the parks and recreation department for the purpose of providing a grant to the North Dakota Lewis and Clark bicentennial foundation for the biennium beginning July 1, 1999, and ending June 30, 2001. The parks and recreation department may provide the grant

funds only to the extent the North Dakota Lewis and Clark foundation provides an equal amount of matching funds. The grant funds are intended to provide a portion of the funds needed to match federal transportation enhancement funds to be used to construct an addition to the Lewis and Clark interpretive center near Washburn.

SECTION 4. SNOWMOBILE FUND. The amount of \$601,786, or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the snowmobile fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 5. TRAIL TAX TRANSFER FUND. The amount of \$25,000 or so much of the amount as is necessary, included in the estimated income line item in section 1 of this Act, is from the trail tax transfer fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 6. GAME AND FISH OPERATING FUND. The estimated income line item in section 1 of this Act includes the sum of \$80,000, or so much of the sum as may be necessary from the game and fish department operating fund, for the purpose of defraying expenses related to fishing activities in state parks located on Lake Sakakawea and Devils Lake.

SECTION 7. GAME AND FISH OPERATING FUND. The estimated income line item in section 1 of this Act includes the sum of \$168,750, or so much of the sum as may be necessary from the game and fish department operating fund, for the purpose of defraying expenses related to boat ramp repairs at Lake Sakakawea state park and Lewis and Clark state park.

SECTION 8. ADDITIONAL INCOME - EMERGENCY COMMISSION APPROVAL. All income of the parks and recreation department in excess of the estimated income appropriated in section 1 of this Act is hereby appropriated to the parks and recreation department for the biennium beginning July 1, 1999, and ending June 30, 2001, and may be spent only upon approval of the emergency commission.

SECTION 9. LINE ITEM TRANSFERS - EMERGENCY COMMISSION AND BUDGET SECTION APPROVAL. Upon approval of the emergency commission, the parks and recreation department may transfer between various line items in section 1 of this Act appropriation authority of up to ten percent of a given line item to adjust for changing circumstances in meeting established performance measures. Any further transfers must be approved by the budget section.

SECTION 10. NOXIOUS WEED CONTROL. The parks and recreation department shall assess the extent of noxious weed infestation at state parks and implement a plan to control noxious weeds on state park lands for the biennium beginning July 1, 1999, and ending June 30, 2001.

Approved April 13, 1999

Filed April 14, 1999

CHAPTER 44**SENATE BILL NO. 2022**

(Appropriations Committee)
(At the request of the Governor)

TOURISM DEPARTMENT

AN ACT to provide an appropriation for defraying the expenses of the tourism department.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the tourism department for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$985,216
Operating expenses	3,220,437
Equipment	15,378
Grants	30,000
Lewis and Clark bicentennial	123,995
Total all funds	\$4,375,026
Less estimated income	<u>363,000</u>
Total general fund appropriation	\$4,012,026

Approved April 16, 1999

Filed April 16, 1999

CHAPTER 45

SENATE BILL NO. 2023

(Appropriations Committee)
(At the request of the Governor)

WATER COMMISSION

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to provide an appropriation to the public service commission; to provide for a study by the state engineer of the feasibility and desirability of constructing dams and other impoundments in the Pembina River watershed; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the various divisions of the state water commission for the purpose of defraying the expenses of the various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$8,013,657
Operating expenses	6,010,687
Equipment	160,656
Capital improvements	23,624,024
Grants	13,785,245
Cooperative research	<u>3,050,000</u>
Total all funds	\$54,644,269
Less estimated income	<u>45,435,921</u>
Total general fund appropriation	\$9,208,348

SECTION 2. APPROPRIATION - PUBLIC SERVICE COMMISSION. There is hereby appropriated from federal funds, the sum of \$25,000, or so much of the sum as may be necessary, to the public service commission for the purpose of promoting the "one-call" call-before-you-dig program for the period beginning with the effective date of this Act and ending June 30, 1999.

SECTION 3. RESOURCES TRUST FUND. The amount of \$11,547,104, or so much of the funds as may be necessary, included in the estimated income line item in subdivision 1 of section 1 of this Act is from the resources trust fund for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 4. ALLOCATION OF GRANT FUNDS. The funds appropriated in the grants line item in section 1 of this Act must be disbursed by the state water commission in accordance with section 61-02-64.1.

SECTION 5. GRANTS. Section 54-44.1-11 does not apply to appropriations made for grants in this Act. However, this exclusion is only in effect for two years after June 30, 2001. Any unexpended funds after that period has expired must be transferred to the resources trust fund.

SECTION 6. RESOURCES TRUST FUND APPROPRIATION - ADJUSTMENT. If the resources trust fund 1999-2001 revenues are in excess of \$11,547,104, any excess is hereby appropriated, subject to emergency commission approval, from the resources trust fund to the state water commission for the biennium beginning July 1, 1999, and ending June 30, 2001.

SECTION 7. STATE ENGINEER TO STUDY FEASIBILITY AND DESIRABILITY OF CONSTRUCTING DAMS AND OTHER IMPOUNDMENTS IN THE PEMBINA RIVER WATERSHED. The legislative assembly finds that floodwater in recent years has inundated parts of the cities of Neche and Pembina, and thousands of acres of farmland along the Pembina River in Pembina County. Construction of flood control dams and other impoundments in the Pembina River watershed in the United States and Canada may reduce flows on the Pembina River that may result in less severe flooding of the cities and farmland along the lower reaches of the Pembina River. Therefore, within the limits of available funds, the state engineer shall conduct a comprehensive study of the feasibility and desirability of constructing dams and other impoundments in the Pembina River watershed for the purpose of reducing flows in the lower reaches of the Pembina River. The state engineer shall submit a report to an appropriate interim committee designated by the legislative council.

SECTION 8. EMERGENCY. Section 2 of this Act is declared to be an emergency measure.

Approved April 20, 1999

Filed April 20, 1999

CHAPTER 46

SENATE BILL NO. 2024

(Appropriations Committee)
(At the request of the Governor)

WORKERS COMPENSATION BUREAU

AN ACT to provide an appropriation for defraying the expenses of the workers compensation bureau and its divisions.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated from special funds derived from the workers compensation fund in the state treasury, not otherwise appropriated, to the workers compensation bureau for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Salaries and wages	\$15,098,851
Operating expenses	7,508,962
Equipment	<u>1,206,840</u>
Total special funds appropriation	\$23,814,653

SECTION 2. INTERNET WEB APPLICATION. The appropriation in section 1 of this Act includes funding for the bureau to develop an internet web application with electronic commerce capability, including the ability for employers to file payroll reports for workers' compensation coverage electronically through the internet. It is the intent of the fifty-sixth legislative assembly that in developing this internet web application, the bureau communicate with job service North Dakota and investigate ways in which the application can accommodate combined or streamlined reporting of common payroll and employment data to the bureau and to job service North Dakota.

Approved April 2, 1999
Filed April 2, 1999

CHAPTER 47

SENATE BILL NO. 2025

(Appropriations Committee)
(At the request of the Governor)

RETIREMENT AND INVESTMENT AGENCIES

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies; and to provide for a legislative council study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are hereby appropriated out of any moneys from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 1999, and ending June 30, 2001, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

Salaries and wages	\$1,447,708
Operating expenses	943,021
Equipment	49,200
Contingency	<u>82,000</u>
Total special funds appropriation	\$2,521,929

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

Salaries and wages	\$1,818,176
Operating expenses	1,222,052
Equipment	7,500
Contingency	<u>25,000</u>
Total special funds appropriation	\$3,072,728
Grand total special funds appropriation in S.B. 2025	\$5,594,657

SECTION 2. LEGISLATIVE COUNCIL STUDY OF DEFINED CONTRIBUTION RETIREMENT PLAN AND DEFERRED COMPENSATION PROGRAM VENDORS.

The legislative council shall consider studying the number, qualifications, and selection criteria for vendors and providers selected by the public employees retirement system board for the defined contribution retirement plan established under House Bill No. 1257 and the deferred compensation program administered by the board under chapter 54-52.2. If the legislative council conducts the study, it shall report its findings and recommendations, together with any legislation required to implement its recommendations, to the fifty-seventh legislative assembly.

Approved April 16, 1999
Filed April 16, 1999

CHAPTER 48**SENATE BILL NO. 2026**

(Appropriations Committee)
(At the request of the Governor)

STATE OFFICIALS AND INSTITUTIONS

AN ACT making an appropriation for defraying the expenses of various state departments and institutions; to amend and reenact subdivision 3 of section 1 of chapter 45 of the 1997 Session Laws, relating to the department of corrections and rehabilitation appropriation; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the general fund and special funds appropriation authority enacted by the fifty-fifth legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 1999, and ending June 30, 1999, as follows:

Subdivision 1.

OFFICE OF THE ATTORNEY GENERAL

Grants	<u>\$130,606</u>
Total general fund appropriation	<u>\$130,606</u>

Subdivision 2.

UND-LAKE REGION

Operating expenses	<u>\$206,500</u>
Total general fund appropriation	<u>\$206,500</u>

Subdivision 3.

DIVISION OF EMERGENCY MANAGEMENT

Operating expenses	<u>\$15,100,000</u>
Total general fund appropriation	<u>\$15,100,000</u>

Subdivision 4.

ADJUTANT GENERAL

National guard emergency fund	<u>\$107,000</u>
Total general fund appropriation	<u>\$107,000</u>

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

1997 flood expenditures	<u>\$3,898,228</u>
Total general fund appropriation	<u>\$3,898,228</u>

Subdivision 6.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Operating expenses	<u>\$2,250,000</u>
Total all funds	<u>\$2,250,000</u>
Less estimated income	<u>250,000</u>

Total general fund appropriation	\$2,000,000
Grand total general fund appropriation S.B. 2026	\$21,442,334
Grand total special funds appropriation S.B. 2026	\$250,000
Grand total all funds appropriation S.B. 2026	\$21,692,334

SECTION 2. AMENDMENT. Subdivision 3 of section 1 of chapter 45 of the 1997 Session Laws is amended and reenacted as follows:

Subdivision 3.

ADULT SERVICES

Salaries and wages	\$20,252,555	<u>18,652,555</u>
Operating expenses	8,879,128	<u>10,479,128</u>
Equipment		170,867
Capital improvements		1,010,650
Capital improvements - medium security facility		4,896,425
Institutional medical fees		850,000
Victim services		3,104,399
Institutional offender services		321,991
Community offender services		<u>6,164,499</u>
Total all funds		\$45,650,514
Less estimated income		<u>10,483,117</u>
Total general fund appropriation		\$35,167,397

SECTION 3. EXEMPTION. The appropriation contained in subdivision 3 of section 1 of this Act is not subject to the provisions of section 54-44.1-11 and any unexpended funds from this appropriation are available during the biennium beginning July 1, 1999, and ending June 30, 2001, for the purpose of providing state matching funds for public assistance and disaster hazard mitigation.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 13, 1999
 Filed April 14, 1999

CHAPTER 49**SENATE BILL NO. 2030**

(Legislative Council)
(Budget Section)

UND BUILDING APPROPRIATION

AN ACT to provide an appropriation for the construction of a building on the university of North Dakota campus; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. CONSTRUCTION OF BUILDING ON UNIVERSITY OF NORTH DAKOTA CAMPUS - APPROPRIATION. The state board of higher education may authorize the university of North Dakota to provide for the construction of a building on the campus for use as a university bookstore and for retail businesses other than for the off-sale of alcoholic beverages. There is appropriated the sum of \$4,500,000, or so much of the sum as may be necessary, from special funds, including donations, gifts, the sale of revenue bonds by or a loan from the university of North Dakota foundation, the sale of existing bookstore inventory, and bookstore reserves, to the university of North Dakota for the construction of a building for a university bookstore and for use for retail businesses other than for the off-sale of alcoholic beverages. The board and the university may lease the building to other entities for use as a bookstore and to retail businesses other than for the off-sale of alcoholic beverages. Any funds received for the lease are appropriated for use in operating and maintaining the building and other institutional needs. Neither the board nor the university may use funds other than the revenue derived from the lease of the building for the operation and maintenance of the building.

SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 1, 1999

Filed April 2, 1999