

JOURNAL OF THE SENATE

Sixty-third Legislative Assembly

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Bismarck, April 17, 2013

The Senate convened at 8:00 a.m., with President Wrigley presiding.

The prayer was offered by Senator Wanzek, District 29.

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

A quorum was declared by the President.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1025, Reengrossed HB 1033, HB 1136, Reengrossed HB 1198, Engrossed HB 1205, Reengrossed HB 1289, Reengrossed HB 1290, Engrossed HB 1300, and Reengrossed HB 1306, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1025: Sens. Hogue, Lyson, Grabinger
Reengrossed HB 1033: Sens. Schaible, Dever, Marcellais
HB 1136: Sens. Hogue, Armstrong, Nelson
Reengrossed HB 1198: Sens. Cook, Oehlke, Dotzenrod
Engrossed HB 1205: Sens. Sitte, Campbell, Axness
Reengrossed HB 1289: Sens. Schaible, Luick, Marcellais
Reengrossed HB 1290: Sens. Burckhard, Miller, Triplett
Engrossed HB 1300: Sens. Campbell, Oehlke, Triplett
Reengrossed HB 1306: Sens. Miller, Burckhard, Dotzenrod

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2002 as printed on SJ pages 1379-1381 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2002: Sens. Kilzer, Carlisle, Warner.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2004 as printed on SJ page 1383 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2004: Sens. Kilzer, Grindberg, Mathern.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2013 as printed on SJ pages 1393-1394 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2013: Sens. Krebsbach, Holmberg, Warner.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2020 as printed on SJ pages 1395-1396 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2020: Sens. Bowman, Erbele, O'Connell.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. FLAKOLL MOVED that the Senate do not concur in the House amendments to Engrossed SB 2267 as printed on SJ page 1387 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2267: Sens. Poolman, Flakoll, Marcellais.

REPORT OF DELAYED BILLS COMMITTEE

MR. PRESIDENT: Your **Delayed Bills Committee (Sen. Klein, Chairman)** has cast a vote of 3 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING in favor of rejecting the introduction of a concurrent resolution urging Congress to enact comprehensive immigration reform that provides for earned legalization with a path to citizenship; updating future immigration of families and workers; and improving immigration enforcement and border security that is consistent with our nation's values.

CONSIDERATION OF AMENDMENTS

HB 1012, as engrossed: SEN. KILZER (Appropriations Committee) MOVED that the amendments be adopted and then be placed on the Fourteenth order with **DO PASS**, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1012: A BILL for an Act providing an appropriation for defraying the expenses of the department of human services; to provide for intermediate care facility construction review and personal needs allowances; to amend and reenact subdivision f of subsection 2 of section 12-60-24 and subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal background checks for foster care providers and definitions for expanded service payments for elderly and disabled; to provide an exemption; to provide an appropriation to the department of commerce; and to provide a statement of legislative intent.

MOTION

SEN. ROBINSON MOVED that Engrossed HB 1012, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on pages 1353-1362 of the Senate Journal, Engrossed House Bill No. 1012 is amended as follows:

Page 1, line 2, remove "and personal needs"

Page 1, line 3, remove "allowances"

Page 1, line 3, after "reenact" insert "subdivision f of subsection 2 of section 12-60-24 and"

Page 1, line 4, after the first "to" insert "criminal background checks for foster care providers and"

Page 1, line 5, after the semicolon insert "to provide an appropriation to the department of commerce;"

Page 1, replace lines 17 through 22 with:

"Salaries and wages	\$15,382,133	\$31,964,747	\$47,346,880
Operating expenses	62,229,003	5,218,982	67,447,985

Capital assets	138,400	(126,400)	12,000
Total all funds	\$77,749,536	\$37,057,329	\$114,806,865
Less estimated income	<u>46,573,712</u>	<u>14,422,738</u>	<u>60,996,450</u>
Total general fund	\$31,175,824	\$22,634,591	\$53,810,415"

Page 2, replace lines 3 through 9 with:

"Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
Operating expenses	91,973,280	14,906,749	106,880,029
Grants	490,196,862	(35,822,732)	454,374,130
Grants - medical assistance	<u>1,601,650,984</u>	<u>167,844,926</u>	<u>1,769,495,910</u>
Total all funds	\$2,234,028,731	\$145,563,456	\$2,379,592,187
Less estimated income	<u>1,497,456,325</u>	<u>(61,475,771)</u>	<u>1,435,980,554</u>
Total general fund	\$736,572,406	\$207,039,227	\$943,611,633"

Page 2, replace lines 11 through 29 with:

	Base Level	Adjustments or Enhancements	Appropriation
Human service centers	\$163,188,026	\$11,040,662	\$174,228,688
Institutions	<u>123,232,447</u>	<u>2,667,659</u>	<u>125,900,106</u>
Total all funds	\$286,420,473	\$13,708,321	\$300,128,794
Less estimated income	<u>126,939,489</u>	<u>(4,811,629)</u>	<u>122,127,860</u>
Total general fund	\$159,480,984	\$18,519,950	\$178,000,934"

Page 3, replace lines 3 through 6 with:

"Grand total general fund	\$927,229,214	\$248,439,768	\$1,175,668,982
Grand total special funds	<u>1,670,969,526</u>	<u>(51,714,662)</u>	<u>1,619,254,864</u>
Grand total all funds	\$2,598,198,740	\$196,725,106	\$2,794,923,846
Full-time equivalent positions	2,197.35	(1.27)	2,196.08"

Page 3, replace line 15 with:

"State hospital capital projects	1,800,000	864,714"
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Page 3, replace lines 24 through 26 with:

"Total all funds	\$50,349,515	\$2,669,714
Less estimated income	<u>36,602,712</u>	<u>1,086,093</u>
Total general fund	\$13,746,803	\$1,583,621"

Page 4, after line 21, insert:

"SECTION 7. AMENDMENT. Subdivision f of subsection 2 of section 12-60-24 of the North Dakota Century Code is amended and reenacted as follows:

- f. The department of human services for foster care licenses and approvals under chapter 50-11, appointments of legal guardians under chapter 50-11.3, and petitions for adoptions under chapter 50-12, except that the criminal history record investigation must be conducted in accordance with those chapters. A criminal history record investigation completed under chapter 50-11, 50-11.3, or 50-12 may be used to satisfy the requirements of a criminal history record investigation under either of the other two chapters."

Page 5, remove lines 22 through 29

Page 6, line 5, replace "\$150,000" with "\$300,000"

Page 6, after line 30, insert:

"SECTION 15. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.
The removal of the full-time equivalent position in the administration and support

division does not preclude the department of human services from employing a deputy director. The department may use an existing full-time equivalent position for the purpose of a deputy director position.

SECTION 16. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.

Because the electronic health records system is needed for the state hospital to maintain accreditation, the removal of the funding in the information technology division does not preclude the department of human services from procuring an electronic health records system if the department can initiate the project within its 2013-15 biennium appropriation for the information technology division or field services division.

SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE. There is 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, and from special funds, derived from private gifts and grants, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of funding the activities of the health care consortium under section 18 of this Act, as part of the North Dakota 2020 and beyond initiative, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce may spend funding from the general fund only to the extent special funds from private gifts and grants are received on a dollar-for-dollar basis.

SECTION 18. HEALTH CARE CONSORTIUM - REPORT TO LEGISLATIVE MANAGEMENT AND GOVERNOR.

1. The governor shall appoint a consortium that includes a broad scope of private sector stakeholders, members of the senate and the house of representatives, and representation from the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council. The consortium shall receive and review information provided by the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council, including the second annual report of the council. The consortium shall provide direct input to the legislative management interim committee that conducts the study provided for under House Bill No. 1034, as approved by the sixty-third legislative assembly. The consortium shall focus its efforts on addressing the immediate needs and challenges of the North Dakota health care delivery system, implementing the healthy North Dakota initiative, examining medicaid reform, and developing a plan for a private health care model that will comply with federal health care reform in a manner that will provide high quality, accessible, and affordable care for North Dakota citizens.
2. In developing the model health care system, the health care consortium shall:
 - a. Consider population shifts, facility needs, personnel needs, rural access, regulatory public health functions, and vulnerable populations.
 - b. Determine the scope of the weaknesses in the current health care system and the scope of the model health care system.
 - c. Take into account the ongoing impact that federal health care reform under the federal Affordable Care Act is having on state delivery of health care and on state delivery of medicaid.
 - d. Work to forge partnerships with federal payers and regulators in order to work toward addressing medical reimbursement system reform.

3. The department of commerce shall contract with a consultant to assist the health care consortium in developing a model health care system as required under subsection 2.
4. The health care consortium shall report to the budget section of the legislative management on the status of funding available and anticipated uses of the funding for the consortium during the 2013-14 interim. Before June 1, 2014, the health care consortium shall report to the governor and to the legislative management on the status of the development of the model health care system as well as any recommendations.

SECTION 19. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.

There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$146,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses relating to the treatment of individuals addicted to controlled substances, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services				
Total all funds	\$0	\$0	\$146,000	\$146,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$146,000	\$146,000
DHS - Management				
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
DHS - Program/Policy				
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
DHS - State Hospital				
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
DHS - Developmental Center				
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
DHS - Statewide HSC				
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
DHS - Northwest HSC				
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
DHS - North Central HSC				
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0
DHS - Lake Region HSC				
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0
Less estimated income	5,162,347	5,162,347	(5,162,347)	0
General fund	\$7,573,786	\$7,533,786	(\$7,533,786)	\$0
DHS - Northeast HSC				
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
DHS - Southeast HSC				
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0

Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	23,348,246	22,333,246	(22,333,246)	\$0
DHS - South Central HSC				
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	8,980,593	8,940,593	(\$8,940,593)	\$0
DHS - West Central HSC				
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	16,557,764	16,193,608	(\$16,193,608)	\$0
DHS - Badlands HSC				
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
General fund	7,026,670	6,986,670	(\$6,986,670)	\$0
DHS - Field Services				
Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
Department of Commerce				
Total all funds	\$0	\$0	\$250,000	\$250,000
Less estimated income	0	0	150,000	150,000
General fund	\$0	\$0	\$100,000	\$100,000
Bill total				
Total all funds	\$2,790,519,257	\$2,745,475,036	\$49,448,810	\$2,794,923,846
Less estimated income	1,613,649,730	1,600,140,061	19,114,803	1,619,254,864
General fund	\$1,176,869,527	\$1,145,334,975	\$30,334,007	\$1,175,668,982

House Bill No. 1012 - Department of Human Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services			\$146,000	\$146,000
Total all funds	\$0	\$0	\$146,000	\$146,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$146,000	\$146,000
FTE	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Senate Changes

	Adds Funding for Robinson Recovery Center ¹	Total Senate Changes
Department of Human Services	\$146,000	\$146,000
Total all funds	\$146,000	\$146,000
Less estimated income	0	0
General fund	\$146,000	\$146,000
FTE	0.00	0.00

¹ Funding is added for additional services to be provided by the Robinson Recovery Center.

House Bill No. 1012 - DHS - Management - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$51,102,214	\$34,293,903	\$13,052,977	\$47,346,880
Operating expenses	72,743,825	67,197,985	250,000	67,447,985
Capital assets	216,160	12,000		12,000
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
FTE	148.10	147.10	0.00	147.10

MANAGEMENT SUBDIVISION	FTE	General Fund	Estimated Income	Total
*Management - Proposed Senate changes:				
Administration - Support				
Restores compensation adjustments made by the House		\$8,990,339	\$4,062,638	\$13,052,977
Restores a portion of operating expense reductions made by the House		\$250,000		\$250,000
Information Technology Services				
No changes				
Total Senate changes - Management	0.00	\$9,240,339	\$4,062,638	\$13,302,977

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$48,842,118	\$48,842,118		\$48,842,118
Operating expenses	106,543,180	104,546,029	2,334,000	106,880,029
Grants	453,774,130	453,874,130	500,000	454,374,130
Grants - Medical assistance	1,755,124,680	1,738,195,077	31,300,833	1,769,495,910
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
FTE	342.50	342.50	0.00	342.50

PROGRAM AND POLICY SUBDIVISION	FTE	General Fund	Estimated Income	Total
*Program and Policy - Proposed Senate changes:				
Economic Assistance Policy Program				
No changes				
Child Support Program				
No changes				
Medical Services Program				
Restores funding removed by the House for professional medical expert reviews of medical records and prior authorizations		42,000	42,000	84,000
Restores funding removed by the House for oversight for qualified service provider mileage differential		78,040	21,960	100,000
Restores a portion of caseload projections reduced by the House for transportation (\$250,000) and CHIP (\$650,000)		352,500	547,500	900,000
Long-Term Care Program				
Restores a portion of funding removed by the House for long-term care caseload projections as follows:		1,122,500	977,500	2,100,000
Nursing homes - \$955,000				
HCBS waiver - \$1,000,000				
Expanded SPED - \$145,000				

Restores funding removed by the House for personal needs allowance for basic care (\$193,725) and intermediate care facility for the intellectually disabled (\$170,280)	278,850	85,155	364,005
Adds funding to increase nursing facility, basic care, DD and QSP provider wage passthrough increase from 50 cents to \$1	14,858,778	12,728,050	27,586,828
Restores funding removed by the House for infant development caseload projections. The House removed its funding as part of the DD caseload projection reduction.	175,000	175,000	350,000
Aging Services Program			
Restores funding removed by the House for guardianship services	1,000,000		1,000,000
Adds funding for senior meals	900,000		900,000
Children and Family Services Program			
Adds funding for grants to a county social service board that is not on a reservation but is experiencing an increase in caseload from Spirit Lake for a total of \$300,000. The House added \$150,000.	150,000		150,000
Mental Health and Substance Abuse Program			
Adds funding for additional services to be provided by Robinson Recovery Center	150,000		150,000
Developmental Disabilities Council			
No changes			
Developmental Disabilities Division			
Adds funding for grants to existing facilities that provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities	300,000		300,000
Adds funding for guardianship services for developmentally disabled individuals	100,000		100,000
Vocational Rehabilitation			
Adds funding for the older blind program for a total of \$100,000. The House added \$50,000.	50,000		50,000
Total Senate changes - Program and Policy	0.00	\$19,557,668	\$34,134,833

Sections are added for the following:

- Background checks for foster care providers.
- Legislative intent to allow the department to hire a deputy director.
- Legislative intent relating to an electronic health records system.

A section added by the House relating to personal needs allowance adjustments is removed.

House Bill No. 1012 - DHS - State Hospital - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
State Hospital	\$73,489,636	\$73,064,636	(\$73,064,636)	
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
FTE	457.45	457.45	(457.45)	0.00

House Bill No. 1012 - DHS - Developmental Center - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Developmental Center	\$53,050,470	\$52,760,470	(\$52,760,470)	
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
FTE	392.55	392.55	(392.55)	0.00

House Bill No. 1012 - DHS - Statewide HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Statewide human service centers	\$6,069,755	\$5,069,755	(\$5,069,755)	
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
FTE	13.00	13.00	(13.00)	0.00

House Bill No. 1012 - DHS - Northwest HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northwest Human Service Center	\$8,958,191	\$8,918,191	(\$8,918,191)	
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
FTE	43.75	43.75	(43.75)	0.00

House Bill No. 1012 - DHS - North Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
North Central Human Service Center	\$21,989,171	\$21,949,171	(\$21,949,171)	
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0
FTE	120.78	120.78	(120.78)	0.00

House Bill No. 1012 - DHS - Lake Region HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Lake Region Human Service Center	\$12,736,133	\$12,696,133	(\$12,696,133)	
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0
Less estimated income	5,162,347	5,162,347	(5,162,347)	0
General fund	\$7,573,786 61.00	\$7,533,786 61.00	(\$7,533,786) (61.00)	\$0 0.00

FTE

House Bill No. 1012 - DHS - Northeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northeast Human Service Center	\$27,882,775	\$27,842,775	(\$27,842,775)	
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
FTE	138.50	138.50	(138.50)	0.00

House Bill No. 1012 - DHS - Southeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Southeast Human Service Center	\$39,030,472	\$37,690,472	(\$37,690,472)	
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0
Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	\$23,348,246	\$22,333,246	(\$22,333,246)	\$0
FTE	185.15	185.15	(185.15)	0.00

House Bill No. 1012 - DHS - South Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
South Central Human Service Center	\$16,793,883	\$16,753,883	(\$16,753,883)	
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	\$8,980,593	\$8,940,593	(\$8,940,593)	\$0
FTE	83.50	83.50	(83.50)	0.00

House Bill No. 1012 - DHS - West Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
West Central Human Service Center	\$29,826,746	\$29,462,590	(\$29,462,590)	
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	\$16,557,764	\$16,193,608	(\$16,193,608)	\$0
FTE	136.10	136.10	(136.10)	0.00

House Bill No. 1012 - DHS - Badlands HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Badlands Human Service	\$12,345,718	\$12,305,718	(\$12,305,718)	

Center				
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
General fund	\$7,026,670	\$6,986,670	(\$6,986,670)	\$0
FTE	74.70	74.70	(74.70)	0.00

House Bill No. 1012 - DHS - Field Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Human service centers			\$174,228,688	\$174,228,688
Institutions			125,900,106	125,900,106
Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
FTE	0.00	0.00	1706.48	1706.48

Department No. 349 - DHS - Field Services - Detail of Senate Changes

	Creates Field Services Subdivision ¹	Senate Changes ²	Total Senate Changes
Human service centers	\$172,688,688	\$1,540,000	\$174,228,688
Institutions	125,825,106	75,000	125,900,106
Total all funds	\$298,513,794	\$1,615,000	\$300,128,794
Less estimated income	121,802,860	325,000	122,127,860
General fund	\$176,710,934	\$1,290,000	\$178,000,934
FTE	1706.48	0.00	1706.48

¹ The human service centers and institutions subdivision which provided separate line items for each institution and human service center is changed to the field services subdivision. The State Hospital and the Developmental Center line items are combined into the institutions line item, and all of the human service centers are combined into one human service centers line item.

2

	FTE	General Fund	Estimated Income	Total
Field Services				
Field services - Proposed Senate changes:				
State Hospital				
Restores funding removed by the House for water temperature controls for shower rooms in the LaHaug Building		\$75,000		\$75,000
Southeast Human Service Center				
Restores funding removed by the House for a 16-unit transitional living facility		\$975,000	\$325,000	\$1,300,000
South Central Human Service Center				
Adds funding for transitional employment grants		\$240,000		\$240,000
Total Senate changes - Field services	0.00	\$1,290,000	\$325,000	\$1,615,000

House Bill No. 1012 - Department of Commerce - Senate Action

Executive	House	Senate	Senate
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	Budget	Version	Changes	Version
Department of Commerce			\$250,000	\$250,000
Total all funds	\$0	\$0	\$250,000	\$250,000
Less estimated income	0	0	150,000	150,000
General fund	\$0	\$0	\$100,000	\$100,000
FTE	0.00	0.00	0.00	0.00

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Health Care Consortium ¹	Total Senate Changes
Department of Commerce	\$250,000	\$250,000
Total all funds	\$250,000	\$250,000
Less estimated income	150,000	150,000
General fund	\$100,000	\$100,000
FTE	0.00	0.00

¹ Sections are added to provide an appropriation to the Department of Commerce for funding the activities of the health care consortium and to create the consortium.

REQUEST

SEN. ROBINSON REQUESTED a verification vote on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, which request was granted.

The proposed amendments to Engrossed HB 1012, as amended, were adopted on a verification vote.

MOTION

SEN. MATHERN MOVED that Engrossed HB 1012, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on pages 1353-1362 of the Senate Journal, Engrossed House Bill No. 1012 is amended as follows:

Page 1, line 2, remove "and personal needs"

Page 1, line 3, remove "allowances"

Page 1, line 3, after "reenact" insert "subdivision f of subsection 2 of section 12-60-24 and"

Page 1, line 4, after the first "to" insert "criminal background checks for foster care providers and"

Page 1, line 5, after the semicolon insert "to provide an appropriation to the department of commerce;"

Page 1, replace lines 17 through 22 with:

"Salaries and wages	\$15,382,133	\$31,964,747	\$47,346,880
Operating expenses	62,229,003	5,218,982	67,447,985
Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
Total all funds	\$77,749,536	\$37,057,329	\$114,806,865
Less estimated income	<u>46,573,712</u>	<u>14,422,738</u>	<u>60,996,450</u>
Total general fund	\$31,175,824	\$22,634,591	\$53,810,415"

Page 2, replace lines 3 through 9 with:

"Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
Operating expenses	91,973,280	14,906,749	106,880,029
Grants	490,196,862	(35,822,732)	454,374,130

Grants - medical assistance	<u>1,601,650,984</u>	<u>167,844,926</u>	<u>1,769,495,910</u>
Total all funds	\$2,234,028,731	\$145,563,456	\$2,379,592,187
Less estimated income	<u>1,497,456,325</u>	<u>(61,475,771)</u>	<u>1,435,980,554</u>
Total general fund	\$736,572,406	\$207,039,227	\$943,611,633"

Page 2, replace lines 11 through 29 with:

	Base Level	Adjustments or Enhancements	Appropriation
"FIELD SERVICES			
Human service centers	\$163,188,026	\$11,040,662	\$174,228,688
Institutions	<u>123,232,447</u>	<u>2,667,659</u>	<u>125,900,106</u>
Total all funds	\$286,420,473	\$13,708,321	\$300,128,794
Less estimated income	<u>126,939,489</u>	<u>(4,811,629)</u>	<u>122,127,860</u>
Total general fund	\$159,480,984	\$18,519,950	\$178,000,934"

Page 3, replace lines 3 through 6 with:

"Grand total general fund	\$927,229,214	\$250,636,850	\$1,177,866,064
Grand total special funds	<u>1,670,969,526</u>	<u>108,734,659</u>	<u>1,779,704,185</u>
Grand total all funds	\$2,598,198,740	\$359,371,509	\$2,957,570,249
Full-time equivalent positions	2,197.35	2.73	2,200.08"

Page 3, replace line 15 with:

"State hospital capital projects	1,800,000	864,714"
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Page 3, replace lines 24 through 26 with:

"Total all funds	\$50,349,515	\$2,669,714
Less estimated income	<u>36,602,712</u>	<u>1,086,093</u>
Total general fund	\$13,746,803	\$1,583,621"

Page 4, after line 21, insert:

"SECTION 7. AMENDMENT. Subdivision f of subsection 2 of section 12-60-24 of the North Dakota Century Code is amended and reenacted as follows:

- f. The department of human services for foster care licenses and approvals under chapter 50-11, appointments of legal guardians under chapter 50-11.3, and petitions for adoptions under chapter 50-12, except that the criminal history record investigation must be conducted in accordance with those chapters. A criminal history record investigation completed under chapter 50-11, 50-11.3, or 50-12 may be used to satisfy the requirements of a criminal history record investigation under either of the other two chapters."

Page 5, remove lines 22 through 29

Page 6, line 5, replace "\$150,000" with "\$300,000"

Page 6, after line 30, insert:

"SECTION 15. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.

The removal of the full-time equivalent position in the administration and support division does not preclude the department of human services from employing a deputy director. The department may use an existing full-time equivalent position for the purpose of a deputy director position.

SECTION 16. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.

Because the electronic health records system is needed for the state hospital to maintain accreditation, the removal of the funding in the information technology division does not preclude the department of human services from procuring an electronic health records system if the department can initiate the project within its

2013-15 biennium appropriation for the information technology division or field services division.

SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE. There is 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, and from special funds, derived from private gifts and grants, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of funding the activities of the health care consortium under section 18 of this Act, as part of the North Dakota 2020 and beyond initiative, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce may spend funding from the general fund only to the extent special funds from private gifts and grants are received on a dollar-for-dollar basis.

SECTION 18. HEALTH CARE CONSORTIUM - REPORT TO LEGISLATIVE MANAGEMENT AND GOVERNOR.

1. The governor shall appoint a consortium that includes a broad scope of private sector stakeholders, members of the senate and the house of representatives, and representation from the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council. The consortium shall receive and review information provided by the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council, including the second annual report of the council. The consortium shall provide direct input to the legislative management interim committee that conducts the study provided for under House Bill No. 1034, as approved by the sixty-third legislative assembly. The consortium shall focus its efforts on addressing the immediate needs and challenges of the North Dakota health care delivery system, implementing the healthy North Dakota initiative, examining medicaid reform, and developing a plan for a private health care model that will comply with federal health care reform in a manner that will provide high quality, accessible, and affordable care for North Dakota citizens.
2. In developing the model health care system, the health care consortium shall:
 - a. Consider population shifts, facility needs, personnel needs, rural access, regulatory public health functions, and vulnerable populations.
 - b. Determine the scope of the weaknesses in the current health care system and the scope of the model health care system.
 - c. Take into account the ongoing impact that federal health care reform under the federal Affordable Care Act is having on state delivery of health care and on state delivery of medicaid.
 - d. Work to forge partnerships with federal payers and regulators in order to work toward addressing medical reimbursement system reform.
3. The department of commerce shall contract with a consultant to assist the health care consortium in developing a model health care system as required under subsection 2.
4. The health care consortium shall report to the budget section of the legislative management on the status of funding available and anticipated uses of the funding for the consortium during the 2013-14 interim. Before June 1, 2014, the health care consortium shall report to the governor and to the legislative management on the status of the development of the model health care system as well as any recommendations.

SECTION 19. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,100,000, or so much of the sum as may be necessary, and from federal funds the sum of \$1,100,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying operating expenses departmentwide and at the human service centers, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 20. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$1,243,082, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$159,349,321, or so much of the sum as may be necessary, to the department of human services for the purpose of funding the following initiatives, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services is authorized four full-time equivalent positions.

Expedited ratesetting process	\$1,661,844
Recipient liability first claim	100,000
Supplemental nutrition assistance and temporary assistance for needy families program changes	500,304
Electronic prescriptions	299,324
Medical assistance program expansion	157,991,337
Committee on employment of people with disabilities	39,594
Total all funds	\$160,592,403
Less estimated income	<u>159,349,321</u>
Total general fund appropriation	<u>\$1,243,082"</u>

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services				
Total all funds	\$0	\$0	\$162,792,403	\$162,792,403
Less estimated income	0	0	160,449,321	160,449,321
General fund	\$0	\$0	\$2,343,082	\$2,343,082
DHS - Management				
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
DHS - Program/Policy				
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
DHS - State Hospital				
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
DHS - Developmental Center				
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
DHS - Statewide HSC				
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
DHS - Northwest HSC				
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
DHS - North Central HSC				
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0

DHS - Lake Region HSC				
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0
Less estimated income	5,162,347	5,162,347	(5,162,347)	0
General fund	\$7,573,786	\$7,533,786	(\$7,533,786)	\$0
DHS - Northeast HSC				
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
DHS - Southeast HSC				
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0
Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	\$23,348,246	\$22,333,246	(\$22,333,246)	\$0
DHS - South Central HSC				
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	\$8,980,593	\$8,940,593	(\$8,940,593)	\$0
DHS - West Central HSC				
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	\$16,557,764	\$16,193,608	(\$16,193,608)	\$0
DHS - Badlands HSC				
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
General fund	\$7,026,670	\$6,986,670	(\$6,986,670)	\$0
DHS - Field Services				
Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
Department of Commerce				
Total all funds	\$0	\$0	\$250,000	\$250,000
Less estimated income	0	0	150,000	150,000
General fund	\$0	\$0	\$100,000	\$100,000
Bill total				
Total all funds	\$2,790,519,257	\$2,745,475,036	\$212,095,213	\$2,957,570,249
Less estimated income	1,613,649,730	1,600,140,061	179,564,124	1,779,704,185
General fund	\$1,176,869,527	\$1,145,334,975	\$32,531,089	\$1,177,866,064

House Bill No. 1012 - Department of Human Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services			\$162,792,403	\$162,792,403
Total all funds	\$0	\$0	\$162,792,403	\$162,792,403
Less estimated income	0	0	160,449,321	160,449,321
General fund	\$0	\$0	\$2,343,082	\$2,343,082
FTE	0.00	0.00	4.00	4.00

Department No. 325 - Department of Human Services - Detail of Senate Changes

	Adds Funding for Operating and Human Service Centers ¹	Adds Funding for Approved Initiatives ²	Total Senate Changes
Department of Human Services	\$2,200,000	\$160,592,403	\$162,792,403
Total all funds	\$2,200,000	\$160,592,403	\$162,792,403
Less estimated income	1,100,000	159,349,321	160,449,321
General fund	\$1,100,000	\$1,243,082	\$2,343,082
FTE	0.00	4.00	4.00

¹ Adds funding for departmentwide operating expenses and operations of the human service centers. A section is added authorizing the department to allocate this funding among the divisions as necessary.

² Funding is added for six initiatives approved by the Legislative Assembly in other bills. The department is authorized 4 FTE positions relating to this funding.

House Bill No. 1012 - DHS - Management - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$51,102,214	\$34,293,903	\$13,052,977	\$47,346,880
Operating expenses	72,743,825	67,197,985	250,000	67,447,985
Capital assets	216,160	12,000		12,000
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
FTE	148.10	147.10	0.00	147.10

MANAGEMENT SUBDIVISION	FTE	General Fund	Estimated Income	Total
*Management - Proposed Senate changes:				
Administration - Support				
Restores compensation adjustments made by the House		\$8,990,339	\$4,062,638	\$13,052,977
Restores a portion of operating expense reductions made by the House		\$250,000		\$250,000
Information Technology Services				
No changes				
Total Senate changes - Management	0.00	\$9,240,339	\$4,062,638	\$13,302,977

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$48,842,118	\$48,842,118		\$48,842,118
Operating expenses	106,543,180	104,546,029	2,334,000	106,880,029
Grants	453,774,130	453,874,130	500,000	454,374,130
Grants - Medical assistance	1,755,124,680	1,738,195,077	31,300,833	1,769,495,910
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
FTE	342.50	342.50	0.00	342.50

PROGRAM AND POLICY SUBDIVISION	FTE	General Fund	Estimated Income	Total
*Program and Policy - Proposed Senate changes:				
Economic Assistance Policy Program				
No changes				
Child Support Program				
No changes				
Medical Services Program				
Restores funding removed by the House for professional medical expert reviews of medical records and prior authorizations		42,000	42,000	84,000
Restores funding removed by the House for oversight for qualified service provider mileage differential		78,040	21,960	100,000

Restores a portion of caseload projections reduced by the House for transportation (\$250,000) and CHIP (\$650,000)	352,500	547,500	900,000
Long-Term Care Program			
Restores a portion of funding removed by the House for long-term care caseload projections as follows:	1,122,500	977,500	2,100,000
Nursing homes - \$955,000			
HCBS waiver - \$1,000,000			
Expanded SPED - \$145,000			
Restores funding removed by the House for personal needs allowance for basic care (\$193,725) and intermediate care facility for the intellectually disabled (\$170,280)	278,850	85,155	364,005
Adds funding to increase nursing facility, basic care, DD and QSP provider wage passthrough increase from 50 cents to \$1	14,858,778	12,728,050	27,586,828
Restores funding removed by the House for infant development caseload projections. The House removed its funding as part of the DD caseload projection reduction.	175,000	175,000	350,000
Aging Services Program			
Restores funding removed by the House for guardianship services	1,000,000		1,000,000
Adds funding for senior meals	900,000		900,000
Children and Family Services Program			
Adds funding for grants to a county social service board that is not on a reservation but is experiencing an increase in caseload from Spirit Lake for a total of \$300,000. The House added \$150,000.	150,000		150,000
Mental Health and Substance Abuse Program			
Adds funding for additional services to be provided by Robinson Recovery Center	150,000		150,000
Developmental Disabilities Council			
No changes			
Developmental Disabilities Division			
Adds funding for grants to existing facilities that provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities	300,000		300,000
Adds funding for guardianship services for developmentally disabled individuals	100,000		100,000
Vocational Rehabilitation			
Adds funding for the older blind program for a total of \$100,000. The House added \$50,000.	50,000		50,000
Total Senate changes - Program and Policy	0.00	\$19,557,668	\$14,577,165
			\$34,134,833

Sections are added for the following:

- Background checks for foster care providers.
- Legislative intent to allow the department to hire a deputy director.
- Legislative intent relating to an electronic health records system.

A section added by the House relating to personal needs allowance adjustments is removed.

House Bill No. 1012 - DHS - State Hospital - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
State Hospital	\$73,489,636	\$73,064,636	(\$73,064,636)	
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
FTE	457.45	457.45	(457.45)	0.00

House Bill No. 1012 - DHS - Developmental Center - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Developmental Center	\$53,050,470	\$52,760,470	(\$52,760,470)	
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
FTE	392.55	392.55	(392.55)	0.00

House Bill No. 1012 - DHS - Statewide HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Statewide human service centers	\$6,069,755	\$5,069,755	(\$5,069,755)	
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
FTE	13.00	13.00	(13.00)	0.00

House Bill No. 1012 - DHS - Northwest HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northwest Human Service Center	\$8,958,191	\$8,918,191	(\$8,918,191)	
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
FTE	43.75	43.75	(43.75)	0.00

House Bill No. 1012 - DHS - North Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
North Central Human Service Center	\$21,989,171	\$21,949,171	(\$21,949,171)	
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0
FTE	120.78	120.78	(120.78)	0.00

House Bill No. 1012 - DHS - Lake Region HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Lake Region Human Service Center	\$12,736,133	\$12,696,133	(\$12,696,133)	
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0
Less estimated income	5,162,347	5,162,347	(5,162,347)	0
General fund	\$7,573,786	\$7,533,786	(\$7,533,786)	\$0

FTE	61.00	61.00	(61.00)	0.00
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House Bill No. 1012 - DHS - Northeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northeast Human Service Center	\$27,882,775	\$27,842,775	(\$27,842,775)	
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
FTE	138.50	138.50	(138.50)	0.00

House Bill No. 1012 - DHS - Southeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Southeast Human Service Center	\$39,030,472	\$37,690,472	(\$37,690,472)	
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0
Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	\$23,348,246	\$22,333,246	(\$22,333,246)	\$0
FTE	185.15	185.15	(185.15)	0.00

House Bill No. 1012 - DHS - South Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
South Central Human Service Center	\$16,793,883	\$16,753,883	(\$16,753,883)	
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	\$8,980,593	\$8,940,593	(\$8,940,593)	\$0
FTE	83.50	83.50	(83.50)	0.00

House Bill No. 1012 - DHS - West Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
West Central Human Service Center	\$29,826,746	\$29,462,590	(\$29,462,590)	
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	\$16,557,764	\$16,193,608	(\$16,193,608)	\$0
FTE	136.10	136.10	(136.10)	0.00

House Bill No. 1012 - DHS - Badlands HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Badlands Human Service Center	\$12,345,718	\$12,305,718	(\$12,305,718)	
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
General fund	\$7,026,670	\$6,986,670	(\$6,986,670)	\$0
FTE	74.70	74.70	(74.70)	0.00

House Bill No. 1012 - DHS - Field Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Human service centers			\$174,228,688	\$174,228,688
Institutions			125,900,106	125,900,106

Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
FTE	0.00	0.00	1706.48	1706.48

Department No. 349 - DHS - Field Services - Detail of Senate Changes

	Creates Field Services Subdivision ¹	Senate Changes ²	Total Senate Changes
Human service centers	\$172,688,688	\$1,540,000	\$174,228,688
Institutions	125,825,106	75,000	125,900,106
Total all funds	\$298,513,794	\$1,615,000	\$300,128,794
Less estimated income	121,802,860	325,000	122,127,860
General fund	\$176,710,934	\$1,290,000	\$178,000,934
FTE	1706.48	0.00	1706.48

¹ The human service centers and institutions subdivision which provided separate line items for each institution and human service center is changed to the field services subdivision. The State Hospital and the Developmental Center line items are combined into the institutions line item and all of the human service centers are combined into one human service centers line item.

	FTE	General Fund	Estimated Income	Total
Field Services				
² Field services - Proposed Senate changes:				
State Hospital				
Restores funding removed by the House for water temperature controls for shower rooms in the LaHaug Building		\$75,000		\$75,000
Southeast Human Service Center				
Restores funding removed by the House for a 16-unit transitional living facility		\$975,000	\$325,000	\$1,300,000
South Central Human Service Center				
Adds funding for transitional employment grants		\$240,000		\$240,000
Total Senate changes - Field services	0.00	\$1,290,000	\$325,000	\$1,615,000

House Bill No. 1012 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Commerce			\$250,000	\$250,000
Total all funds	\$0	\$0	\$250,000	\$250,000
Less estimated income	0	0	150,000	150,000
General fund	\$0	\$0	\$100,000	\$100,000
FTE	0.00	0.00	0.00	0.00

Department No. 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Health Care Consortium ¹	Total Senate Changes
Department of Commerce	\$250,000	\$250,000
Total all funds	\$250,000	\$250,000
Less estimated income	150,000	150,000
General fund	\$100,000	\$100,000

FTE

0.00 0.00

¹ Sections are added to provide an appropriation to the Department of Commerce for funding the activities of the health care consortium and to create the consortium.

REQUEST

SEN. HOLMBERG REQUESTED a verification vote on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, which request was granted.

The proposed amendments to Engrossed HB 1012, as amended, were adopted on a verification vote.

HB 1012: A BILL for an Act providing an appropriation for defraying the expenses of the department of human services; to provide for intermediate care facility construction review; to amend and reenact subdivision f of subsection 2 of section 12-60-24 and subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal background checks for foster care providers and definitions for expanded service payments for elderly and disabled; to provide an exemption; to provide an appropriation to the department of commerce; and to provide a statement of legislative intent.

MOTION

SEN. WARNER MOVED that Engrossed HB 1012, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on page _____ of the Senate Journal, Engrossed House Bill No. 1012 is amended as follows:

Page 1, line 3, after "reenact" insert "subdivision f of subsection 2 of section 12-60-24 and"

Page 1, line 4, after the first "to" insert "criminal background checks for foster care providers and"

Page 1, line 5, after the semicolon insert "to provide an appropriation to the department of commerce;"

Page 1, replace lines 17 through 22 with:

"Salaries and wages	\$15,382,133	\$31,964,747	\$47,346,880
Operating expenses	62,229,003	5,218,982	67,447,985
Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
Total all funds	\$77,749,536	\$37,057,329	\$114,806,865
Less estimated income	<u>46,573,712</u>	<u>14,422,738</u>	<u>60,996,450</u>
Total general fund	\$31,175,824	\$22,634,591	\$53,810,415"

Page 2, replace lines 3 through 9 with:

"Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
Operating expenses	91,973,280	14,906,749	106,880,029
Grants	490,196,862	(35,822,732)	454,374,130
Grants - medical assistance	<u>1,601,650,984</u>	<u>167,844,926</u>	<u>1,769,495,910</u>
Total all funds	\$2,234,028,731	\$145,563,456	\$2,379,592,187
Less estimated income	<u>1,497,456,325</u>	<u>(61,475,771)</u>	<u>1,435,980,554</u>
Total general fund	\$736,572,406	\$207,039,227	\$943,611,633"

Page 2, replace lines 11 through 29 with:

"FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$163,188,026	\$11,040,662	\$174,228,688
Institutions	<u>123,232,447</u>	<u>2,667,659</u>	<u>125,900,106</u>
Total all funds	\$286,420,473	\$13,708,321	\$300,128,794
Less estimated income	<u>126,939,489</u>	<u>(4,811,629)</u>	<u>122,127,860</u>
Total general fund	\$159,480,984	\$18,519,950	\$178,000,934"

Page 3, replace lines 3 through 6 with:

"Grand total general fund	\$927,229,214	\$248,293,768	\$1,175,522,982
Grand total special funds	<u>1,670,969,526</u>	<u>(35,714,662)</u>	<u>1,635,254,864</u>
Grand total all funds	\$2,598,198,740	\$212,579,106	\$2,810,777,846
Full-time equivalent positions	2,197.35	(1.27)	2,196.08"

Page 3, replace line 15 with:

"State hospital capital projects	1,800,000	864,714"
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Page 3, replace lines 24 through 26 with:

"Total all funds	\$50,349,515	\$2,669,714
Less estimated income	<u>36,602,712</u>	<u>1,086,093</u>
Total general fund	\$13,746,803	\$1,583,621"

Page 4, after line 21, insert:

"SECTION 7. AMENDMENT. Subdivision f of subsection 2 of section 12-60-24 of the North Dakota Century Code is amended and reenacted as follows:

- f. The department of human services for foster care licenses and approvals under chapter 50-11, appointments of legal guardians under chapter 50-11.3, and petitions for adoptions under chapter 50-12, except that the criminal history record investigation must be conducted in accordance with those chapters. A criminal history record investigation completed under chapter 50-11, 50-11.3, or 50-12 may be used to satisfy the requirements of a criminal history record investigation under either of the other two chapters."

Page 5, remove lines 22 through 29

Page 6, line 5, replace "\$150,000" with "\$300,000"

Page 6, after line 30, insert:

"SECTION 15. LEGISLATIVE INTENT - DEPUTY DIRECTOR POSITION.

The removal of the full-time equivalent position in the administration and support division does not preclude the department of human services from employing a deputy director. The department may use an existing full-time equivalent position for the purpose of a deputy director position.

SECTION 16. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS.

Because the electronic health records system is needed for the state hospital to maintain accreditation, the removal of the funding in the information technology division does not preclude the department of human services from procuring an electronic health records system if the department can initiate the project within its 2013-15 biennium appropriation for the information technology division or field services division.

SECTION 17. APPROPRIATION - DEPARTMENT OF COMMERCE.

There is 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, and from special funds, derived from private gifts and grants, the sum of \$150,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of funding the activities of the health care consortium under section 18 of this Act, as part of the North Dakota 2020 and beyond initiative, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce may spend funding from the general fund only to the extent special funds from private gifts and grants are received on a dollar-for-dollar basis.

SECTION 18. HEALTH CARE CONSORTIUM - REPORT TO LEGISLATIVE MANAGEMENT AND GOVERNOR.

1. The governor shall appoint a consortium that includes a broad scope of private sector stakeholders, members of the senate and the house of representatives, and representation from the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council. The consortium shall receive and review information provided by the statewide vision and strategy partnership for a healthier North Dakota and the university of North Dakota school of medicine and health sciences advisory council, including the second annual report of the council. The consortium shall provide direct input to the legislative management interim committee that conducts the study provided for under House Bill No. 1034, as approved by the sixty-third legislative assembly. The consortium shall focus its efforts on addressing the immediate needs and challenges of the North Dakota health care delivery system, implementing the healthy North Dakota initiative, examining medicaid reform, and developing a plan for a private health care model that will comply with federal health care reform in a manner that will provide high quality, accessible, and affordable care for North Dakota citizens.
2. In developing the model health care system, the health care consortium shall:
 - a. Consider population shifts, facility needs, personnel needs, rural access, regulatory public health functions, and vulnerable populations.
 - b. Determine the scope of the weaknesses in the current health care system and the scope of the model health care system.
 - c. Take into account the ongoing impact that federal health care reform under the federal Affordable Care Act is having on state delivery of health care and on state delivery of medicaid.
 - d. Work to forge partnerships with federal payers and regulators in order to work toward addressing medical reimbursement system reform.
3. The department of commerce shall contract with a consultant to assist the health care consortium in developing a model health care system as required under subsection 2.
4. The health care consortium shall report to the budget section of the legislative management on the status of funding available and anticipated uses of the funding for the consortium during the 2013-14 interim. Before June 1, 2014, the health care consortium shall report to the governor and to the legislative management on the status of the development of the model health care system as well as any recommendations.

SECTION 19. APPROPRIATION - DEPARTMENT OF COMMERCE - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of administering a grant program for nursing homes, basic care facilities, and providers that serve individuals with developmental disabilities located in oil-producing counties to address the effects of oil and gas and related economic development activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce shall allocate funding in January of each year of the biennium, based on the number of full-time equivalent positions of each nursing home, facility, or provider as determined by the department of human services. The annual allocation for each full-time equivalent position may not exceed \$90 per month. When setting rates for the entities receiving grants under this section, the department of human services shall exclude grant income received under this section as an offset to costs. This funding is considered one-time funding for the

2013-15 biennium. The department of commerce shall report to the legislative management during the 2013-14 interim and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding. For purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 for the preceding state fiscal year.

SECTION 20. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$10,000,000, or so much of the sum as may be necessary, to the department of human services for the purpose of administering a grant program for critical access hospitals in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas and related economic development activities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of human services shall develop policies and procedures for the disbursement of the grant funding and may not award more than \$5,000,000 during each year of the biennium. The department of human services shall allocate funding in January of each year of the biennium. This funding is considered one-time funding for the 2013-15 biennium. The department of human services shall report to the legislative management during the 2013-14 interim and to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding. For the purposes of this section, an "oil-producing county" means a county that received an allocation of funding under section 57-51-15 of more than \$500,000 for the preceding state fiscal year."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1012 - Summary of Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services				
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000
Less estimated income	0	0	10,000,000	10,000,000
General fund	\$0	\$0	\$0	\$0
DHS - Management				
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
DHS - Program/Policy				
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
DHS - State Hospital				
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
DHS - Developmental Center				
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
DHS - Statewide HSC				
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
DHS - Northwest HSC				
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
DHS - North Central HSC				
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0
DHS - Lake Region HSC				
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0
Less estimated income	5,162,347	5,162,347	(5,162,347)	0

General fund	\$7,573,786	\$7,533,786	(\$7,533,786)	\$0
DHS - Northeast HSC				
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
DHS - Southeast HSC				
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0
Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	\$23,348,246	\$22,333,246	(\$22,333,246)	\$0
DHS - South Central HSC				
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	\$8,980,593	\$8,940,593	(\$8,940,593)	\$0
DHS - West Central HSC				
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	\$16,557,764	\$16,193,608	(\$16,193,608)	\$0
DHS - Badlands HSC				
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
General fund	\$7,026,670	\$6,986,670	(\$6,986,670)	\$0
DHS - Field Services				
Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
Department of Commerce				
Total all funds	\$0	\$0	\$6,250,000	\$6,250,000
Less estimated income	0	0	6,150,000	6,150,000
General fund	\$0	\$0	\$100,000	\$100,000
Bill total				
Total all funds	\$2,790,519,257	\$2,745,475,036	\$65,302,810	\$2,810,777,846
Less estimated income	1,613,649,730	1,600,140,061	35,114,803	1,635,254,864
General fund	\$1,176,869,527	\$1,145,334,975	\$30,188,007	\$1,175,522,982

House Bill No. 1012 - Department of Human Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Human Services			\$10,000,000	\$10,000,000
Total all funds	\$0	\$0	\$10,000,000	\$10,000,000
Less estimated income	0	0	10,000,000	10,000,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 325 - Department of Human Services - Detail of Senate Changes

	Adds Funding for Critical Access Hospitals ¹	Total Senate Changes
Department of Human Services	\$10,000,000	\$10,000,000
Total all funds	\$10,000,000	\$10,000,000
Less estimated income	10,000,000	10,000,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Adds funding from the strategic investment and improvements fund for grants to care facilities and providers in oil-producing counties and counties contiguous to an oil-producing county. A section is added relating to the grant program.

House Bill No. 1012 - DHS - Management - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$51,102,214	\$34,293,903	\$13,052,977	\$47,346,880
Operating expenses	72,743,825	67,197,985	250,000	67,447,985
Capital assets	216,160	12,000		12,000
Total all funds	\$124,062,199	\$101,503,888	\$13,302,977	\$114,806,865
Less estimated income	61,473,447	56,933,812	4,062,638	60,996,450
General fund	\$62,588,752	\$44,570,076	\$9,240,339	\$53,810,415
FTE	148.10	147.10	0.00	147.10

MANAGEMENT SUBDIVISION	FTE	General Fund	Estimated Income	Total
Management - Proposed Senate changes:				
Administration - Support				
Restores compensation adjustments made by the House		\$8,990,339	\$4,062,638	\$13,052,977
Restores a portion of operating expense reductions made by the House		\$250,000		\$250,000
Information Technology Services				
No changes				
Total Senate changes - Management	0.00	\$9,240,339	\$4,062,638	\$13,302,977

House Bill No. 1012 - DHS - Program/Policy - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Salaries and wages	\$48,842,118	\$48,842,118		\$48,842,118
Operating expenses	106,543,180	104,546,029	2,334,000	106,880,029
Grants	453,774,130	453,874,130	500,000	454,374,130
Grants - Medical assistance	1,755,124,680	1,738,195,077	31,300,833	1,769,495,910
Total all funds	\$2,364,284,108	\$2,345,457,354	\$34,134,833	\$2,379,592,187
Less estimated income	1,429,648,423	1,421,403,389	14,577,165	1,435,980,554
General fund	\$934,635,685	\$924,053,965	\$19,557,668	\$943,611,633
FTE	342.50	342.50	0.00	342.50

PROGRAM AND POLICY SUBDIVISION	FTE	General Fund	Estimated Income	Total
Program and Policy - Proposed Senate changes:				
Economic Assistance Policy Program				
No changes				
Child Support Program				
No changes				
Medical Services Program				
Restores funding removed by the House for professional medical expert reviews of medical records and prior authorizations		42,000	42,000	84,000
Restores funding removed by the House for oversight for qualified service provider mileage differential		78,040	21,960	100,000

Restores a portion of caseload projections reduced by the House for transportation (\$250,000) and CHIP (\$650,000)	352,500	547,500	900,000
Long-Term Care Program			
Restores a portion of funding removed by the House for long-term care caseload projections as follows:	1,122,500	977,500	2,100,000
Nursing homes - \$955,000			
HCBS waiver - \$1,000,000			
Expanded SPED - \$145,000			
Restores funding removed by the House for personal needs allowance for basic care (\$193,725) and intermediate care facility for the intellectually disabled (\$170,280)	278,850	85,155	364,005
Adds funding to increase nursing facility, basic care, DD and QSP provider wage passthrough increase from 50 cents to \$1	14,858,778	12,728,050	27,586,828
Restores funding removed by the House for infant development caseload projections. The House removed its funding as part of the DD caseload projection reduction.	175,000	175,000	350,000
Aging Services Program			
Restores funding removed by the House for guardianship services	1,000,000		1,000,000
Adds funding for senior meals	900,000		900,000
Children and Family Services Program			
Adds funding for grants to a county social service board that is not on a reservation but is experiencing an increase in caseload from Spirit Lake for a total of \$300,000. The House added \$150,000.	150,000		150,000
Mental Health and Substance Abuse Program			
Adds funding for additional services to be provided by Robinson Recovery Center	150,000		150,000
Developmental Disabilities Council			
No changes			
Developmental Disabilities Division			
Adds funding for grants to existing facilities that provide leisure, recreational, and educational programs for individuals with intellectual or developmental disabilities	300,000		300,000
Adds funding for guardianship services for developmentally disabled individuals	100,000		100,000
Vocational Rehabilitation			
Adds funding for the older blind program for a total of \$100,000. The House added \$50,000.	50,000		50,000
Total Senate changes - Program and Policy	0.00	\$19,557,668	\$14,577,165
			\$34,134,833

Sections are added for the following:

- Background checks for foster care providers.
- Legislative intent to allow the department to hire a deputy director.
- Legislative intent relating to an electronic health records system.

A section added by the House relating to personal needs allowance adjustments is removed.

House Bill No. 1012 - DHS - State Hospital - Senate Action

Executive Budget	House Version	Senate Changes ¹	Senate Version
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State Hospital	\$73,489,636	\$73,064,636	(\$73,064,636)	
Total all funds	\$73,489,636	\$73,064,636	(\$73,064,636)	\$0
Less estimated income	19,254,163	19,254,163	(19,254,163)	0
General fund	\$54,235,473	\$53,810,473	(\$53,810,473)	\$0
FTE	457.45	457.45	(457.45)	0.00

House Bill No. 1012 - DHS - Developmental Center - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Developmental Center	\$53,050,470	\$52,760,470	(\$52,760,470)	
Total all funds	\$53,050,470	\$52,760,470	(\$52,760,470)	\$0
Less estimated income	28,064,218	28,064,218	(28,064,218)	0
General fund	\$24,986,252	\$24,696,252	(\$24,696,252)	\$0
FTE	392.55	392.55	(392.55)	0.00

House Bill No. 1012 - DHS - Statewide HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Statewide human service centers	\$6,069,755	\$5,069,755	(\$5,069,755)	
Total all funds	\$6,069,755	\$5,069,755	(\$5,069,755)	\$0
Less estimated income	1,075,139	675,139	(675,139)	0
General fund	\$4,994,616	\$4,394,616	(\$4,394,616)	\$0
FTE	13.00	13.00	(13.00)	0.00

House Bill No. 1012 - DHS - Northwest HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northwest Human Service Center	\$8,958,191	\$8,918,191	(\$8,918,191)	
Total all funds	\$8,958,191	\$8,918,191	(\$8,918,191)	\$0
Less estimated income	3,564,800	3,564,800	(3,564,800)	0
General fund	\$5,393,391	\$5,353,391	(\$5,353,391)	\$0
FTE	43.75	43.75	(43.75)	0.00

House Bill No. 1012 - DHS - North Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
North Central Human Service Center	\$21,989,171	\$21,949,171	(\$21,949,171)	
Total all funds	\$21,989,171	\$21,949,171	(\$21,949,171)	\$0
Less estimated income	9,185,305	9,185,305	(9,185,305)	0
General fund	\$12,803,866	\$12,763,866	(\$12,763,866)	\$0
FTE	120.78	120.78	(120.78)	0.00

House Bill No. 1012 - DHS - Lake Region HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Lake Region Human Service Center	\$12,736,133	\$12,696,133	(\$12,696,133)	
Total all funds	\$12,736,133	\$12,696,133	(\$12,696,133)	\$0

Less estimated income	5,162,347	5,162,347	(5,162,347)	0
General fund	\$7,573,786	\$7,533,786	(\$7,533,786)	\$0
FTE	61.00	61.00	(61.00)	0.00

House Bill No. 1012 - DHS - Northeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Northeast Human Service Center	\$27,882,775	\$27,842,775	(\$27,842,775)	
Total all funds	\$27,882,775	\$27,842,775	(\$27,842,775)	\$0
Less estimated income	14,138,342	14,138,342	(14,138,342)	0
General fund	\$13,744,433	\$13,704,433	(\$13,704,433)	\$0
FTE	138.50	138.50	(138.50)	0.00

House Bill No. 1012 - DHS - Southeast HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Southeast Human Service Center	\$39,030,472	\$37,690,472	(\$37,690,472)	
Total all funds	\$39,030,472	\$37,690,472	(\$37,690,472)	\$0
Less estimated income	15,682,226	15,357,226	(15,357,226)	0
General fund	\$23,348,246	\$22,333,246	(\$22,333,246)	\$0
FTE	185.15	185.15	(185.15)	0.00

House Bill No. 1012 - DHS - South Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
South Central Human Service Center	\$16,793,883	\$16,753,883	(\$16,753,883)	
Total all funds	\$16,793,883	\$16,753,883	(\$16,753,883)	\$0
Less estimated income	7,813,290	7,813,290	(7,813,290)	0
General fund	\$8,980,593	\$8,940,593	(\$8,940,593)	\$0
FTE	83.50	83.50	(83.50)	0.00

House Bill No. 1012 - DHS - West Central HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
West Central Human Service Center	\$29,826,746	\$29,462,590	(\$29,462,590)	
Total all funds	\$29,826,746	\$29,462,590	(\$29,462,590)	\$0
Less estimated income	13,268,982	13,268,982	(13,268,982)	0
General fund	\$16,557,764	\$16,193,608	(\$16,193,608)	\$0
FTE	136.10	136.10	(136.10)	0.00

House Bill No. 1012 - DHS - Badlands HSC - Senate Action

	Executive Budget	House Version	Senate Changes ¹	Senate Version
Badlands Human Service Center	\$12,345,718	\$12,305,718	(\$12,305,718)	
Total all funds	\$12,345,718	\$12,305,718	(\$12,305,718)	\$0
Less estimated income	5,319,048	5,319,048	(5,319,048)	0
	\$7,026,670	\$6,986,670	(\$6,986,670)	\$0

General fund				
FTE	74.70	74.70	(74.70)	0.00

House Bill No. 1012 - DHS - Field Services - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Human service centers			\$174,228,688	\$174,228,688
Institutions			125,900,106	125,900,106
Total all funds	\$0	\$0	\$300,128,794	\$300,128,794
Less estimated income	0	0	122,127,860	122,127,860
General fund	\$0	\$0	\$178,000,934	\$178,000,934
FTE	0.00	0.00	1706.48	1706.48

Department No. 349 - DHS - Field Services - Detail of Senate Changes

	Creates Field Services Subdivision ¹	Senate Changes ²	Total Senate Changes
Human service centers	\$172,688,688	\$1,540,000	\$174,228,688
Institutions	125,825,106	75,000	125,900,106
Total all funds	\$298,513,794	\$1,615,000	\$300,128,794
Less estimated income	121,802,860	325,000	122,127,860
General fund	\$176,710,934	\$1,290,000	\$178,000,934
FTE	1706.48	0.00	1706.48

¹ The human service centers and institutions subdivision which provided separate line items for each institution and human service center is changed to the field services subdivision. The State Hospital and the Developmental Center line items are combined into the institutions line item and all of the human service centers are combined into one human service centers line item.

	FTE	General Fund	Estimated Income	Total
Field Services				
² Field services - Proposed Senate changes:				
State Hospital				
Restores funding removed by the House for water temperature controls for shower rooms in the LaHaug Building		\$75,000		\$75,000
Southeast Human Service Center				
Restores funding removed by the House for a 16-unit transitional living facility		\$975,000	\$325,000	\$1,300,000
South Central Human Service Center				
Adds funding for transitional employment grants		\$240,000		\$240,000
Total Senate changes - Field services	0.00	\$1,290,000	\$325,000	\$1,615,000

House Bill No. 1012 - Department of Commerce - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Department of Commerce			\$6,250,000	\$6,250,000
Total all funds	\$0	\$0	\$6,250,000	\$6,250,000
Less estimated income	0	0	6,150,000	6,150,000
General fund	\$0	\$0	\$100,000	\$100,000

FTE	0.00	0.00	0.00	0.00
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Department No. 601 - Department of Commerce - Detail of Senate Changes

	Adds Funding for Health Care Consortium ¹	Adds Funding for Care Facilities ²	Total Senate Changes
Department of Commerce	\$250,000	\$6,000,000	\$6,250,000
Total all funds	\$250,000	\$6,000,000	\$6,250,000
Less estimated income	150,000	6,000,000	6,150,000
General fund	\$100,000	\$0	\$100,000
FTE	0.00	0.00	0.00

¹ Sections are added to provide an appropriation to the Department of Commerce for funding the activities of the health care consortium and to create the consortium.

² Adds funding from the strategic investment and improvements fund for grants to care facilities and providers in oil-producing counties and counties contiguous to an oil-producing county. A section is added relating to the grant program.

REQUEST

SEN. WARNER REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1012, as amended, the roll was called and there were 20 YEAS, 26 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Andrist; Armstrong; Axness; Bowman; Dotzenrod; Grabinger; Heckaman; Klein; Luick; Lyson; Marcellais; Mathern; Murphy; Nelson; O'Connell; Robinson; Schneider; Sinner; Triplett; Warner

NAYS: Anderson; Berry; Burckhard; Campbell; Carlisle; Cook; Dever; Erbele; Flakoll; Grindberg; Hogue; Holmberg; Kilzer; Krebsbach; Laffen; Lee, G.; Lee, J.; Miller; Oehlke; Poolman; Schaible; Sitte; Sorvaag; Unruh; Wanzek; Wardner

ABSENT AND NOT VOTING: Larsen

The proposed amendments to Engrossed HB 1012, as amended, failed on a recorded roll call vote.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 45 YEAS, 1 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

NAYS: Miller

ABSENT AND NOT VOTING: Larsen

Engrossed HB 1012, as amended, passed.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 12:30 p.m., which motion prevailed.

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

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. KLEIN MOVED that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on Engrossed HB 1002, Engrossed HB 1003, Engrossed HB 1004, Engrossed HB 1006, Engrossed HB 1008, Engrossed HB 1009, Engrossed HB 1013, Engrossed HB 1014, Engrossed HB 1018, Reengrossed HB 1019, Engrossed HB 1021, Engrossed HB 1022, Engrossed HB 1041, Engrossed HB 1099, HB 1128, Engrossed HB 1138, Engrossed HB 1170, Engrossed HB 1412, Engrossed HCR 3011, and Engrossed HCR 3034, which motion prevailed.

THE PRESIDENT APPOINTED as a Conference Committee on:

Engrossed HB 1002: Sens. Carlisle, Krebsbach, Warner
Engrossed HB 1003: Sens. Kilzer, Erbele, Warner
Engrossed HB 1004: Sens. Wanzek, Holmberg, Robinson
Engrossed HB 1006: Sens. Wanzek, Holmberg, Mathern
Engrossed HB 1008: Sens. Carlisle, Wanzek, O'Connell
Engrossed HB 1009: Sens. Bowman, Erbele, O'Connell
Engrossed HB 1013: Sens. Holmberg, Krebsbach, O'Connell
Engrossed HB 1014: Sens. Wanzek, Holmberg, Robinson
Engrossed HB 1018: Sens. Krebsbach, Grindberg, Mathern
Reengrossed HB 1019: Sens. Krebsbach, G. Lee, O'Connell
Engrossed HB 1021: Sens. Wanzek, G. Lee, Robinson
Engrossed HB 1022: Sens. Carlisle, G. Lee, Robinson
Engrossed HB 1041: Sens. J. Lee, Anderson, Mathern
Engrossed HB 1099: Sens. Poolman, Schaible, Nelson
HB 1128: Sens. Hogue, Armstrong, Nelson
Engrossed HB 1138: Sens. Armstrong, Lyson, Grabinger
Engrossed HB 1170: Sens. Larsen, Dever, Axness
Engrossed HB 1412: Sens. Sitte, Lyson, Grabinger
Engrossed HCR 3011: Sens. Hogue, Armstrong, Grabinger
Engrossed HCR 3034: Sens. Hogue, Armstrong, Nelson

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. LEE MOVED that the Senate do not concur in the House amendments to SB 2226 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on SB 2226: Sens. Dever, J. Lee, Mathern.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2015 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2015: Sens. Wanzek, Krebsbach, O'Connell.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. LYSON MOVED that the Senate do not concur in the House amendments to Engrossed SB 2242 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2242: Sens. Laffen, Hogue, Murphy.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. HOLMBERG MOVED that the Senate do not concur in the House amendments to Engrossed SB 2012 and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed on a voice vote.

APPOINTMENT OF CONFERENCE COMMITTEE

THE PRESIDENT APPOINTED as a Conference Committee on Engrossed SB 2012: Sens. G. Lee, Holmberg, O'Connell.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. DEVER MOVED that the Senate do concur in the House amendments to Engrossed SB 2344 as printed on SJ pages 1387-1388, which motion prevailed on a voice vote.

Engrossed SB 2344, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2344: A BILL for an Act to provide an appropriation for training service dogs; and to provide for a legislative management study.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Reengrossed SB 2344 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. LAFFEN MOVED that the conference committee report on Engrossed SB 2129 as printed on SJ pages 1430-1431 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2129, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2129: A BILL for an Act to amend and reenact section 54-21.3-04.1 of the North Dakota Century Code, relating to the state building code and accessibility standards.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed SB 2129 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHAIBLE MOVED that the conference committee report on SB 2213 as printed on SJ page 1429 be adopted, which motion prevailed on a voice vote.

SB 2213, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2213: A BILL for an Act to amend and reenact sections 1-08-09, 16.1-10-06, and 16.1-10-06.2 of the North Dakota Century Code, relating to the restricted area around polling places for certain activities.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed SB 2213 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SORVAAG MOVED that the conference committee report on SB 2132 as printed on SJ page 1428 be adopted, which motion prevailed on a voice vote.

SB 2132, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2132: A BILL for an Act to amend and reenact section 6-09-46 of the North Dakota Century Code, relating to the rebuilders loan program; to provide an exemption; to provide for transfers; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed SB 2132 passed and the emergency clause was declared carried.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. MILLER MOVED that the conference committee report on Engrossed SB 2126 as printed on SJ pages 1427-1428 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2126, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2126: A BILL for an Act to create and enact sections 12.1-23-16 and 12.1-23-17 and a new subsection to section 57-39.2-14 of the North Dakota Century Code, relating to the prohibition of automated sales suppression devices and skimming devices used for a fraudulent purpose; and to provide a penalty.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Reengrossed SB 2126 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on SB 2162 as printed on SJ pages 1428-1429 be adopted, which motion prevailed on a voice vote.

SB 2162, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2162: A BILL for an Act to amend and reenact subsection 5 of section 57-15-56 and section 57-39.2-26.2 of the North Dakota Century Code, relating to a matching grant from the senior citizen services and programs fund to counties; and to provide an effective date.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed SB 2162 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. AXNESS MOVED that the conference committee report on Engrossed SB 2243 as printed on SJ page 1429 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2243, as amended, was placed on the Eleventh order of business.

SECOND READING OF SENATE BILL

SB 2243: A BILL for an Act to provide for a legislative management study of behavioral health needs.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed SB 2243 passed.

MOTION

SEN. GRINDBERG MOVED that the Senate be on the Fifteenth order of business for the purpose of electing an Interim President Pro Tempore, which motion prevailed.

NOMINATIONS FOR INTERIM PRESIDENT PRO TEMPORE

SEN. GRINDBERG: Mr. President, it is my honor to place into nomination, the name of Senator Tim Flakoll for President Pro Tempore of the Senate. Flakoll, a native of Forbes, ND was first elected to the Senate in 1998. Flakoll has served on the Senate Education committee for 8 sessions including service as Chairman and Vice-chair. He chaired the Senate Agriculture committee for 10 years.

In the interim, Flakoll has served on Legislative Management and many interim committees including the Governor's Commission on Education Improvement and the Roundtable for Higher Education which have produced legacy legislation which garnered national awards. He has served as either commissioner or on the executive committee of the Midwestern Higher Education Compact for the past 14 years.

Flakoll has sponsored 246 bills with more than 150 individual legislators in his 8 sessions. Those bills include landmark legislation in education, agriculture and community safety. He is a visionary and transformational leader who is considered by many to be North Dakota's foremost expert on P-20 education. He has a passion for education and a reputation for understanding how to successfully move policies forward. He has earned teaching and advising awards in higher education and has authored or co-authored more than 70 publications.

Flakoll currently serves as co-chair of the Council of State Governments Midwest Agriculture and Natural Resources committee and is the President Elect of that organization. He has been an inclusive and consensus building leader who has held more than 30 offices with various community, state and national organizations.

Professionally Senator Flakoll has served on the NDSU faculty, was VP and General Manager of the Fargo Moorhead Red Hawks minor league baseball team and has successfully served as Provost for Tri-College University for the past six years.

SEN. TRIPLETT: Mr. President, I move the nomination of Senator Phil Murphy as interim President Pro Tem. Sen. Murphy was appointed in December 2010 to fill a vacancy in the Senate position from District 20. He was elected for a full four-year term in November 2012 and is now serving in his second session. He has proven himself to be an exceptionally well-qualified legislator.

Sen. Murphy brings a wealth of experience to the Senate. He is a high school teacher in his home district of Mayville-Portland-Clifford-Galesburg, where he teaches a variety of civics and social studies classes, which means he knows quite a bit about how legislation should be made, and now he's learning first-hand how it really works.

He has served as the president of his school district education association so he knows a something about negotiating teacher contracts. He has been a township officer for 20 years which means he understands the importance of road maintenance. He is a volunteer firefighter so he knows the strains that are placed on volunteer systems when all of the volunteers are also trying to earn a living. He and his delightful wife, Michelle, have three grown children so he understands the cost of a college education.

Did I mention that Sen. Murphy is also the golf coach for the Mayport-CG school system? Being good at golfing is an important attribute for a state legislator. I know that because I

don't golf and it has proven to be quite a handicap, Mr. President. We are discussing the election of an interim President Pro Tem, to serve during the off season. Sen. Murphy is especially well-suited for this position because he doesn't teach over summer. So he will always be available for special sessions in the summers if only he can get out of his hammock. Sen. Murphy hosted the first-ever Senate Democrat caucus book club meeting, which proves beyond a shadow of a doubt that he is exceedingly well-read. Mr. President, being able to read is a bona fide occupational qualification for serving as President Pro Tem of this august body. I can assure the body that Sen. Murphy can read. Something else you should know about Sen. Murphy is that he is a wonderful chef. I don't believe that being a wonderful chef is actually a requirement for this job, but in honor of Sen. Murphy's culinary abilities, I am wearing my own white jacket today in pale imitation of Senator Murphy's real chef's jacket.

Finally, Mr. President, Sen. Murphy is a master of delivering puns on the Senate floor with a perfect dead-pan expression. We have all come to appreciate your own brand of self-deprecating humor, Mr. President, as you preside over the Senate, and if elected, I believe that Senator Murphy will carry on your tradition.

REMARKS OF SENATOR MURPHY

Mr. President, my friend the Senator and Attorney from District 38 asked me for some metaphors and puns, but I cannot imagine the "Flack I'll" take if I do. Mr. President, it looks like we have a pro "Timpor", and because I can only be the amateur Tempore, I will continue.

Mr. President, I am honored to be a State Senator, let alone to have been nominated for President Pro Tempore. That feeling of honor is only heightened by the remarks of my friend, Senator Triplett, as I know of no finer mind in this body of distinguished public servants. Seeing as how the tradition of each candidate voting for the opponent does not extend to each caucus member voting for the other side's candidate, I hereby move to cast a unanimous ballot for my Agriculture Committee chairman from last session. A man who knows how to move a meeting along, Senator Flakoll of District 44, for Interim President Pro Tempore.

MOTION

SEN. MURPHY MOVED that the Senate cast a unanimous ballot for Senator Flakoll as President Pro Tem, which motion prevailed.

MOTION

SEN. MURPHY MOVED that a committee of two be appointed to escort the newly elected President Pro Tem to the rostrum, which motion prevailed. The President appointed Sens. J. Lee and O'Connell.

OATH OF OFFICE

PRESIDENT WRIGLEY ADMINISTERED the Oath of Office to President Pro Tempore Flakoll.

REMARKS OF PRESIDENT PRO TEMPORE FLAKOLL

Mr. President, Senator Murphy, fellow Senators, friends at the front desk, friend Renae Doan in the Leader's office and friends in the back of the chamber and watching on line. Thank you Senator Grindberg for your kind words of nomination. I am greatly honored at this once in a lifetime opportunity to serve as your President Pro Tempore. Likewise it is my honor to have served the great residents of north Fargo since 1998. I would also like to acknowledge some of my long-time friends who are here today to witness this celebratory event.

- 1)Governor Dalrymple - former President of Senate
- 2)My former colleagues Rep. Don Clark (wife Judi) who is in the balcony I served many years. Rep. Blair Thoreson from District 44 is currently acting on important legislation on the floor of the House at this time.
- 3)Former Senator and current Public Service Commissioner Randy Christmann

I am richly blessed to have members of my family here. My Mother Wilma, Father Alden from Forbes, ND and Sister Joan Eliason who flew up from Grand Island, Nebraska to be with us. Throughout my life, my family has always been there for me and we celebrate together on days like today, we fight fights together against cancer and other challenges and we mourn together, like at the death of my brother Paul, who lost his cancer battle during Christmas time in 2005. This for me is an opportunity to say thanks to you and those who have helped

shape my life and helped me to be here.

In addition to my family, I think of three people whose impact has led me to the Senate and this position. Like my grade school and high school teacher, Mrs. Ruth Redlin, who taught me to not fear to try anything. In a school with 34 kids in high school everyone had to participate if we wanted to have a team, a school play or other activities. To Mr. Mark Thielges, who was my baseball coach for many years and helped instill in me the drive to do my best. For him, it did not matter if you were the best on your team, or in the league, or in the state if you were not your best and were not reaching your full potential. I also think of the late Mr. Merle Light, my college advisor and professor, who helped me believe in myself and the value of having people respect you as a professional.

Who a person is, often reflects a person's genetics and environment and I received a double dose of goodness from my family. They all have a history of being engaged in activities to better their communities. There are many things I admire about my father, but two I will mention are his honesty and his positive approach to people. As a youngster my Mom told me the story about Dad, who had bought the family a three-wheeler. When reconciling his checkbook he found out he had inadvertently made the check out for \$6.43 instead of \$643. The dealership, who oddly enough was called Honest John's, did not catch the mistake and processed the check, so they were surprised when Dad came to them to explain the error and offer a check for the remaining difference. We sometimes think kids aren't paying attention to their role models, but that example reminds me that they are.

The second thing about Dad is that for all of the years I have known him, has never spoke ill of any person. Regardless what that person has said or done. Of course we all know the real test would be what he might say after getting out of a conference committee with the House.

My Mom arranged to have the flowers in the chamber today to brighten the chamber, just like she brightens every room that she is in. From my Mom, I think I got her sense of humor and her competitive drive. Last night Mom told me if I told a story about her she was going to get up and run out of the chamber. Well, Senator Miller get ready, you might get run over again.

Our family lived with the philosophy that you don't take a fall when playing a game because that cheapens the victory for the kids or anyone else. To share a quick story, in August of 1997, my Mom was scheduled to have open heart surgery in Fargo so the family gathered at my house the night before the surgery. The night before the surgery we played cards because that is something we all enjoy. That night Mom had an incredibly hot hand and was not only winning every game of whist, but also seemingly every hand. That next morning we were all at the hospital for this somber event. We all recognized that with open heart surgery they have to stop the heart for the surgery and restart it, and a certain percentage of these surgeries are fatal. We progressed from check-in to surgery prep to the point where we were all standing by Mom's surgery gurney outside the double doors leading to the surgery room. Truly a time when you struggle with words as you share expressions of love. There was a short period of silence, when suddenly Mom broke the silence with a glare and a pointed question. She looked us firmly in the eyes and said "you didn't just let me win last night because I was having heart surgery today did you?" That explains her competitive spirit. She was so competitive that she did not like anyone taking a dive for her even though it might be her last day on earth. She wanted to win, as she always wants to win, but she wanted to win straight up without anyone taking a fall. True to tradition no one had let her win.

My sister Joan is, in my eyes, a reflection of all of the best parts of Mom and Dad. She has a photographic-like memory and if she ever met you, she will likely be able to tell you what you wore that day, where you sat and maybe what you ate if it was over a meal. She is a wonderful mother and the type of person everyone would like to hire. You only have to ask her to do something once and never have to worry about it not getting done in a timely and quality manner. By the way, if my sister asks, please say "yes Tim's desk area is always as clean and organized as it is today."

Of course our family cannot gather on a day like today without thinking of my late brother Paul. My brother is my hero and has been the person I always wanted to be just like. Paul was a leader's leader and one of the brightest people you would have ever met. He was said to be one of the top ten clinical nutritionists in the World. In addition to his leadership at Vanderbilt University and Iowa State he was a consultant for many organizations including Major League Baseball, National Basketball Association, National Hockey League and the

U.S. Marines as well as companies in Italy and Japan. He was a research reviewer for numerous organizations and publications, including the National Institute of Health and the American Journal of Physiology. His research has resulted in the betterment of life for aging and diseased human adults. While he was off the chart brilliant, I liked the fact that he wore his intelligence like a watch. Not for public display, but for his own use. While the world misses him as a professional, I miss him as a person.

Two events early on in my Senate career led me to think that I would like this place. In my first few days of my first term, one of my colleagues on the Education committee lost their wife. Based on the profession and focused way he managed that, along with his Senate duties and the way fellow Senators came together to support him, I knew this place was filled with people who had their heart in the right place.

The second event was after a hearing in the Education committee. Chairman Layton Freborg, the "Old Master", walked up to me as we left the Missouri River room and put his arm on my shoulder and said "Flak" you might not want to vote for that last bill. It is not good for the people you represent. Now I knew that Senator Freborg wanted the bill to pass, but for him to protect me from making a freshman blunder, forever endured him to me. While the duties of the position are not onerous, all of you know that I will look forward to my work on the select committee that filters applicants both new and existing, to the Board of Higher Education.

The people who have elected us are expecting great things this session and I know that with the collective wisdom of this group of Senators we can deliver.

Thank you again for this honor that you have bestowed on me and to my family for joining me today. May God continue to bless this chamber and the State of North Dakota.

MOTION

SEN. KLEIN MOVED that the remarks of Sens. Grindberg, Triplett, Murphy, and Flakoll be printed in the journal, which motion prevailed.

The Senate resumed its regular orders of business with President Wrigley presiding.

MOTION

SEN. LAFFEN MOVED that the Senate reconsider its action whereby Engrossed HB 1020, as amended, passed. .

REQUEST

SEN. GRINDBERG REQUESTED a recorded roll call vote, which request was granted.

ROLL CALL

The question being on the motion to reconsider the action whereby Engrossed HB 1020, as amended, passed, the roll was called and there were 25 YEAS, 21 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Axness; Berry; Burckhard; Campbell; Carlisle; Dever; Flakoll; Grabinger; Grindberg; Holmberg; Krebsbach; Laffen; Lee, J.; Lyson; Marcellais; Mathern; Murphy; Nelson; Poolman; Robinson; Schneider; Sinner; Sorvaag; Wardner

NAYS: Andrist; Armstrong; Bowman; Cook; Dotzenrod; Erbele; Heckaman; Hogue; Kilzer; Klein; Lee, G.; Luick; Miller; O'Connell; Oehlke; Schaible; Sitte; Triplett; Unruh; Wanzek; Warner

ABSENT AND NOT VOTING: Larsen

The motion prevailed on a recorded roll call vote.

SECOND READING OF HOUSE BILL

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide exemptions; to provide legislative intent; to amend and reenact section 6-09.5-03 of the North Dakota Century Code, relating to the community water facility loan fund; to provide for legislative management reports; to provide for a loan from the Bank of North Dakota; and to declare an

emergency.

MOTION

SEN. GRINDBERG MOVED that Engrossed HB 1020, as amended, be amended as follows.

In lieu of the amendments adopted by the Senate as printed on pages 1415-1419 of the Senate Journal, Engrossed House Bill No. 1020 is amended as follows:

Page 1, line 2, remove "to create and enact a new"

Page 1, remove line 3

Page 1, line 4, remove "policies and procedures of the state water commission;"

Page 1, line 4, replace "sections" with "section"

Page 1, line 5, remove "and 54-35-02.37"

Page 1, line 5, remove "and sections 6 and 7 of"

Page 1, line 6, remove "chapter 46 of the 2011 Session Laws"

Page 1, line 6, remove ", the"

Page 1, line 7, remove "water-related topics overview committee, and Fargo flood control project funding"

Page 1, line 8, after the semicolon insert "to provide for a loan from the Bank of North Dakota;"

Page 1, replace lines 17 through 22 with:

"Administrative and support services	\$3,229,873	\$1,620,136	\$4,850,009
Water and atmospheric resources	<u>498,413,774</u>	<u>324,694,788</u>	<u>823,108,562</u>
Total all funds	\$501,643,647	\$326,314,924	\$827,958,571
Less estimated income	<u>486,648,448</u>	<u>341,310,123</u>	<u>827,958,571</u>
Total general fund	\$14,995,199	(\$14,995,199)	\$0"

Page 2, line 25, remove the comma

Page 2, line 26, remove "subject to budget section approval,"

Page 2, after line 28, insert:

"SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER SUPPLY AUTHORITY. The Bank of North Dakota shall provide a loan of \$40,000,000 to the western area water supply authority for construction of the project. The terms and conditions of the loan must be negotiated by the western area water supply authority and the Bank of North Dakota and any previous loans may be added to and merged into this loan as agreed by the authority and the Bank of North Dakota. The authority may repay the loan from income from specific project features. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for the loan, the authority is subject to the default provisions under section 61-40-09."

Page 3, remove lines 5 through 31

Page 4, replace lines 1 through 13 with:

"SECTION 7. FARGO FLOOD CONTROL PROJECT FUNDING. Funds designated by the sixty-first legislative assembly, the sixty-second legislative assembly, and the sixty-third legislative assembly for Fargo flood control are available only for levee and dike protection until the Fargo flood control project receives federal authorization, a project partnership agreement is executed, a federal

appropriation is provided for project construction, and the budget for the Fargo flood control project is approved by the state water commission.

SECTION 8. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-third legislative assembly that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding to be provided by the state not exceed \$450,000,000."

Page 4, line 19, after "projects" insert ", including levees and dikes"

Page 4, line 21, remove "or for a river diversion project. Notwithstanding"

Page 4, remove lines 22 and 23

Page 4, line 24, remove "Fargo flood control project"

Page 4, line 27, after the period insert "Costs incurred by nonstate entities for dwellings or other real property which are not paid by state funds are eligible for application by the nonstate entity for cost-sharing with the state."

Page 4, remove lines 28 through 31

Page 5, remove lines 1 through 3

Page 5, line 13, replace "\$515,000,000" with "\$287,000,000"

Page 5, remove lines 14 through 31

Page 6, replace lines 1 through 3 with:

"SECTION 12. FARGO FLOOD CONTROL - REPORTS TO THE BUDGET SECTION. The Fargo-Moorhead area diversion authority board shall report to the budget section prior to December 2013 and prior to October 2014 regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool, mitigation efforts, easements, and the project budget."

Page 6, remove lines 12 through 30

Page 7, remove lines 1 through 16

Page 7, line 17, after "1" insert "of this Act and section 5"

Page 7, line 18, replace "is" with "are"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1020 - State Water Commission - Senate Action

	Executive Budget	House Version	Senate Changes	Senate Version
Administrative and support services	\$4,042,784	\$3,909,500	\$940,509	\$4,850,009
Water and atmospheric resources	823,096,248	822,339,358	769,204	823,108,562
Accrued leave payments		325,774	(325,774)	
Total all funds	\$827,139,032	\$826,574,632	\$1,383,939	\$827,958,571
Less estimated income	809,359,388	826,574,632	1,383,939	827,958,571
General fund	\$17,779,644	\$0	\$0	\$0
FTE	90.00	90.00	0.00	90.00

Department No. 770 - State Water Commission - Detail of Senate Changes

	Restores Executive Compensation Package ¹	Removes Separate Line Item for Accrued Leave Payments ²	Increases Funding for Operating Expenses ³	Total Senate Changes
Administrative and support services	\$86,252	\$49,192	\$805,065	\$940,509
Water and atmospheric resources	492,622	276,582		769,204
Accrued leave payments		(325,774)		(325,774)
Total all funds	\$578,874	\$0	\$805,065	\$1,383,939
Less estimated income	578,874	0	805,065	1,383,939
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ Funding reductions made by the House to the state employee compensation and benefits package are restored to the Governor's recommended level.

² The accrued leave payments line item added by the House is removed and the associated funding returned to line items with salaries and wages funding.

³ Funding for the following operating expenses is increased to pay fees to other agencies due to the change in funding source for the State Water Commission from the general fund to special funds:

- Audit fees \$53,000 - State Auditor
- Attorney's fees \$321,276 - Attorney General
- Rent \$430,789 - Office of Management and Budget

This amendment removes:

- Sections added by the House to amend 2011 Session Laws and 2009 Session Laws, previously amended in 2011, related to Fargo flood control funding. The House amendments changed legislative guidelines for Fargo flood control project expenditures.
- A section added by the House to provide that total Fargo flood control project funding to be provided by the state not exceed \$325 million.
- Sections added by the House directing the State Water Commission to study the use of ring dikes as part of a flood protection plan for the city of Fargo and water supply needs in the Red River Valley.
- A section added by the House to require the State Water Commission to adopt policies regarding project development and financing.
- A section added by the House which increases the membership of the Water-Related Topics Overview Committee and directs the committee to prepare a water project priority schedule to be included in the committee's final report to the Legislative Management.
- A section added by the House to require the State Water Commission to move information technology hardware to the Information Technology Department secure data center.
- A section added by the House to require the State Water Commission to report to the Budget Section within 90 days of any changes made to the water project priority list presented to the Legislative Assembly in 2013.
- The requirement that the State Water Commission receive Budget Section approval prior to spending any additional funds that may become available in the resources trust fund or water development trust fund during the 2013-15 biennium.

In addition, this amendment:

- Adds a section to provide for a \$40 million loan from the Bank of North Dakota to the

Western Area Water Supply Authority for construction of the project, which is declared an emergency measure.

- Adds a section to provide that funds designated by the Legislative Assembly for Fargo flood control are available only for levee and dike protection until the project receives federal authorization, a project partnership agreement is executed, and there is a federal appropriation for construction. In addition, the budget for the Fargo flood control project must be approved by the State Water Commission.
- Adds a section of legislative intent that the state provide one-half of the local cost-share of constructing a federally authorized Fargo flood control project and that total Fargo flood control project funding not exceed \$450 million.
- Adds a section requiring the Fargo-Moorhead Area Diversion Authority reports to the Budget Section.
- Amends guidelines for Fargo flood control project expenditures included in a section added by the House to designate \$100 million for Fargo flood control projects. The guidelines are amended to match the guidelines approved by the 62nd and 61st Legislative Assemblies and to include levees and dikes.
- Allows the State Water Commission to use funding in the resources trust fund to pay off or defease outstanding bond issues when the balance in the resources trust fund exceeds \$287 million rather than \$515 million, as provided in the executive recommendation.

REQUEST

SEN. GRINDBERG REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to Engrossed HB 1020, as amended, which request was granted.

ROLL CALL

The question being on the motion to adopt the proposed amendments to Engrossed HB 1020, as amended, the roll was called and there were 29 YEAS, 17 NAYS, 0 EXCUSED, 1 ABSENT AND NOT VOTING.

YEAS: Anderson; Andrist; Axness; Berry; Burckhard; Campbell; Carlisle; Flakoll; Grabinger; Grindberg; Hogue; Holmberg; Krebsbach; Laffen; Lee, G.; Lee, J.; Lyson; Marcellais; Mathern; Murphy; Nelson; Oehlke; Poolman; Robinson; Schneider; Sinner; Sorvaag; Triplett; Wardner

NAYS: Armstrong; Bowman; Cook; Dever; Dotzenrod; Erbele; Heckaman; Kilzer; Klein; Luick; Miller; O'Connell; Schaible; Sitte; Unruh; Wanzek; Warner

ABSENT AND NOT VOTING: Larsen

The proposed amendments to Engrossed HB 1020, as amended, were adopted on a recorded roll call vote.

HB 1020: A BILL for an Act to provide an appropriation for defraying the expenses of the state water commission; to provide exemptions; to provide legislative intent; to amend and reenact section 6-09.5-03 of the North Dakota Century Code, relating to the community water facility loan fund; to provide for legislative management reports; to provide for a loan from the Bank of North Dakota; and to declare an emergency.

ROLL CALL

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

YEAS: Anderson; Andrist; Armstrong; Axness; Berry; Bowman; Burckhard; Campbell; Carlisle; Cook; Dever; Dotzenrod; Erbele; Flakoll; Grabinger; Grindberg; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Laffen; Lee, G.; Lee, J.; Luick; Lyson; Marcellais; Mathern; Miller; Murphy; Nelson; O'Connell; Oehlke; Poolman; Robinson; Schaible; Schneider; Sinner; Sitte; Sorvaag; Triplett; Unruh; Wanzek; Wardner; Warner

ABSENT AND NOT VOTING: Larsen

Engrossed HB 1020, as amended, passed and the emergency clause was declared carried.

MOTION

SEN. KLEIN MOVED that Senate Rule 508 be temporarily amended replacing "sixty-eighth legislative day" with "seventieth legislative day", which motion prevailed.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended and subsequently passed: HB 1012.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)
MR. SPEAKER: The Senate has amended, subsequently passed, and the emergency clause carried: HB 1020.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended and subsequently passed: SB 2218.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2218

In lieu of the amendments as printed on pages 1020 and 1021 of the House Journal, Engrossed Senate Bill No. 2218 is amended as follows:

Page 1, remove lines 4 through 14

Page 1, line 21, remove "noncompetitive"

Page 1, line 22, remove "The funds appropriated under this Act must be divided"

Page 1, replace line 23 with "In order to qualify for a grant under this section, an applicant must be a tribally controlled community college not located on an Indian reservation or a tribally controlled community college located on an Indian reservation with an unemployment rate of greater than thirty percent. The department of commerce shall consult with the executive director of the Indian affairs commission to determine eligible tribally controlled community colleges."

Page 2, line 2, replace "2" with "1"

Page 2, line 15, after the underscored comma insert "a"

Page 2, line 18, replace "must" with "shall"

Page 2, remove lines 22 through 30

Page 3, replace lines 1 through 6 with:

"A grant awarded under this Act may be used to carry out the purposes specified in section 2 of this Act, including maintenance and operation of the program; development costs associated with any new or redesigned courses of instruction at the college; costs of instruction, including special programs for individuals with disabilities; and academic instruction and associated materials."

Page 3, line 11, remove "must provide a report to the department of commerce that"

Page 3, replace lines 12 through 22 with "shall provide to the department of commerce, in the form prescribed by the department, the following information:

1. A detailed report of expenditures under the grant;
2. The number of students assisted by the grant;
3. The graduation rate of students assisted by the grant and the graduation rate for all students at the college;

4. A description of any new or improved training or other program leading to a certificate or a degree which was developed by the college with funds provided by the grant and the types of jobs for which the new or improved training program is designed;
5. The placement rate of graduates of the college assisted by the grant in relation to the placement rate of all graduates of the college;
6. The rate of students assisted by the grant who pursue further educational opportunities immediately after graduation from the college; and
7. The number of jobs or businesses created as a result of funds provided by the grant."

Page 3, line 27, remove "No more than fifty percent of the appropriation may be expended during the first"

Page 3, remove line 28

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2218 - Funding Summary

	Executive Budget	Senate Version	House Changes	House Version
Department of Commerce				
Grants to tribal colleges		\$5,000,000		\$5,000,000
Total all funds	\$0	\$5,000,000	\$0	\$5,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$5,000,000	\$0	\$5,000,000
FTE	0.00	0.00	0.00	0.00
Bill Total				
Total all funds	\$0	\$5,000,000	\$0	\$5,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$5,000,000	\$0	\$5,000,000
FTE	0.00	0.00	0.00	0.00

Senate Bill No. 2218 - Department of Commerce - Senate Action

This bill appropriates \$5 million from the general fund to the Department of Commerce for grants to tribal community colleges for workforce development.

Senate Bill No. 2218 - Department of Commerce - House Action

The bill was amended by the House; however, the amendment did not change the appropriation.

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

MR. PRESIDENT: The House has amended and subsequently passed: SB 2233.

HOUSE AMENDMENTS TO SENATE BILL NO. 2233

Page 1, line 2, after the second comma insert "the lower Heart River Morton County enhanced flood control project,"

Page 1, line 2, replace "Southwest" with "southwest"

Page 1, line 4, replace "new section to chapter 6-09.4" with "new subdivision to subsection 2 of section 28-32-01, a new subdivision to subsection 1 of section 54-10-14, a new section to chapter 61-02, and four new sections to chapter 61-40"

- Page 1, line 4, after the second "to" insert "exempting certain activities of the industrial commission from the Administrative Agencies Practice Act, western area water supply authority industrial water sales audits,"
- Page 1, line 5, after "fund" insert ", and franchise protection rights of the western area water supply authority"
- Page 1, line 5, remove "57-51.1-07,"
- Page 1, line 6, replace "and 61-40-06" with "61-40-01, 61-40-02, 61-40-03, 61-40-04, 61-40-05, and 61-40-09"
- Page 1, line 6, remove "allocation of moneys in the oil"
- Page 1, line 7, replace "extraction tax development fund," with "relating to"
- Page 1, line 7, after "River" insert "valley"
- Page 1, line 7, after the second comma insert "the location of industrial water depots,"
- Page 1, line 7, remove "oversight of"
- Page 1, line 8, remove "and"
- Page 1, line 8, after "61-24.7-04" insert ", and 61-40-06"
- Page 1, line 9, after "project" insert "and oversight of western area water supply authority projects"
- Page 1, line 10, remove "and"
- Page 1, line 10, after "appropriation" insert "; to provide a statement of legislative intent; and to provide for reports to the legislative management"
- Page 1, remove lines 12 through 24
- Page 2, remove lines 1 through 31
- Page 3, remove lines 1 through 31
- Page 4, replace lines 1 through 17 with:

SECTION 1. A new subdivision to subsection 2 of section 28-32-01 of the North Dakota Century Code is created and enacted as follows:

The industrial commission with respect to approving or setting water rates under chapter 61-40.

SECTION 2. A new subdivision to subsection 1 of section 54-10-14 of the North Dakota Century Code is created and enacted as follows:

Western area water supply authority industrial water sales on an annual basis."

- Page 5, line 13, replace "long term" with "long-term"
- Page 5, line 15, replace "long term" with "long-term"
- Page 5, line 17, remove "diversion and"
- Page 5, line 24, after the second underscored semicolon insert "mill levies:"
- Page 6, line 15, replace "state funding for a share" with "one-half"
- Page 6, line 16, replace "non-federal" with "nonfederal"

Page 6, line 16, after "the" insert "federally approved national economic development alternative for the"

Page 6, after line 23, insert:

"SECTION 6.

Lower Heart River, Morton County, enhanced flood control project.

The legislative assembly declares its intent to provide state funding for fifty percent of the nonfederal or local cost-share for construction of the lower Heart River, Morton County, flood control project."

Page 7, line 5, remove the underscored comma

Page 7, remove line 6

Page 7, line 7, remove "facilities"

Page 7, line 12, after "The" insert "sixty-third"

Page 7, line 12, after "funding" insert "not to exceed four hundred fifty million dollars"

Page 7, line 12, replace "a share" with "one-half"

Page 7, line 13, replace "the" with "a federally authorized"

Page 7, after line 18, insert:

"SECTION 10. A new section to chapter 61-02 of the North Dakota Century Code is created and enacted as follows:

Infrastructure revolving loan fund - Continuing appropriation - Rules.

1. An infrastructure revolving loan fund is established on January 1, 2015, within the resources trust fund to provide loans for water supply, flood protection, or other water development and water management projects. Ten percent of oil extraction moneys deposited in the resources trust fund are made available on a continuing basis for making loans in accordance with this section. Accounts may be established in the resources trust fund as necessary for its management and administration.
2. The commission shall consider the following information when evaluating projects:
 - a. A description of the nature and purposes of the proposed infrastructure project, including an explanation of the need for the project, the reasons why it is in the public interest, and the overall economic impact of the project.
 - b. The estimated cost of the project and the amount of the loan sought and other proposed sources of funding.
 - c. The extent to which completion of the project will provide a benefit to the state or regions within the state.
3. The commission shall approve projects and loans from the infrastructure loan fund, and the Bank of North Dakota shall manage and administer loans from the infrastructure loan fund and individual accounts in the fund. The commission may adopt policies for the review and approval of loans under this section. Loans made under this section must be made at an interest rate of one and one-half percent.
4. Annually the Bank of North Dakota may deduct a service fee of one-half of one percent for administering the infrastructure loan fund.

5. Projects not eligible for the state revolving fund will be given priority for these funds."

Page 8, remove lines 20 through 31

Page 9, replace lines 1 through 3 with:

"SECTION 13. AMENDMENT. Section 61-40-01 of the North Dakota Century Code is amended and reenacted as follows:

61-40-01. Legislative declarations - Authority of western area water supply authority.

The legislative assembly declares that many areas and localities in western North Dakota do not enjoy adequate quantities of high-quality drinking water; that other areas and localities in western North Dakota do not have sufficient quantities of water to ensure a dependable, long-term domestic or industrial water supply; that greater economic security and the protection of health and property benefits the land, natural resources, and water resources of this state; and that the promotion of the prosperity and general welfare of all of the people of this state depend on the effective development and utilization of the land and water resources of this state and necessitates and requires the exercise of the sovereign powers of this state and concern a public purpose. To accomplish this public purpose, it is declared necessary that a water authority to treat, store, and distribute water to western North Dakota be established to provide for the supply and distribution of water to the people of western North Dakota for purposes, including domestic, rural water, municipal, livestock, industrial, oil and gas development, and other uses, and provide for the future economic welfare and prosperity of the people of this state, and particularly the people of western North Dakota, by the creation and development of a western area water supply project for beneficial and public uses. The western area water supply authority may acquire, construct, improve, develop, and own water supply infrastructure and may enter water supply contracts with member cities, water districts, and private users, such as oil and gas producers, for the sale of water for use within or outside the authority boundaries or the state. The western area water supply authority shall consider in the process of locating industrial water depots the location of private water sellers so as to minimize the impact on private water sellers. The independent water providers shall consider in the process of locating industrial water depots the location of private water sellers so as to minimize the impact on private water sellers.

SECTION 14. AMENDMENT. Section 61-40-02 of the North Dakota Century Code is amended and reenacted as follows:

61-40-02. Western area water supply authority.

The western area water supply authority consists of participating political subdivisions located within McKenzie, Williams, Burke, Divide, and Mountrail Counties which enter a water supply contract with the authority. Other cities and water systems, within or outside the authority counties' boundaries, including cities or water systems in Montana, may contract with the authority for a bulk water supply. The authority is a political subdivision of the state, a governmental agency, body politic and corporate, with the authority to exercise the powers specified in this chapter, or which may be reasonably implied. Participating member entities may be required to pay dues or water sale income to the authority, as determined by the bylaws and future resolutions of the authority. Participating member entities may not withdraw from the authority or fail or refuse to pay any water sale income to the authority ~~if the twenty-five million dollar zero interest loan from the state water commission has not been repaid until the state-guaranteed loans have been repaid.~~ The provisions of subsections 1 through 5 of section 61-35-02.1 apply if the authority's board of directors unanimously votes to convert to a water district.

SECTION 15. AMENDMENT. Section 61-40-03 of the North Dakota Century Code is amended and reenacted as follows:

61-40-03. Western area water supply authority - Board of directors.

1. The initial board of directors of the western area water supply authority consists of two representatives from each of the following entities: Williams rural water district, McKenzie County water resource district, the city of Williston, BDW water system association, and R&T water supply association. The governing body of each member entity shall select two representatives to the authority board who are water users of the member entity. If a vacancy arises for a member entity, the governing body of the member entity shall select a new representative to act on its behalf on the authority board. ~~In addition, the state engineer or designee is a voting member on the authority's board of directors.~~ Directors have a term of one year and may be reappointed.
2. Additional political subdivisions or water systems may be given membership on the board upon two-thirds majority vote of the existing board. To be eligible for membership on the board, the member entity must first contract with the authority for financial participation in the project.
3. A member entity may designate an alternate representative to attend meetings and to act on the member's behalf. The board may designate associate members who are nonvoting members of the board. Notwithstanding this section, ~~except for the state engineer or designee,~~ initial board members must be removed if they have not entered a contract with the authority, before August 1, 2013, for financial participation in the project.

SECTION 16. AMENDMENT. Section 61-40-04 of the North Dakota Century Code is amended and reenacted as follows:

61-40-04. Board of directors - Officers - Meetings.

1. The board of directors shall adopt such rules and bylaws for the conduct of the business affairs of the authority as it determines necessary, including the time and place of regular meetings of the board, financial participation structure for membership in the authority, and membership appointment and changes. Bylaws need to be approved by member entity boards.
2. The board shall elect from its members a chairman and a vice chairman. The board shall elect a secretary and a treasurer, which offices may be held by the same individual, and either or both offices may be held by an individual who is not a member of the board. Special meetings of the board may be called by the secretary on order of the chairman or upon written request of a majority of the qualified members of the board. Notice of a special meeting must be mailed to each member of the board at least six days before the meeting, provided that a special meeting may be held at any time when all members of the board are present or consent in writing.
3. Board members are entitled to receive as compensation an amount determined by the board not to exceed the amount per day provided members of the legislative management under section 54-35-10 and must be reimbursed for their mileage and expenses in the amount provided for by sections 44-08-04 and 54-06-09.
4. ~~The initial board bylaws must direct board voting protocol. A weighted voting structure for board members is acceptable if the voting is based upon the volume of water purchased, the financial contributions of the stakeholder entities, or any other formula agreed by a majority of the board.~~
5. ~~Before the bylaws become effective, the bylaws must be reviewed and approved by the attorney general.~~

SECTION 17. AMENDMENT. Section 61-40-05 of the North Dakota Century Code is amended and reenacted as follows:

61-40-05. Authority of the western area water supply authority.

In addition to authority declared under section 61-40-01, the board of directors of the western area water supply authority may:

1. Sue and be sued in the name of the authority.
2. Exercise the power of eminent domain in the manner provided by title 32 or as described in this chapter for the purpose of acquiring and securing any right, title, interest, estate, or easement necessary or proper to carry out the duties imposed by this chapter, and particularly to acquire the necessary rights in land for the construction of an entire part of any pipeline, reservoir, connection, valve, pumping installation, or other facility for the storage, transportation, or utilization of water and all other appurtenant facilities used in connection with the authority. However, if the interest sought to be acquired is a right of way for any project authorized in this chapter, the authority, after making a written offer to purchase the right of way and depositing the amount of the offer with the clerk of the district court of the county in which the right of way is located, may take immediate possession of the right of way, as authorized by section 16 of article I of the Constitution of North Dakota. Within thirty days after notice has been given in writing to the landowner by the clerk of the district court that a deposit has been made for the taking of a right of way as authorized in this subsection, the owner of the property taken may appeal to the district court by serving a notice of appeal upon the acquiring agency, and the matter must be tried at the next regular or special term of court with a jury unless a jury be waived, in the manner prescribed for trials under chapter 32-15.
3. Accept funds, property, services, pledges of security, or other assistance, financial or otherwise, from federal, state, and other public or private sources for the purpose of aiding and promoting the construction, maintenance, and operation of the authority. The authority may cooperate and contract with the state or federal government, or any department or agency of state or federal government, or any city, water district, or water system within the authority, in furnishing assurances and meeting local cooperation requirements of any project involving treatment, control, conservation, distribution, and use of water.
4. Cooperate and contract with the agencies or political subdivisions of this state or other states, in research and investigation or other activities promoting the establishment, construction, development, or operation of the authority.
5. Appoint and fix the compensation and reimbursement of expenses of employees as the board determines necessary to conduct the business and affairs of the authority and to procure the services of engineers and other technical experts, and to retain attorneys to assist, advise, and act for the authority in its proceedings.
6. Operate and manage the authority to distribute water to authority members and others within or outside the territorial boundaries of the authority and this state.
7. Hold, own, sell, or exchange any and all property purchased or acquired by the authority. All money received from any sale or exchange of property must be deposited to the credit of the authority and may be used to pay expenses of the authority.
8. Enter contracts to obtain a supply of bulk water through the purchase of infrastructure, bulk water sale or lease, which contracts may provide for payments to fund some or all of the authority's costs of acquiring,

- constructing, or reconstructing one or more water supply or infrastructure.
9. Acquire, construct, improve, and own water supply infrastructure, office and maintenance space in phases, in any location, and at any time.
 10. Enter contracts to provide for a bulk sale, lease, or other supply of water for beneficial use to persons within or outside the authority. The contracts may provide for payments to fund some or all of the authority's costs of acquiring, constructing, or reconstructing one or more water system projects, as well as the authority's costs of operating and maintaining one or more projects, whether the acquisition, construction, or reconstruction of any water supply project actually is completed and whether water actually is delivered pursuant to the contracts. The contracts the cities, water districts, and other entities that are members of the western area water supply authority are authorized to execute are without limitation on the term of years.
 11. Borrow money as provided in this chapter.
 12. Make all contracts, execute all instruments, and do all things necessary or convenient in the exercise of its powers or in the performance of its covenants or duties or in order to secure the payment of its obligations, but an encumbrance, mortgage, or other pledge of property of the authority may not be created by any contract or instrument.
 13. Accept from any authorized state or federal agency loans or grants for the planning, construction, acquisition, lease, or other provision of a project, and enter agreements with the agency respecting the loans or grants. Other than state-guaranteed loans, additional debt that may form the basis of a claim for territorial or franchise protection for industrial water sales for oil and gas exploration and production may be acquired by the authority or member entities only upon approval by the industrial commission and the emergency commission.
 14. Contract debts and borrow money, pledge property of the authority for repayment of indebtedness, and provide for payment of debts and expenses of the authority.
 15. Operate and manage the authority to distribute water to any out-of-state cities or water systems that contract with the authority.
 16. Accept, apply for, and hold water allocation permits.
 17. Adopt rules concerning the planning, management, operation, maintenance, sale, and ratesetting regarding water sold by the authority. The authority may adopt a rate structure with elevated rates set for project industrial water depot and lateral supplies in recognition that a large component of the project expense is being incurred to meet the demands of industrial users. The industrial water depot and lateral rate structure must be approved in accordance with section 19 of this Act.
 18. Develop water supply systems; store and transport water; and provide, contract for, and furnish water service for domestic, municipal, and rural water purposes; milling, manufacturing, mining, industrial, metallurgical, and any and all other beneficial uses; and fix the terms and rates therefore. The authority may acquire, construct, operate, and maintain dams, reservoirs, ground water storage areas, canals, conduits, pipelines, tunnels, and any and all treatment plants, works, facilities, improvements, and property necessary the same without any required public vote before taking action.
 19. Contract to purchase or improve water supply infrastructure or to obtain bulk water supplies without requiring any vote of the public on the projects or contracts. In relation to the initial construction of the system

and for the purposes of entering a contract with the authority, municipalities are exempt from the public voting requirements or water contract duration limitations otherwise imposed by section 40-33-16.

20. Accept assignment by member entities of contracts that obligate member entities to provide a water supply, contracts that relate to construction of water system infrastructure, or other member entity contracts that relate to authorities transferred to the authority under this chapter.

SECTION 18. A new section to chapter 61-40 of the North Dakota Century Code is created and enacted as follows:

Industrial water depot and lateral sales.

1. An accounting of industrial water depot and lateral sales collected and distributed by the authority must be reported to the industrial commission on a monthly basis. Participating member entities shall transfer industrial water depot and lateral sales to the authority within thirty days of receipt of the revenues. The boards of the authority and participating member entities must be notified of the sweep of revenues; however, board approval is not required. Upon the receipt of industrial water depot and lateral revenues by the authority, the authority shall apply immediately all revenues each month in the following order:
 - a. One hundred fifty thousand dollars per biennium to the industrial commission for one additional full-time equivalent position to implement this Act.
 - b. Reimburse the authority for industrial water depot capital improvements and the cost for delivery of potable or nonpotable water sold at industrial water depots and lateral lines, at a cost no greater than the participating member, or submember, if applicable, entity rate at the location of the depot or lateral line.
 - c. Regular payments on the participating member entity debt as described in the agreements with the authority as of March 31, 2013, and baseline 2010 industrial water sales included in the authority and participating member agreements as of March 31, 2013. Baseline 2010 industrial water sales for the city of Tioga in the year 2013 are limited to the lesser of legally permitted industrial water sales or the amount in the member agreement.
 - d. Required monthly payments on state-guaranteed loans. The required transfer must occur no later than the twentieth day of the following month.
 - e. Additional principal payment on state-guaranteed loans.
 - f. Payment to the resources trust fund.
2. If the state-guaranteed loans have not been repaid, without the written consent of the industrial commission the authority may not sell, lease, abandon, encumber, or otherwise dispose of any part of the property used in a water system of the authority if the property is used to provide revenue. Any requirements on the state-guaranteed loans for establishment of reserve funds for operation and maintenance or debt service are waived.
3. The state water commission shall approve the planning, location, and water supply contracts of any authority depots, laterals, taps, turnouts, and risers for industrial sales for oil and gas exploration and production after the effective date of this Act.

SECTION 19. A new section to chapter 61-40 of the North Dakota Century Code is created and enacted as follows:

Water rates.

The authority shall develop an industrial water depot and lateral retail rate and present the rate to the industrial commission for approval. Any industrial water depot and lateral rate adjustment must have approval of the industrial commission before going into effect. The authority shall develop domestic water rates that must include all costs for operation, maintenance, and operating and capital reserves, and debt repayment of all infrastructure managed or constructed by the authority, with the exception of the costs identified in section 18 of this Act which are paid for by industrial water depot and lateral sales.

SECTION 20. A new section to chapter 61-40 of the North Dakota Century Code is created and enacted as follows:

Construction funding.

The authority shall follow the state water commission requirements for funding through the resources trust fund or Bank of North Dakota state-guaranteed loans and shall present the overall plan and project components to the state water commission for funding approval. Priority on project funding first is reserved for state-guaranteed loan payments if not met by industrial water depot and lateral sales, second is for full repayment of existing federal debt if 7 U.S.C. 1926(b) protection for oil and gas exploration and production industrial water sales is asserted, and third for expanding domestic water supply to areas currently not served. In accepting construction funding, the authority and participating member entities agree to not hinder or prevent depot and lateral industrial water sales for oil and gas exploration and production.

SECTION 21. AMENDMENT. Section 61-40-09 of the North Dakota Century Code is amended and reenacted as follows:

61-40-09. Default.

~~If the authority is in default in the payment of the principal of or interest on any of the obligations of the authority under this chapter and if the budget section determines that the authority is unable to reimburse the state in the time period required by the budget section, the budget section may give written notice to the governing board of the authority that the state has taken possession and ownership of the water system of the authority and the liabilities of the authority. In addition, the state assumes the powers of the authority. The industrial commission may review the ability of water depot and lateral sales to meet expenses in subdivisions a through d of subsection 1 of section 18 of this Act, and if the industrial commission is uncertain of that ability, the industrial commission shall provide written notification to the state water commission and direct the Bank of North Dakota to consider revision of the terms of the loan repayments. If the authority is in default in the payment of the principal of or interest on the obligation to the Bank of North Dakota for a loan for which the Bank of North Dakota is the source of funds for the loan, the state water commission shall request funding from the legislative assembly to repay the principal and interest due. Upon written notice, the members of the governing board of the authority are immediately removed, and the state water commission is the governing board from the date of notice. If the state water commission determines that governance, possession, and ownership of the water system is not necessary for the authority to be able to reimburse the state in the necessary time period, the state water commission may develop a plan to return governance, possession, and ownership to the authority, subject to approval of the plan by the budget section.~~

SECTION 22. A new section to chapter 61-40 of the North Dakota Century Code is created and enacted as follows:

Franchise protection.

Notwithstanding any other provision of law, neither the authority nor its participating member entities may be required to waive the right to assert franchise protection under state or federal law with regard to water used for purposes other than industrial sales for oil and gas exploration and production."

Page 9, line 4, remove "and"

Page 9, line 4, after "61-24.7-04" insert ", and 61-40-06"

Page 9, after line 5, insert:

"SECTION 24. LEGISLATIVE INTENT. It is the intent of the sixty-third legislative assembly that after all loans to the state of North Dakota and contractual responsibilities to participating members are fulfilled, that any revenues generated by industrial water sales for oil and gas exploration and production be prioritized for use for infrastructure development in oil and gas-impacted areas of the state.

SECTION 25. REPORTS TO THE LEGISLATIVE MANAGEMENT. The independent water providers and the western area water supply authority shall report to the water-related topics overview committee on a regular basis and collaborate with the committee and the state water commission to monitor water usage, rates, and market share. The water-related topics overview committee shall report to the legislative management with recommendations to assure the state's ability to maintain its payment schedule. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2012, SB 2014.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2012

Page 1, line 3, after "distributions" insert "; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to create and enact a new section to chapter 24-02 and section 39-04-14.4 of the North Dakota Century Code, relating to highway-rail grade crossing safety projects and motor vehicle registration renewals"

Page 1, line 3, replace the second "and" with a comma

Page 1, line 3, after "39-04-09" insert ", and 39-04-14"

Page 1, line 4, after "Code" insert "and section 27 of chapter 579 of the 2011 Session Laws"

Page 1, line 4, replace "and" with a comma

Page 1, line 5, after "plates" insert ", motor vehicle registration renewals, and transportation funding distributions to non-oil-producing political subdivisions"

Page 1, line 6, remove "a"

Page 1, line 7, replace "study" with "studies"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 3 with:

"Salaries and wages	\$165,966,396	\$18,610,837	\$184,577,233
Accrued leave payments	0	7,280,897	7,280,897
Operating expenses	204,090,250	172,631,465	376,721,715
Capital assets	709,079,831	560,431,376	1,269,511,207
County and township road reconstruction program	0	190,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000	20,000,000
Grants	<u>67,767,407</u>	<u>21,520,623</u>	<u>89,288,030</u>
Total all funds	\$1,146,903,884	\$990,475,198	\$2,137,379,082

Less estimated income	<u>1,146,903,884</u>	<u>932,475,198</u>	<u>2,079,379,082</u>
Total general fund	\$0	\$58,000,000	\$58,000,000"

Page 2, replace lines 13 and 14 with:

"County and township road reconstruction program	142,000,000	190,000,000
County and township bridge reconstruction program	0	20,000,000"

Page 2, replace lines 20 through 22 with:

"Total all funds	\$608,000,575	\$761,600,000
Total special funds	<u>602,150,575</u>	<u>703,600,000</u>
Total general fund	\$5,850,000	\$58,000,000"

Page 3, line 3, replace "\$142,000,000" with "\$190,000,000"

Page 4, line 18, replace "\$27,000,000" with "\$20,000,000"

Page 4, line 25, after "institute" insert "with priority given to bridge projects located on roadways defined by the department of transportation as a county major collector roadway"

Page 5, line 22, remove "extends over a river, stream,"

Page 5, replace lines 23 and 24 with "has an opening of more than 20 feet [6.096 meters] as measured along the centerline of the roadway. It may also be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long as the pipes are spaced less than half the distance apart of the smallest diameter pipe."

Page 5, line 25, after "the" insert "existing roadway width on which the bridge will be constructed must meet current design standards, as on file with the department of transportation, for the county for which it is being constructed. The"

Page 6, line 18, replace "\$10,000,000" with "\$9,100,000"

Page 7, replace lines 3 through 14 with:

"SECTION 9. APPROPRIATION - STATE TREASURER - 2011-13 BIENNIUM - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$700,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2013. The state treasurer shall distribute the funding provided under this section to counties and townships that are eligible to receive a distribution under subsection 3 of section 27 of chapter 579 of the 2011 Session Laws and have not already received a distribution under that subsection. Beginning with the effective date of this Act, section 27 of chapter 579 of the 2011 Session Laws is not subject to section 54-11-01 and the state treasurer may not require a political subdivision to return an overpayment of funds received from distributions under the section."

Page 7, after line 26, insert:

"SECTION 11. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - TRANSPORTATION FUNDING ALLOCATIONS TO NON-OIL-PRODUCING COUNTIES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$150,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of providing transportation funding allocations to counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the most recently completed state fiscal year, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided under this section must be allocated in the amount of \$45,000,000 on June 1, 2013, and in the amount of \$105,000,000 on June 1, 2014. Allocations among counties under this section must

be prorated among eligible counties on the basis of miles of roadways defined by the department of transportation as county major collector roadways in each county. Projects to be funded under this section must comply with American association of state highway and transportation officials pavement design procedures and department of transportation local government requirements. The funds provided under this section are considered a one-time funding item."

Page 7, line 28, after "ISSUE" insert "- BUDGET SECTION APPROVAL"

Page 7, line 29, replace "\$6,200,000" with "\$6,820,000"

Page 8, line 1, after the period insert "The general license plate issue must be made using digitally printed license plates. The department of transportation shall develop a process to select a new design to be used for the general license plate issue and shall develop guidelines regarding the administration of the license plate issue. The department shall provide its recommendation for the new license plate design to the budget section, and budget section approval must be received prior to the issuance of the new license plates."

Page 8, line 1, after "The" insert "one-time general fund"

Page 8, line 6, replace "\$4,280,000" with "\$4,900,000"

Page 8, after line 29, insert:

"SECTION 17. A new section to chapter 24-02 of the North Dakota Century Code is created and enacted as follows:

Highway-rail grade crossing safety projects - Funding.

The director shall establish a highway-rail grade crossing safety program within the department and develop guidelines for the distribution of program funds. Projects eligible to receive funding under the program include railroad quiet zones and any other rail safety project the director deems necessary for public safety. Each year, the director shall allocate one million four hundred thousand dollars of highway tax distribution fund deposits in the state highway fund for highway-rail grade crossing safety projects."

Page 9, after line 25, insert:

"SECTION 20. AMENDMENT. Section 39-04-14 of the North Dakota Century Code is amended and reenacted as follows:

39-04-14. Renewal of registration.

Every vehicle registration, except those described in ~~section~~sections 39-04-14.1 and 39-04-14.4, under this chapter expires on December thirty-first each year and must be renewed annually upon application by the owner and by payment of the fees required by law, such renewal to take effect on the first day of January each year. An owner who has made proper application for renewal of registration of a vehicle previous to January first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of such vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of the new plates. ~~If a previously-registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in this state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to January first.~~

SECTION 21. Section 39-04-14.4 of the North Dakota Century Code is created and enacted as follows:

39-04-14.4. Renewal of registration of motor vehicles over certain weight.

Except as otherwise provided in section 39-04-14.2, the registration of a motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] expires on June thirtieth of each year and must be renewed annually upon application by the owner and by payment of fees required by law for a renewal to begin on the first day of July of that year. An owner who has made proper application for renewal and registration of a vehicle before July first but who has not received the number plates, plate, or registration card for the ensuing year is entitled to operate or permit the operation of the vehicle upon the highways upon displaying thereon the number plates or plate issued for the preceding year for such time, to be prescribed by the department, as may be required for the issuance of new plates. If a previously registered motor vehicle whose registered gross weight exceeds twenty thousand pounds [9071.84 kilograms] is purchased during the period the vehicle's registration in the state is expired, the registration fee must be prorated on a monthly basis from the date of purchase to July first. The director shall provide for a one-time collection of eighteen months of registration fees for the registration period of January 1, 2014, to June 30, 2015. Beginning on July 1, 2015, the registration of motor vehicles under this section must be renewed annually.

SECTION 22. AMENDMENT. Section 27 of chapter 579 of the 2011 Special Session Session Laws is amended and reenacted as follows:

SECTION 27. CONTINGENT APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS TO NON-OIL-PRODUCING POLITICAL SUBDIVISIONS.

If the tax commissioner certifies that total oil and gas tax revenue collections for the period July 1, 2011, through February 29, 2012, exceed total oil and gas tax revenue collection projections for that period by at least \$48,000,000, based on legislative estimates made at the close of the 2011 regular legislative session, there is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$23,000,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distributions, for the period beginning with the effective date of this Act and ending June 30, 2013. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section on April 1, 2012, as follows:

1. Six million eight hundred thousand dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. One million seven hundred thousand dollars to counties and townships in non-oil-producing counties pursuant to section 54-27-19.1. Organized townships are not required to provide matching funds to receive distributions under this section.
3. Fourteen million five hundred thousand dollars to counties and townships in non-oil-producing counties through a distribution of \$10,000 to each organized township and a distribution of \$10,000 for each unorganized township to the county in which the unorganized township is located. If any funds remain after the distributions provided under this subsection, the state treasurer shall distribute eighty percent of the remaining funds to counties and cities pursuant to the method provided in subsection 1 of this section and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2 of this section.

For purposes of this section, a "non-oil-producing county" means a county that received no allocation of funding or a total allocation under section 57-51-15 of less than \$500,000 for state fiscal year ~~2011~~2010. Any funds received by a county under this section for an unorganized township distribution must be used for roadway purposes in those unorganized townships located in the county. All funds distributed under

this section must be used for extraordinary roadway maintenance purposes.

SECTION 23. LEGISLATIVE MANAGEMENT STUDY - RAILROAD ASSISTANCE PROGRAMS. During the 2013-14 interim, the legislative management shall consider studying state railroad assistance programs. The study, if conducted, must review existing programs and funding levels and whether the existing programs and funding levels are adequate to meet current industry needs. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 24. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING. During the 2013-14 interim, the legislative management shall consider studying the the long-term costs of transportation infrastructure maintenance and improvement projects and methods for funding these projects. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 25. LEGISLATIVE MANAGEMENT STUDY - RENEWABLE FUEL STANDARDS. During the 2013-14 interim, the legislative management shall consider studying potential statutory or administrative changes that could be made to assist parties in the fuel supply chain in complying with federal renewable fuel standards, including compliance with the renewable identification number credits requirements. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 10, line 5, remove the first "and"

Page 10, line 5, after "10" insert ", 11, and 22"

Page 10, line 6, replace "\$142,000,000" with "\$190,000,000"

Page 10, line 7, replace "\$27,000,000" with "\$20,000,000"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2012 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
State Treasurer				
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
DOCR				
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
Bill total				
Total all funds	\$3,389,303,578	\$2,818,962,812	\$174,351,270	\$2,993,314,082
Less estimated income	2,695,703,578	2,107,647,812	(23,368,730)	2,084,279,082
General fund	\$693,600,000	\$711,315,000	\$197,720,000	\$909,035,000

Senate Bill No. 2012 - State Treasurer - House Action

	Executive Budget	Senate Version	House Changes	House Version
Grants to townships		\$10,000,000	(\$900,000)	\$9,100,000

Township distribution corrections		415,000		415,000
Total all funds	\$0	\$10,415,000	(\$900,000)	\$9,515,000
Less estimated income	0	0	0	0
General fund	\$0	\$10,415,000	(\$900,000)	\$9,515,000
FTE	0.00	0.00	0.00	0.00

Department No. 120 - State Treasurer - Detail of House Changes

	Reduces Funding for Grants to Townships ¹	Total House Changes
Grants to townships	(\$900,000)	(\$900,000)
Township distribution corrections		
Total all funds	(\$900,000)	(\$900,000)
Less estimated income	0	0
General fund	(\$900,000)	(\$900,000)
FTE	0.00	0.00

¹ Funding added by the Senate for grants to townships in oil-producing counties is reduced from \$10 million to \$9.1 million.

This amendment also amends Section 27 of Chapter 579 of the 2011 Special Session Session Laws to provide that a political subdivision eligible to receive a transportation funding distribution under that section must have received an allocation under Section 57-51-15 (oil and gas gross production tax allocations) of \$500,000 or less in state fiscal year 2010 rather than state fiscal year 2011. Section 9 of the bill which provided a \$590,000 general fund appropriation to correct earlier township distributions is replaced with an appropriation of \$700,000 from the general fund to the State Treasurer to distribute funding to any political subdivision eligible to receive a distribution under subsection 3 of Section 27 of Chapter 579 of the 2011 Special Session Session Laws which has not already received a distribution under that subsection.

Senate Bill No. 2012 - DOCR - House Action

	Executive Budget	Senate Version	House Changes	House Version
License plate issue		\$4,280,000	\$620,000	\$4,900,000
Total all funds	\$0	\$4,280,000	\$620,000	\$4,900,000
Less estimated income	0	4,280,000	620,000	4,900,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 530 - DOCR - Detail of House Changes

	Increases Special Funds Authority for License Plate Issue ¹	Total House Changes
License plate issue	\$620,000	\$620,000
Total all funds	\$620,000	\$620,000
Less estimated income	620,000	620,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Special funds authority for the general license plate issue is increased by \$620,000 due to increased expenses associated with the issuance of digitally printed license plates rather than embossed license plates.

Senate Bill No. 2012 - Department of Transportation - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$198,822,626	\$198,846,860	(\$14,269,627)	\$184,577,233
Operating expenses	456,821,715	377,821,715	(1,100,000)	376,721,715
Capital assets	1,810,511,207	1,269,511,207		1,269,511,207
County and township road program	142,000,000	142,000,000	48,000,000	190,000,000
Grants	97,548,030	98,188,030	(8,900,000)	89,288,030
General fund transfer to highway fund	683,600,000	683,600,000		683,600,000
Transfer to public transportation fund		1,100,000		1,100,000
License plate issue		6,200,000	620,000	6,820,000
County and township bridge program		27,000,000	(7,000,000)	20,000,000
Accrued leave payments			7,280,897	7,280,897
Non-oil county distributions			150,000,000	150,000,000
Total all funds	\$3,389,303,578	\$2,804,267,812	\$174,631,270	\$2,978,899,082
Less estimated income	2,695,703,578	2,103,367,812	(23,988,730)	2,079,379,082
General fund	\$693,600,000	\$700,900,000	\$198,620,000	\$899,520,000
FTE	1079.50	1079.50	0.00	1079.50

Department No. 801 - Department of Transportation - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Removes Funding for Employees Affected by Energy Development ³	Increases Funding for Oil-Impacted Counties Road Program ⁴	Removes Public Transportation Fund Appropriation Authority ⁵	Adjusts Funding for License Plate Issue ⁶
Salaries and wages	(\$4,443,731)	(\$7,280,897)	(\$2,544,999)			
Operating expenses			(1,100,000)			
Capital assets						
County and township road program				48,000,000		
Grants					(8,900,000)	
General fund transfer to highway fund						
Transfer to public transportation fund						
License plate issue						620,000
County and township bridge program						
Accrued leave payments		7,280,897				
Non-oil county distributions						
Total all funds	(\$4,443,731)	\$0	(\$3,644,999)	\$48,000,000	(\$8,900,000)	\$620,000
Less estimated income	(4,443,731)	0	(3,644,999)	0	(8,900,000)	0
General fund	\$0	\$0	\$0	\$48,000,000	\$0	\$620,000
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for County and Township Bridge Program ⁷	Adds Funding for Non-Oil-Impacted County Transportation Distributions ⁸	Total House Changes
Salaries and wages			(\$14,269,627)
Operating expenses			(1,100,000)
Capital assets			
County and township road program			48,000,000
Grants			(8,900,000)
General fund transfer to highway fund			

Transfer to public transportation fund			620,000
License plate issue			(7,000,000)
County and township bridge program	(7,000,000)		7,280,897
Accrued leave payments		150,000,000	150,000,000
Non-oil county distributions			
Total all funds	(\$7,000,000)	\$150,000,000	\$174,631,270
Less estimated income	(7,000,000)	0	(23,988,730)
General fund	\$0	\$150,000,000	\$198,620,000
FTE	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding included in the executive budget for salary enhancements (\$2,544,999) and rental assistance (\$1,100,000) for employees living in areas affected by energy development is removed.

⁴ Funding from the general fund is added to the county and township road reconstruction program in areas impacted by oil and gas development to provide total program funding of \$190 million, an increase of \$48 million from the executive budget and Senate version of \$142 million.

⁵ Appropriation authority to provide grants from the public transportation fund is removed. House Bill No. 1142, as approved by the 63rd Legislative Assembly, provides continuing appropriation authority for any funds deposited in the public transportation fund.

⁶ Funding for the general license plate issue is increased by \$620,000 to provide for digitally printed license plates to be issued rather than embossed plates.

⁷ Funding from the strategic investment and improvements fund for a county and township bridge reconstruction program is reduced from \$27 million to \$20 million. Adjustments are also made to Section 5 regarding the definition of a bridge and the priority of bridges to be reconstructed.

⁸ A section is added to appropriate \$150 million from the general fund for transportation funding distributions to counties that received less than \$5 million of oil and gas production tax allocations in the preceding state fiscal year.

This amendment also:

- Adds sections to provide statutory changes regarding the motor vehicle registration renewal dates of vehicles exceeding 20,000 pounds.
- Adds a section to establish a highway-rail grade crossing safety program in the Department of Transportation and requires the department to allocate \$1.4 million from the state highway fund for the program each year.
- Adds sections to provide for Legislative Management studies of state railroad assistance programs, transportation costs and funding, and renewable fuel standards.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2014

Page 1, line 4, after "54-17.6-05" insert ", subsection 17 of section 54-44.3-20,"

Page 1, line 4, remove "sections 54-18-19,"

Page 1, line 5, replace "57-51.1-07, and" with "section"

Page 1, line 5, remove "the resources trust"

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

Page 1, line 6, remove the third "the"

Page 1, line 7, replace "transfer of North Dakota mill and elevator profits to the general fund" with "classified employees"

Page 1, replace lines 21 and 22 with:

"Salaries and wages	\$12,059,220	\$5,092,992	\$17,152,212
Accrued leave payments	0	347,696	347,696
Operating expenses	3,378,744	2,551,832	5,930,576"

Page 2, replace lines 4 through 7 with:

"Total all funds	\$61,542,969	\$1,203,284	\$62,746,253
Less estimated income	<u>46,766,756</u>	<u>(5,850,935)</u>	<u>40,915,821</u>
Total general fund	\$14,776,213	\$7,054,219	\$21,830,432
Full-time equivalent positions	76.06	22.69	98.75"

Page 2, replace lines 12 through 15 with:

"Bank of North Dakota operations	\$45,587,155	\$4,469,582	\$50,056,737
Accrued leave payments	0	881,231	881,231
Capital assets	<u>1,266,000</u>	<u>(521,000)</u>	<u>745,000</u>
Total special funds	\$46,853,155	\$4,829,813	\$51,682,968
Full-time equivalent positions	176.50	3.00	179.50"

Page 3, replace lines 1 through 6 with:

"Salaries and wages	\$26,018,008	\$2,654,043	\$28,672,051
Accrued leave payments	0	575,807	575,807
Operating expenses	20,443,869	1,352,131	21,796,000
Contingencies	400,000	0	400,000
Agriculture promotion	<u>210,000</u>	<u>0</u>	<u>210,000</u>
Total from mill and elevator fund	\$47,071,877	\$4,581,981	\$51,653,858
Full-time equivalent positions	131.00	4.00	135.00"

Page 3, replace lines 11 through 16 with:

"Salaries and wages	\$6,516,277	\$541,513	\$7,057,790
Accrued leave payments	0	147,806	147,806
Operating expenses	5,114,849	(1,323,091)	3,791,758
Grants	26,858,920	2,674,130	29,533,050
Housing finance agency contingencies	<u>100,000</u>	<u>0</u>	<u>100,000</u>
Total special funds	\$38,590,046	\$2,040,358	\$40,630,404
Full-time equivalent positions	46.00	0.00	46.00"

Page 3, replace lines 21 through 23 with:

"Grand total general fund	\$24,176,213	\$154,219	\$24,330,432
Grand total special funds	<u>179,281,834</u>	<u>5,601,217</u>	<u>184,883,051</u>
Grand total all funds	\$203,458,047	\$5,755,436	\$209,213,483"

Page 4, remove line 8

Page 4, remove line 10

Page 4, replace lines 14 through 16 with:

"Total all funds	\$38,299,400	\$1,160,800
Total special funds	<u>10,000,000</u>	<u>0</u>
Total general fund	\$28,299,400	\$1,160,800"

Page 6, remove lines 13 through 18

Page 6, after line 24, insert:

"SECTION 12. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$2,000,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants to homeless shelters, for the biennium beginning July 1, 2013, and ending June 30, 2015."

Page 7, after line 21, insert:

"SECTION 15. OIL AND GAS RESEARCH PROGRAM - OIL AND GAS DEVELOPMENT IMPACT STUDIES. The industrial commission may use the sum of \$150,000, or so much of the sum as may be necessary, from the oil and gas research fund for nonmatching followup studies to provide updates and refinements to employment models used to track and forecast changes in the oil and gas industry workforce and estimate housing and population in the Williston basin and to make a comprehensive assessment of the demographic makeup of the current and expected oil and gas industry workforce."

Page 8, remove lines 17 through 31

Page 9, replace lines 1 through 28 with:

"SECTION 18. AMENDMENT. Subsection 17 of section 54-44.3-20 of the North Dakota Century Code is amended and reenacted as follows:

17. Engineers, engineering technicians, and geologists employed by the director of mineral resources."

Page 10, line 21, replace "Sections" with "The amount of \$61,751 and five full-time equivalent positions included in subdivision 1 of section 1 and sections"

Page 10, line 21, replace "11" with "10"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2014 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Industrial Commission				
Total all funds	\$63,356,975	\$63,529,688	(\$783,435)	\$62,746,253
Less estimated income	40,937,857	40,951,674	(35,853)	40,915,821
General fund	\$22,419,118	\$22,578,014	(\$747,582)	\$21,830,432
Bank of North Dakota				
Total all funds	\$52,452,928	\$52,606,408	(\$923,440)	\$51,682,968
Less estimated income	52,452,928	52,606,408	(923,440)	51,682,968
General fund	\$0	\$0	\$0	\$0
Housing Finance Agency				
Total all funds	\$40,862,039	\$70,869,907	(\$30,239,503)	\$40,630,404
Less estimated income	40,862,039	40,869,907	(239,503)	40,630,404
General fund	\$0	\$30,000,000	(\$30,000,000)	\$0
Mill and Elevator				
Total all funds	\$52,255,124	\$52,255,124	(\$601,266)	\$51,653,858
Less estimated income	52,255,124	52,255,124	(601,266)	51,653,858
General fund	\$0	\$0	\$0	\$0
Department of Commerce				
Total all funds	\$0	\$500,000	\$2,000,000	\$2,500,000
Less estimated income	0	0	0	0
General fund	\$0	\$500,000	\$2,000,000	\$2,500,000
Bill total				
Total all funds	\$208,927,066	\$239,761,127	(\$30,547,644)	\$209,213,483
Less estimated income	186,507,948	186,683,113	(1,800,062)	184,883,051
General fund	\$22,419,118	\$53,078,014	(\$28,747,582)	\$24,330,432

Senate Bill No. 2014 - Industrial Commission - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$17,710,630	\$17,883,343	(\$731,131)	\$17,152,212
Operating expenses	6,330,576	6,330,576	(400,000)	5,930,576
Capital assets	5,800	5,800		5,800
Grants - Lignite research	19,500,000	19,500,000		19,500,000
Grants - Bond payments	19,809,969	19,809,969		19,809,969
Accrued leave payments			347,696	347,696
Total all funds	\$63,356,975	\$63,529,688	(\$783,435)	\$62,746,253
Less estimated income	40,937,857	40,951,674	(35,853)	40,915,821
General fund	\$22,419,118	\$22,578,014	(\$747,582)	\$21,830,432
FTE	98.75	98.75	0.00	98.75

Department No. 405 - Industrial Commission - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Adds Funding for Hiring FTE Early ³	Removes Funding for Oil Impact ⁴	Total House Changes
Salaries and wages	(\$445,186)	(\$347,696)	\$61,751		(\$731,131)
Operating expenses				(400,000)	(400,000)
Capital assets					
Grants - Lignite research					
Grants - Bond payments					
Accrued leave payments		347,696			347,696
Total all funds	(\$445,186)	\$0	\$61,751	(\$400,000)	(\$783,435)
Less estimated income	(35,853)	0	0	0	(35,853)
	(\$409,333)	\$0	\$61,751	(\$400,000)	(\$747,582)

General fund					
FTE	0.00	0.00	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market equity component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding from the general fund (\$323,357) and from other funds (\$24,339) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding is added to allow the Department of Mineral Resources to hire five of its new FTE positions during the 2011-13 biennium.

⁴ Funding included in the executive budget recommendation for housing allowances for employees in oil-impacted areas is removed.

A section is added to provide an emergency clause for five new FTE positions.

A section is added relating to the oil and gas research program.

A section is added to unclassify engineering technicians of the Department of Mineral Resources.

A section added by the Senate relating to distribution of the resources trust fund is removed.

Senate Bill No. 2014 - Bank of North Dakota - House Action

	Executive Budget	Senate Version	House Changes	House Version
Capital assets	\$745,000	\$745,000		\$745,000
BND operations	51,707,928	51,861,408	(1,804,671)	50,056,737
Accrued leave payments			881,231	881,231
Total all funds	\$52,452,928	\$52,606,408	(\$923,440)	\$51,682,968
Less estimated income	52,452,928	52,606,408	(923,440)	51,682,968
General fund	\$0	\$0	\$0	\$0
FTE	179.50	179.50	0.00	179.50

Department No. 471 - Bank of North Dakota - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Total House Changes
Capital assets			
BND operations	(923,440)	(881,231)	(1,804,671)
Accrued leave payments		881,231	881,231
Total all funds	(\$923,440)	\$0	(\$923,440)
Less estimated income	(923,440)	0	(923,440)
General fund	\$0	\$0	\$0
FTE	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market equity component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

Senate Bill No. 2014 - Housing Finance Agency - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$7,437,231	\$7,445,099	(\$387,309)	\$7,057,790
Operating expenses	3,791,758	3,791,758		3,791,758
Grants	29,533,050	29,533,050		29,533,050
HFA contingencies	100,000	100,000		100,000
Housing incentive fund ³⁰		30,000,000	(30,000,000)	
Accrued leave payments			147,806	147,806
Total all funds	\$40,862,039	\$70,869,907	(\$30,239,503)	\$40,630,404
Less estimated income	40,862,039	40,869,907	(239,503)	40,630,404
General fund	\$0	\$30,000,000	(\$30,000,000)	\$0
FTE	46.00	46.00	0.00	46.00

Department No. 473 - Housing Finance Agency - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Removes Transfer to Housing Incentive Fund ³	Total House Changes
Salaries and wages	(\$239,503)	(\$147,806)		(\$387,309)
Operating expenses				
Grants				
HFA contingencies				
Housing incentive fund ³⁰			(30,000,000)	(30,000,000)
Accrued leave payments		147,806		147,806
Total all funds	(\$239,503)	\$0	(\$30,000,000)	(\$30,239,503)
Less estimated income	(239,503)	0	0	(239,503)
General fund	\$0	\$0	(\$30,000,000)	(\$30,000,000)
FTE	0.00	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market equity component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding included by the Senate for a \$30 million transfer from the general fund to the housing incentive fund is removed.

Senate Bill No. 2014 - Mill and Elevator - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$29,849,124	\$29,849,124	(\$1,177,073)	\$28,672,051
Operating expenses	21,796,000	21,796,000		21,796,000
Contingencies	400,000	400,000		400,000
Agriculture promotion	210,000	210,000		210,000
Accrued leave payments			575,807	575,807
Total all funds	\$52,255,124	\$52,255,124	(\$601,266)	\$51,653,858
Less estimated income	52,255,124	52,255,124	(601,266)	51,653,858
General fund	\$0	\$0	\$0	\$0
FTE	135.00	135.00	0.00	135.00

Department No. 475 - Mill and Elevator - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Removes Funding for Overtime ³	Total House Changes
Salaries and wages	(\$135,905)	(\$575,807)	(\$465,361)	(\$1,177,073)
Operating expenses				
Contingencies				
Agriculture promotion				
Accrued leave payments		575,807		575,807
Total all funds	(\$135,905)	\$0	(\$465,361)	(\$601,266)
Less estimated income	(135,905)	0	(465,361)	(601,266)
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Reduces the market equity component from 2 to 4 percent per year for employees below the midpoint of their salary range to up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding included in the executive budget recommendation for overtime pay is removed.

A section included in the executive budget recommendation relating to reducing the transfer of mill profits to the general fund is removed resulting in an additional \$4,297,200 of projected general fund revenue for the 2013-15 biennium.

Senate Bill No. 2014 - Department of Commerce - House Action

	Executive Budget	Senate Version	House Changes	House Version
Market Study		\$500,000		\$500,000
Homeless shelter grants			2,000,000	2,000,000
	\$0	\$500,000	\$2,000,000	\$2,500,000

Total all funds				
Less estimated income	0	0	0	0
General fund	\$0	\$500,000	\$2,000,000	\$2,500,000
FTE	0.00	0.00	0.00	0.00

Department No. 601 - Department of Commerce - Detail of House Changes

	Adds Funding for Grants to Homeless Shelters ¹	Total House Changes
Market Study Homeless shelter grants	2,000,000	2,000,000
Total all funds	\$2,000,000	\$2,000,000
Less estimated income	0	0
General fund	\$2,000,000	\$2,000,000
FTE	0.00	0.00

¹ Funding is added for grants to homeless shelters.

MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)
MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause carried: SB 2018.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2018

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

Page 1, line 2, replace "chapter to title 6" with "section to chapter 6-09.15, a new subsection to section 6-09.15-01"

Page 1, line 3, replace "section 54-45.5-10, and three" with "two new sections to chapter 54-60, two"

Page 1, line 3, after "54-65" insert ", and a new subsection to section 57-35.3-05"

Page 1, line 4, replace "program" with "for child care facilities, an unmanned aircraft systems program"

Page 1, line 4, remove "the energy"

Page 1, line 5 remove "conservation fund, and"

Page 1, line 5, after "program" insert ", the research North Dakota biotechnology program, and housing incentive fund tax credits"

Page 1, line 6, after the second comma insert "and"

Page 1, line 6, after the third comma insert "subsection 1 of section 6-09.15-01, and sections"

Page 1, line 6, remove "54-17-07.3,"

Page 1, line 6, after the seventh comma insert "57-38-01.32,"

Page 1, line 8, after the first comma insert "the beginning entrepreneur loan guarantee program, the"

Page 1, line 9, replace "finance programs" with "incentive fund tax credits"

Page 1, line 10, replace "for an upper great plains" with "a statement of legislative intent"

Page 1, line 11, remove "transportation institute study"

Page 1, line 11, after the second semicolon insert "to provide an effective date; to provide an expiration date;"

Page 1, remove lines 22 through 24

Page 2, replace lines 1 through 14 with:

"Salaries and wages	\$10,858,251	\$1,327,174	\$12,185,425
Accrued leave payments	0	243,767	243,767
Operating expenses	13,876,650	1,059,099	14,935,749
Capital assets	70,018	(60,018)	10,000
Grants	59,977,994	(4,155,044)	55,822,950
Discretionary funds	928,082	0	928,082
Workforce enhancement fund	0	2,000,000	2,000,000
Economic development initiatives	186,846	0	186,846
Flood impact grants/loans	0	18,358,866	18,358,866
Agricultural products utilization commission	2,739,767	500,727	3,240,494
Research North Dakota	0	6,000,000	6,000,000
North Dakota trade office	2,613,400	0	2,613,400
Partner programs	2,022,044	0	2,022,044
Federal fiscal stimulus funds	0	796,770	796,770
Total all funds	\$93,273,052	\$26,071,341	\$119,344,393
Less estimated income	69,666,470	3,656,143	73,322,613
Total general fund	\$23,606,582	\$22,415,198	\$46,021,780"

Page 2, replace line 25 with:

"Flood impact grants/loans	235,000,000	18,358,866"
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Page 2, replace line 27 with:

"Research North Dakota	0	6,000,000"
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Page 2, remove lines 30 and 31

Page 3, replace lines 1 and 2 with:

"Tourism large infrastructure grants	0	500,000"
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Page 3, replace lines 5 through 7 with:

"Total all funds	\$272,121,750	\$36,655,636
Less estimated income	<u>259,496,750</u>	<u>21,655,636</u>
Total general fund	\$12,625,000	\$15,000,000"

Page 3, after line 11, insert:

"SECTION 3. APPROPRIATION - TRANSFER - GENERAL FUND TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$15,000,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the housing incentive fund, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided in this section is considered one-time funding.

SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,000,000, or so much of the sum as may be necessary, and from special funds from private gifts and donations, the sum of \$3,000,000, or so much of the sum as may be necessary, to Dickinson state university for the purpose of constructing a Theodore Roosevelt center, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section is considered a one-time funding item. Dickinson state university may not

spend any of the funds appropriated from the general fund under this section until it has raised \$3,000,000 from nonstate sources for the project."

Page 3, line 14 remove "~~- Continuing~~"

Page 3, line 15 remove "~~appropriation~~"

Page 3, line 18 remove the overstrike over "~~The fund must be used to~~"

Page 3, line 19 remove the overstrike over "~~defray~~"

Page 3, line 19 remove "All moneys in the fund are appropriated to the department of commerce on a continuing"

Page 3, line 20, remove "basis for the purpose of defraying"

Page 4, remove lines 22 through 30

Page 5, replace lines 1 through 30 with:

"SECTION 8. AMENDMENT. Subsection 1 of section 6-09.15-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "Beginning entrepreneur" means a resident of this state who:
 - a. Has graduated from high school or has received a general equivalency certificate.
 - b. Has had some training, by education or experience, in the type of revenue-producing enterprise which that person wishes to begin.
 - c. Has, including the net worth of that person's dependents and spouse, if any, a net worth of less than ~~two hundred thousand dollars~~an amount determined by the Bank of North Dakota.

SECTION 9. A new subsection to section 6-09.15-01 of the North Dakota Century Code is created and enacted as follows:

"Child care provider" means a child care home, group, or center licensed by the department of human services.

SECTION 10. A new section to chapter 6-09.15 of the North Dakota Century Code is created and enacted as follows:

Loan guarantee for child care facility.

A beginning entrepreneur who receives a loan for a child care facility must be a child care provider."

Page 6, remove lines 25 through 31

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 5

Page 8, line 10, replace "fifty" with "thirty"

Page 8, line 13, after the period insert "The housing finance agency shall disburse from the fund:

- a. Two million six hundred thousand dollars for grants to child care providers for new construction, rehabilitation, or acquisition of child care facilities. The housing finance agency shall establish guidelines to qualify for a grant under this section which must include a matching requirement of one dollar of matching funds for every three dollars of grant funds and

a maximum grant amount of one hundred eighty-seven thousand five hundred dollars.

- b. Four hundred thousand dollars for grants to licensed early childhood services providers that provide care for children with disabilities or developmental delays pursuant to section 5-11.1-18. The grants may be used for equipment, renovation of facilities used to provide the services, and staff."

Page 8, line 16, overstrike "with a population of not more than ten"

Page 8, line 17, overstrike "thousand individuals"

Page 8, line 18, overstrike "At least fifty percent" and insert immediately thereafter "A portion"

Page 8, line 18, after "fund" insert "as determined by the housing finance agency in the annual allocation plan"

Page 8, line 18, overstrike "households with"

Page 8, line 19, overstrike "incomes at not more than fifty percent of the area median" and insert immediately thereafter "individuals and families of low income or moderate"

Page 8, line 20, after "fund" insert ". project developers, applicants, or grant recipients"

Page 8, line 22, after "housing" insert "or child care facility"

Page 8, line 24, after "project" insert "or a child care facility"

Page 9, line 2, after the third semicolon insert "nonprofit organizations and for-profit child care providers:"

Page 9, replace lines 15 through 21 with:

"SECTION 15. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Unmanned aircraft systems program - Report to legislative management.

The department may establish and administer an unmanned aircraft systems test site, contingent upon receiving official designation by the federal aviation administration. The department shall cooperate with the university of North Dakota, the North Dakota aeronautics commission, the adjutant general, and private parties appointed by the governor in the administration of the test site. The department may charge fees sufficient to operate the test site. The department shall, to the extent possible, use competitive bidding in the establishment and administration of the test site. The commissioner may charter a public corporation to operate the test site. The corporation must possess all of the powers of a business corporation consistent with this chapter. The department shall report to the legislative management semiannually on the status of the program.

SECTION 16. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Unmanned aircraft systems program fund - Continuing appropriation.

There is created in the state treasury a special fund known as the unmanned aircraft systems fund, which must be used to defray the expenses of the operations of an unmanned aircraft systems test site officially designated by the federal aviation administration. The fund consists of fees collected for the administration of the test site. All moneys in the fund are appropriated to the department of commerce on a continuing basis for the purpose of defraying the expenses of the unmanned aircraft systems program. Interest earned on moneys in the fund must be credited to the fund."

Page 9, remove lines 22 through 31

Page 10, replace lines 1 through 12 with:

"**SECTION 17.** A new section to chapter 54-65 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota biotechnology grants.

The department shall establish and administer a research North Dakota biotechnology grant program to provide grants to eligible tax-exempt nonprofit organizations or foundations with principal offices in North Dakota that shall award grants to eligible private companies with research facilities and principal operations located within the state to conduct research on and develop and commercialize vaccines and antibodies for the treatment of or cure for cancer or virally infectious diseases. To be eligible for a grant under this section, a tax-exempt nonprofit organization or foundation:

1. Must be an independent grantmaking organization that has previous experience administering grants within the state for health-related purposes, including projects designed to improve health and access to health care;
2. Shall provide the department with detailed documentation:
 - a. Of private sector participation, including the private company's:
 - (1) Establishment of a partnership with a research university or a related research university organization to conduct research on and develop and commercialize vaccines and antibodies for the treatment of or cure for cancer or virally infectious diseases; and
 - (2) Establishment of research facilities and principal operations within the state; and
 - b. Of the availability of one dollar of matching funds from private or other public sources for each dollar of state funds to be distributed. Matching funds must be in the form of cash and may not include in-kind assets;
3. May not retain more than five percent of the grant award for administrative costs; and
4. May not provide indirect cost reimbursement to a research university or a related research university organization of more than five percent of the amount of the grant award relating to the research university's involvement or the related research university organization's involvement."

Page 10, line 15, after "**Dakota**" insert "**biotechnology**"

Page 10, line 16, after "Dakota" insert "biotechnology"

Page 10, line 17, after "Dakota" insert "biotechnology"

Page 10, line 18, replace "this chapter" with "a research North Dakota biotechnology grant program"

Page 10, after line 19, insert:

"**SECTION 19.** A new subsection to section 57-35.3-05 of the North Dakota Century Code is created and enacted as follows:

There is allowed a credit against the tax imposed by sections 57-35.3-01 through 57-35.3-12 in an amount equal to the contribution to the housing incentive fund under section 54-17-40. For the purposes of the credit allowed in this subsection, subsections 2 through 9 of section 57-38-01.32 apply.

SECTION 20. AMENDMENT. Section 57-38-01.32 of the North Dakota Century Code is amended and reenacted as follows:

57-38-01.32. (Effective for the first two taxable years beginning after December 31, ~~2010~~2012) Housing incentive fund tax credit.

1. A taxpayer is entitled to a credit as determined under this section against state income tax liability under section 57-38-30 or 57-38-30.3 for contributing to the housing incentive fund under section 54-17-40. The amount of the credit is equal to the amount contributed to the fund during the taxable year.
2. North Dakota taxable income must be increased by the amount of the contribution upon which the credit under this section is computed but only to the extent the contribution reduced federal taxable income.
3. The contribution amount used to calculate the credit under this section may not be used to calculate any other state income tax deduction or credit allowed by law.
4. If the amount of the credit exceeds the taxpayer's tax liability for the taxable year, the excess may be carried forward to each of the ten succeeding taxable years.
5. The aggregate amount of tax credits allowed to all eligible contributors is limited to fifteen million dollars ~~per biennium~~. This limitation applies to all contributions for which tax credits are claimed under section 57-35.3-05 and this section.
6. Within thirty days after the date on which a taxpayer makes a contribution to the housing incentive fund, the housing finance agency shall file with each contributing taxpayer, and a copy with the tax commissioner, completed forms that show as to each contribution to the fund by that taxpayer the following:
 - a. The name, address, and social security number or federal employer identification number of the taxpayer that made the contribution.
 - b. The dollar amount paid for the contribution by the taxpayer.
 - c. The date the payment was received by the fund.
7. To receive the tax credit provided under this section, a taxpayer shall claim the credit on the taxpayer's state income or financial institutions tax return in the manner prescribed by the tax commissioner and file with the return a copy of the form issued by the housing finance agency under subsection 6.
8. Notwithstanding the time limitations contained in section 57-38-38, this section does not prohibit the tax commissioner from conducting an examination of the credit claimed and assessing additional tax due under section 57-38-38.
9. A partnership, subchapter S corporation, limited partnership, limited liability company, or any other passthrough entity making a contribution to the housing incentive fund under this section is considered to be the taxpayer for purposes of this section, and the amount of the credit allowed must be determined at the passthrough entity level. The amount of the total credit determined at the entity level must be passed through

to the partners, shareholders, or members in proportion to their respective interests in the passthrough entity."

Page 12, line 7, replace "The amount" with "Of the \$1,000,000"

Page 12, line 9, after "Laws" insert ", \$700,000"

Page 12, line 10, after the period insert "The department of commerce shall spend these funds for the purposes provided in this section. The department of commerce shall use up to \$300,000 for a grant to a not-for-profit organization assisting individuals with business ideas. The department of commerce shall use any remaining amount for the technology-based entrepreneurship grant program."

Page 12, line 18, replace "for" with "during the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce shall spend these funds for the purposes provided in this section. The department of commerce shall award a grant of up to \$100,000 for promotion and marketing of the USS North Dakota. The department of commerce shall award"

Page 12, line 19, replace "and" with ". The department of commerce shall award a direct grant and not a cost reimbursement grant"

Page 12, line 22, remove "during the biennium beginning July 1, 2013, and ending June 30, 2015"

Page 12, line 29, replace "\$1,500,000" with "\$1,000,000"

Page 13, line 1, after "**DAKOTA**" insert "**BIOTECHNOLOGY**"

Page 13, line 3, after "Dakota" insert "biotechnology"

Page 13, line 4, after "Dakota" insert "biotechnology grant"

Page 13, line 5, remove "The department of commerce may use up to"

Page 13, remove lines 6 through 10

Page 13, line 24, after the period insert "The grant program must award direct grants and not cost reimbursement grants."

Page 13, remove lines 26 through 30

Page 14, remove lines 1 and 2

Page 14, line 3, remove "**STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**"

Page 14, line 7, remove "strategic investment and"

Page 14, line 8, replace "improvements" with "general"

Page 14, remove lines 29 through 31

Page 15, remove lines 1 through 8

Page 15, after line 15, insert:

"SECTION 40. LEGISLATIVE MANAGEMENT STUDY - INTELLECTUAL PROPERTY AT RESEARCH UNIVERSITIES. During the 2013-14 interim, the legislative management shall consider studying the intellectual property policies and procedures at research universities within the state. The study must include consideration of the current and potential income generated through the commercialization of intellectual property. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly."

Page 15, after line 20, insert:

"SECTION 42. EFFECTIVE DATE - EXPIRATION DATE. Sections 19 and 20 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective."

Page 15, line 21, replace "\$1,500,000" with "\$1,000,000"

Page 15, line 24, replace "26" with "3, 13, 15, 16, 31,"

Page 15, line 24, replace "32" with "35"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2018 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Dickinson State University				
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$6,000,000	\$6,000,000
Housing Finance Agency				
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$15,000,000	\$15,000,000
Department of Commerce				
Total all funds	\$124,566,065	\$127,327,563	(\$7,983,170)	\$119,344,393
Less estimated income	68,241,034	70,801,179	2,521,434	73,322,613
General fund	\$56,325,031	\$56,526,384	(\$10,504,604)	\$46,021,780
Bill total				
Total all funds	\$124,566,065	\$127,327,563	\$16,016,830	\$143,344,393
Less estimated income	68,241,034	70,801,179	5,521,434	76,322,613
General fund	\$56,325,031	\$56,526,384	\$10,495,396	\$67,021,780

Senate Bill No. 2018 - Dickinson State University - House Action

	Executive Budget	Senate Version	House Changes	House Version
Theodore Roosevelt center			\$9,000,000	\$9,000,000
Total all funds	\$0	\$0	\$9,000,000	\$9,000,000
Less estimated income	0	0	3,000,000	3,000,000
General fund	\$0	\$0	\$6,000,000	\$6,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 239 - Dickinson State University - Detail of House Changes

	Adds Funding for Theodore Roosevelt Center ¹	Total House Changes
Theodore Roosevelt center	\$9,000,000	\$9,000,000
Total all funds	\$9,000,000	\$9,000,000
Less estimated income	3,000,000	3,000,000
General fund	\$6,000,000	\$6,000,000
FTE	0.00	0.00

¹ This amendment adds funding of \$6 million from the general fund and \$3 million from special funds to Dickinson State University for construction of a Theodore Roosevelt Center. The \$6 million of funding from the general fund may not be spent until Dickinson State University raises \$3 million from nonstate sources for the project.

Senate Bill No. 2018 - Housing Finance Agency - House Action

	Executive Budget	Senate Version	House Changes	House Version
Housing incentive fund			\$15,000,000	\$15,000,000
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	0	0
General fund	\$0	\$0	\$15,000,000	\$15,000,000
FTE	0.00	0.00	0.00	0.00

Department No. 473 - Housing Finance Agency - Detail of House Changes

	Provides a Transfer to Housing Incentive Fund ¹	Total House Changes
Housing incentive fund	\$15,000,000	\$15,000,000
Total all funds	\$15,000,000	\$15,000,000
Less estimated income	0	0
General fund	\$15,000,000	\$15,000,000
FTE	0.00	0.00

¹ This amendment provides a transfer of \$15 million from the general fund to the housing incentive fund.

Senate Bill No. 2018 - Department of Commerce - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$12,396,970	\$12,658,468	(\$473,043)	\$12,185,425
Operating expenses	16,434,601	16,434,601	(1,498,852)	14,935,749
Capital assets	10,000	10,000		10,000
Grants	59,147,950	61,647,950	(5,825,000)	55,822,950
Discretionary funds	928,082	928,082		928,082
Workforce enhancement fund	2,000,000	2,000,000		2,000,000
Economic development initiatives	186,846	186,846		186,846
Flood impact grants and loans	11,782,866	11,782,866	6,576,000	18,358,866
Ag Products Utilization Commission	3,246,536	3,246,536	(6,042)	3,240,494
Research North Dakota	12,000,000	12,000,000	(6,000,000)	6,000,000
North Dakota Trade Office	2,613,400	2,613,400		2,613,400
Partner programs	2,022,044	2,022,044		2,022,044
Federal fiscal stimulus funds	796,770	796,770		796,770
North Dakota planning initiative	1,000,000	1,000,000	(1,000,000)	
Accrued leave payments			243,767	243,767
Total all funds	\$124,566,065	\$127,327,563	(\$7,983,170)	\$119,344,393
Less estimated income	68,241,034	70,801,179	2,521,434	73,322,613
General fund	\$56,325,031	\$56,526,384	(\$10,504,604)	\$46,021,780
FTE	69.25	69.25	0.00	69.25

Department No. 601 - Department of Commerce - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Reduces Funding for the State Data Center ³	Removes Funding for Child Care Facility Grants ⁴	Changes Funding Source for Unmanned Aircraft System ⁵	Reduces Funding for Tourism Large Infrastructure Grants ⁵
Salaries and wages	(\$235,318)	(\$237,725)				
Operating expenses			(98,852)			
Capital assets						

Grants				(5,000,000)		(825,000)
Discretionary funds						
Workforce enhancement fund						
Economic development initiatives						
Flood impact grants and loans						
Ag Products Utilization		(6,042)				
Commission						
Research North Dakota						
North Dakota Trade Office						
Partner programs						
Federal fiscal stimulus funds						
North Dakota planning initiative						
Accrued leave payments		243,767				
Total all funds	(\$235,318)	\$0	(\$98,852)	(\$5,000,000)	\$0	(\$825,000)
Less estimated income	(54,566)	0	0	0	(4,000,000)	0
General fund	(\$180,752)	\$0	(\$98,852)	(\$5,000,000)	\$4,000,000	(\$825,000)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Removes Funding for North Dakota Planning Initiative ⁷	Removes Funding for UGPTI Transportation Study ⁸	Reduces Funding for InnovateND Program ⁹	Reduces Funding for Operation Intern ¹⁰	Reduces Funding for Tourism Marketing ¹¹	Adds Funding for Flood Grants and Loans ¹²
Salaries and wages						
Operating expenses		(350,000)	(50,000)	(500,000)	(500,000)	
Capital assets						
Grants						
Discretionary funds						
Workforce enhancement fund						
Economic development initiatives						
Flood impact grants and loans						6,576,000
Ag Products Utilization						
Commission						
Research North Dakota						
North Dakota Trade Office						
Partner programs						
Federal fiscal stimulus funds						
North Dakota planning initiative	(1,000,000)					
Accrued leave payments						
Total all funds	(\$1,000,000)	(\$350,000)	(\$50,000)	(\$500,000)	(\$500,000)	\$6,576,000
Less estimated income	0	0	0	0	0	6,576,000
General fund	(\$1,000,000)	(\$350,000)	(\$50,000)	(\$500,000)	(\$500,000)	\$0
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Reduces Funding for Research North Dakota ¹³	Total House Changes
Salaries and wages		(\$473,043)
Operating expenses		(1,498,852)
Capital assets		
Grants		(5,825,000)
Discretionary funds		
Workforce enhancement fund		
Economic development initiatives		
Flood impact grants and loans		6,576,000
Ag Products Utilization		(6,042)
Commission		
Research North Dakota	(6,000,000)	(6,000,000)
North Dakota Trade Office		
Partner programs		
Federal fiscal stimulus funds		
North Dakota planning initiative		(1,000,000)
Accrued leave payments		243,767
Total all funds	(\$6,000,000)	(\$7,983,170)
Less estimated income	0	2,521,434
General fund	(\$6,000,000)	(\$10,504,604)
FTE	0.00	0.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent

per year.

- Reduces the market component from 2 to 4 percent per year for employees below the midpoint of their salary range up to 2 percent for employees in the first quartile of their salary range for the first year of the biennium only.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding from the general fund (\$187,753) and from other funds (\$56,014) for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ This amendment reduces the funding for the State Data Center by \$98,852, from \$498,852 to \$400,000. The executive recommendation provided \$498,852.

⁴ This amendment removes funding of \$5 million from the general fund for child care facility grants. The executive recommendation provided \$5 million.

⁵ The funding source for the \$4 million portion of the unmanned aircraft system grant is changed from the strategic investment and improvements fund to the general fund. The executive recommendation provided the strategic investment and improvements fund as the funding source.

⁶ This amendment reduces the funding for tourism large infrastructure grants by \$825,000 to provide a total of \$500,000. The executive recommendation provided \$1,325,000.

⁷ This amendment removes funding of \$1 million for the North Dakota planning initiative. The executive recommendation provided \$1 million.

⁸ Funding of \$350,000 from the general fund is removed for an Upper Great Plains Transportation Institute study of transportation infrastructure needs. The executive recommendation provided \$350,000.

⁹ This amendment reduces funding for the InnovateND program by \$50,000, from \$500,000 to \$450,000. The executive recommendation provided \$500,000.

¹⁰ Funding for the Operation Intern is reduced by \$500,000, from \$1.5 million to \$1 million. The executive recommendation provided \$1.5 million.

¹¹ This amendment reduces funding for tourism-related marketing by \$500,000, from \$9,184,329 to \$8,684,329. The executive recommendation provided \$9,184,329.

¹² Funding of \$6,576,000 of federal funds is added for flood impact grants and loans to provide a total of \$18,358,866. The executive recommendation provided \$11,782,866.

¹³ This amendment reduces funding from the general fund for Research North Dakota by \$6 million, from \$12 million to \$6 million. The executive recommendation provided \$12 million.

This amendment also:

- Removes a section added by the Senate to create a new loan guarantee program for child care facility loans.
- Removes the transfer of \$200,000 from Bank of North Dakota profits to a child care facility loan guarantee program added by the Senate.
- Adds three new sections to expand the beginning entrepreneur loan guarantee program to include child care facilities.
- Removes a section providing for a child care facility grant program.
- Removes a section added by the Senate to expand the Housing Finance Agency programs to include a child care facility finance program.
- Changes the requirements of the housing incentive fund to allow for financing of

child care facilities, to provide grants for child care facilities, to provide grants to child care providers that provide services to children with disabilities, and to limit the fund balance to \$30 million. The Senate provided a maximum fund balance of \$50 million.

- Adds two new sections to provide housing incentive fund tax credits for two years and to limit total tax credits to \$15 million.
- Adds a new section to provide an effective date and an expiration date for housing incentive fund tax credits.
- Adds two new sections to establish an unmanned aircraft systems program administered by the Department of Commerce, to provide for semiannual reports to the Legislative Management, and to create a new continuing appropriation to the Department of Commerce of money in the unmanned aircraft systems program fund.
- Adds a new section to establish a Research North Dakota biotechnology grant program.
- Removes a section to create a Research North Dakota program.
- Removes a section added by the Senate to create a Research North Dakota venture grants program.
- Removes the requirement that up to \$2 million of the funds transferred to the Research North Dakota fund be used for Research North Dakota venture grants.
- Renames the Research North Dakota fund the Research North Dakota biotechnology fund.
- Removes a new continuing appropriation to the agricultural fuel tax fund.
- Removes a section providing a continuing appropriation to the energy conservation grant fund.
- Changes the exemption for the technology-based entrepreneurship grant program to designate that the Department of Commerce use up to \$300,000 for a grant to the Incubator for Developing Entrepreneurial Activity (IDEA) Center in Bismarck.
- Changes the exemption for base retention grants to designate that the Department of Commerce use up to \$100,000 for grants to promote the USS North Dakota.
- Reduces the amount transferred to the internship fund by \$500,000, from \$1.5 million to \$1 million.
- Removes a section providing for an Upper Great Plains Transportation Institute transportation study.
- Adds a new section for a Legislative Management study of intellectual property at research universities.
- Changes the emergency clause section to include the transfer to the housing incentive fund, the requirements for the housing incentive fund, and the continuing appropriation for the unmanned aircraft systems program.

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

MR. PRESIDENT: The House has amended, subsequently passed, and the emergency clause failed: SB 2001.

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2001

Page 1, line 3, after the semicolon insert "to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to hosting out-of-state dignitaries;"

Page 1, line 3, replace "sections" with "subsections 1, 2, and 7 of section"

Page 1, line 3, after the second "and" insert "section"

Page 1, line 4, after "compensation" insert "and expense reimbursement; to provide for a legislative management study; to provide legislative intent"

Page 1, line 4, after the second semicolon insert "to provide for retroactive application;"

Page 1, replace line 18 with:

"Operating expenses	3,268,968	683,958	3,952,926"
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Page 1, replace line 21 with:

"Total general fund	\$12,025,211	\$1,896,760	\$13,921,971"
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Page 2, replace lines 3 through 9 with:

"Salaries and wages	\$7,574,331	\$989,695	\$8,564,026
Accrued leave payments		143,087	143,087
Operating expenses	3,305,520	548,007	3,853,527
Capital assets	<u>16,500</u>	<u>8,500</u>	<u>25,000</u>
Total all funds	\$10,896,351	\$1,689,289	\$12,585,640
Less estimated income	<u>70,000</u>	<u>(1)</u>	<u>69,999</u>
Total general fund	\$10,826,351	\$1,689,290	\$12,515,641
Full-time equivalent positions	34.00	3.00	37.00"

Page 2, replace lines 14 through 16 with:

"Grand total general fund	\$22,851,562	\$3,586,050	\$26,437,612
Grand total special funds	<u>70,000</u>	<u>(1)</u>	<u>69,999</u>
Grand total all funds	\$22,921,562	\$3,586,049	\$26,507,611"

Page 2, replace lines 26 and 27 with:

"Information technology projects		<u>159,938</u>	<u>42,000</u>
Total general fund		\$2,242,706	\$542,000"

Page 4, remove lines 8 through 31

Page 5, remove lines 1 through 30

Page 6, remove lines 1 through 28

Page 7, remove lines 1 through 31

Page 8, remove lines 1 through 29

Page 9, replace lines 1 through 18 with:

"SECTION 6. AMENDMENT. Subsections 1 and 7 of section 54-03-20 of the North Dakota Century Code are amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~fifty-seven~~sixty-two dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
7.
 - a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~forty~~fifty-three dollars a month, paid monthly.
 - b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
 - c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a

majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of three hundred ~~sixteen~~twenty-five dollars per month during the biennium for their execution of public duties.

SECTION 7. AMENDMENT. Subsections 1 and 7 of section 54-03-20 of the North Dakota Century Code are amended and reenacted as follows:

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~sixty-two~~sixty-seven dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.
7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of four hundred ~~fifty-three~~sixty-seven dollars a month, paid monthly.
- b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.
- c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of three hundred ~~twenty-five~~thirty-five dollars per month during the biennium for their execution of public duties.

SECTION 8. AMENDMENT. Subsection 2 of section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times ~~sixty-five~~seventy-five percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.
- b. Notwithstanding subdivision a:
 - (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.
 - (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a."

"SECTION 11. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative hosting of dignitaries.

The legislative management or the chairman of the legislative management may approve the hosting of out-of-state dignitaries on behalf of the legislative assembly and may authorize the majority and minority leaders of the senate and the house of representatives or their designees to assist in the hosting of such dignitaries. An expenditure for the purchase of items to promote or to host a dignitary under this section may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota. The provisions of chapter 44-08 do not apply to expenditures made under this section.

SECTION 12. LEGISLATIVE INTENT. It is the intent of the sixty-third legislative assembly that the legislative management not proceed with implementing a process to record and archive video of standing committee meetings during the legislative session for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. LEGISLATIVE INTENT. It is the intent of the sixty-third legislative assembly that the legislative management consider implementing during the sixty-fourth legislative assembly a limited bill analysis report pilot project to provide bill analysis reports similar to analysis reports prepared in other states."

Page 10, line 18, replace "8" with "9"

Page 10, line 19, replace "9" with "10"

Page 10, after line 19, insert:

"SECTION 15. RETROACTIVE APPLICATION. Section 8 of this Act applies retroactively to January 1, 2013."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2001 - Summary of House Action

	Executive Budget	Senate Version	House Changes	House Version
Legislative Assembly				
Total all funds	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Less estimated income	0	0	0	0
General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Legislative Council				
Total all funds	\$12,220,456	\$12,175,513	\$410,127	\$12,585,640
Less estimated income	69,999	69,999	0	69,999
General fund	\$12,150,457	\$12,105,514	\$410,127	\$12,515,641
Bill total				
Total all funds	\$26,556,820	\$26,373,484	\$134,127	\$26,507,611
Less estimated income	69,999	69,999	0	69,999
General fund	\$26,486,821	\$26,303,485	\$134,127	\$26,437,612

Senate Bill No. 2001 - Legislative Assembly - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$9,205,759	\$9,205,759		\$9,205,759
Operating expenses	4,367,319	4,228,926	(276,000)	3,952,926
Capital assets	530,000	530,000		530,000
National Conf of State Legislatures	233,286	233,286		233,286
Total all funds	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971
Less estimated income	0	0	0	0
General fund	\$14,336,364	\$14,197,971	(\$276,000)	\$13,921,971

FTE	0.00	0.00	0.00	0.00
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Department No. 150 - Legislative Assembly - Detail of House Changes

	Adds Funding for Connectivity ¹	Removes Funding for Audio/Video ²	Total House Changes
Salaries and wages			
Operating expenses	121,000	(397,000)	(276,000)
Capital assets			
National Conf of State Legislatures			
Total all funds	\$121,000	(\$397,000)	(\$276,000)
Less estimated income	0	0	0
General fund	\$121,000	(\$397,000)	(\$276,000)
FTE	0.00	0.00	0.00

¹ The operating expenses line item is increased by \$121,000 to provide a total of \$425,000 for costs associated with providing legislators with remote access to data, including broadband, data plans for cellular phones, and other methods as determined by the Legislative Management's Legislative Procedure and Arrangements Committee.

² One-time funding is removed for installing audio and video recording equipment in committee rooms. A section of legislative intent is added that the Legislative Management not proceed with implementing a process to record and archive video of standing committee meetings during the legislative session.

Sections are added:

- Providing legislative intent that the Legislative Management consider implementing a bill analysis pilot project for the 2015 legislative session.
- Increasing the monthly limit on legislative lodging reimbursement retroactively to January 1, 2013.

Senate Bill No. 2001 - Legislative Council - House Action

	Executive Budget	Senate Version	House Changes	House Version
Salaries and wages	\$8,336,986	\$8,336,986	\$227,040	\$8,564,026
Operating expenses	3,858,470	3,813,527	40,000	3,853,527
Capital assets	25,000	25,000		25,000
Accrued leave payments			143,087	143,087
Total all funds	\$12,220,456	\$12,175,513	\$410,127	\$12,585,640
Less estimated income	69,999	69,999	0	69,999
General fund	\$12,150,457	\$12,105,514	\$410,127	\$12,515,641
FTE	34.00	34.00	3.00	37.00

Department No. 160 - Legislative Council - Detail of House Changes

	Adjusts State Employee Compensation and Benefits Package ¹	Provides Separate Line Item for Accrued Leave Payments ²	Adds Fiscal Analyst Positions ³	Adds Funding for Energy Meetings ⁴	Total House Changes
Salaries and wages	(\$139,873)	(\$143,087)	\$510,000		\$227,040
Operating expenses			15,000	25,000	40,000
Capital assets					

Accrued leave payments		143,087			143,087
Total all funds	(\$139,873)	\$0	\$525,000	\$25,000	\$410,127
Less estimated income	0	0	0	0	0
General fund	(\$139,873)	\$0	\$525,000	\$25,000	\$410,127
FTE	0.00	0.00	3.00	0.00	3.00

¹ This amendment adjusts the state employee compensation and benefits package as follows:

- Reduces the performance component from 3 to 5 percent per year to 2 to 4 percent per year.
- Removes funding for additional retirement contribution increases.

² A portion of salaries and wages funding from the general fund for permanent employees' compensation and benefits is reallocated to an accrued leave payments line item for paying annual leave and sick leave for eligible employees.

³ Funding is added for three new fiscal analyst positions and related operating expenses, including information technology and equipment.

⁴ The operating expenses line item is increased by \$25,000 to provide funding for costs relating to legislators attending meetings of the Energy Producing States Coalition.

A section is added authorizing the hosting of out-of-state dignitaries and the purchase of promotional items.

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

MR. PRESIDENT: The House has failed to pass, unchanged: SB 2333.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has concurred in the House amendments and subsequently passed: SB 2344.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2002, SB 2004, SB 2013, SB 2020, and SB 2267, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2002: Sens. Kilzer; Carlisle; Warner

SB 2004: Sens. Kilzer; Grindberg; Mathern

SB 2013: Sens. Krebsbach; Holmberg; Warner

SB 2020: Sens. Bowman; Erbele; O'Connell

SB 2267: Sens. Poolman; Flakoll; Marcellais

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate does not concur in the House amendments to SB 2012, SB 2015, SB 2226, and SB 2242, and the President has appointed as a conference committee to act with a like committee from the House on:

SB 2012: Sens. G. Lee; Holmberg; O'Connell

SB 2015: Sens. Wanzek; Krebsbach; O'Connell

SB 2226: Sens. Dever; J. Lee; Mathern

SB 2242: Sens. Laffen; Hogue; Murphy

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1010, HB 1016, HB 1017, and HB 1234, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1010: Reps. Sanford; Brandenburg; Guggisberg

HB 1016: Reps. Thoreson; Brandenburg; Glassheim

HB 1017: Reps. Brandenburg; Thoreson; Glassheim

HB 1234: Reps. Belter; Drovdal; S. Kelsh

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

MR. PRESIDENT: The House does not concur in the Senate amendments to HB 1013, HB 1021, and HB 1319, and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1013: Reps. Monson; Skarphol; Boe

HB 1021: Reps. Dosch; Martinson; Boe

HB 1319: Reps. Nathe; Headland; Hunskor

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

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

HB 1002: Sens. Carlisle; Krebsbach; Warner

HB 1003: Sens. Kilzer; Erbele; Warner

HB 1004: Sens. Wanzek; Holmberg; Robinson

HB 1006: Sens. Wanzek; Holmberg; Mathern

HB 1008: Sens. Carlisle; Wanzek; O'Connell

HB 1009: Sens. Bowman; Erbele; O'Connell

HB 1013: Sens. Holmberg; Krebsbach; O'Connell

HB 1014: Sens. Wanzek; Holmberg; Robinson

HB 1018: Sens. Krebsbach; Grindberg; Mathern

HB 1019: Sens. Krebsbach; G. Lee; O'Connell

HB 1021: Sens. Wanzek; G. Lee; Robinson

HB 1022: Sens. Carlisle; G. Lee; Robinson

HB 1041: Sens. J. Lee; Anderson; Mathern

HB 1099: Sens. Poolman; Schaible; Nelson

HB 1128: Sens. Hogue; Armstrong; Nelson

HB 1138: Sens. Armstrong; Lyson; Grabinger

HB 1170: Sens. Larsen; Dever; Axness

HB 1412: Sens. Sitte; Lyson; Grabinger

HCR 3011: Sens. Hogue; Armstrong; Grabinger

HCR 3034: Sens. Hogue; Armstrong; Nelson

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

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

HB 1025: Sens. Hogue; Lyson; Grabinger

HB 1033: Sens. Schaible; Dever; Marcellais

HB 1136: Sens. Hogue; Armstrong; Nelson

HB 1198: Sens. Cook; Oehlke; Dotzenrod

HB 1205: Sens. Sitte; Campbell; Axness

HB 1289: Sens. Schaible; Luick; Marcellais

HB 1290: Sens. Burckhard; Miller; Triplett

HB 1300: Sens. Campbell; Oehlke; Triplett

HB 1306: Sens. Miller; Burckhard; Dotzenrod

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

MR. PRESIDENT: The Speaker has appointed Rep. Delmore to replace Rep. Karls on the Conference Committee on HB 1138.

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

MR. PRESIDENT: The Speaker has appointed Rep. Hanson to replace Rep. Maragos on the Conference Committee on HCR 3011.

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

MR. PRESIDENT: The Speaker has appointed Rep. Delmore to replace Rep. Toman on the Conference Committee on HCR 3034.

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

MR. PRESIDENT: The Speaker has appointed Rep. Owens to replace Rep. Belter on the Conference Committee on HB 1290.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2126, SB 2129, SB 2162, SB 2213, SB 2243.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2132.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause failed to pass: HB 1112.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1023.

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

MR. PRESIDENT: The Speaker has signed: SB 2087, SB 2113, SB 2114, SB 2207, SB 2255, SB 2352.

MESSAGE TO THE HOUSE FROM THE SENATE (WILLIAM R. HORTON, SECRETARY)

MR. SPEAKER: The President has signed: HB 1023, HB 1167, HB 1202, HB 1219, HB 1368, HB 1410.

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

MR. PRESIDENT: The Speaker has signed: HB 1027, HB 1106, HB 1211, HB 1296, HB 1309, HB 1332, HB 1382, HB 1451, HCR 3019, HCR 3021, HCR 3029, HCR 3038.

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

MR. PRESIDENT: The Speaker has signed: HB 1145, HB 1213, HB 1322, HB 1402, HB 1413.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 15, 2013, I have signed the following: SB 2125, SB 2180, SB 2214, SB 2229, SB 2251, SB 2308, SB 2314, and SB 2323.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 16, 2013, I have signed the following: SB 2108, SB 2345, SB 2356, and SB 2368.

COMMUNICATION FROM GOVERNOR JACK DALRYMPLE

This is to inform you that on April 17, 2013, I have signed the following: SB 2146 and SB 2238.

MOTION

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

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, and Thirteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 8:00 a.m.,

Thursday, April 18, 2013, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SB 2163: Your conference committee (Sens. Oehlke, Burckhard, Triplett and Reps. Froseth, Docket, Haak) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 917, adopt amendments as follows, and place SB 2163 on the Seventh order:

That the House recede from its amendments as printed on page 917 of the Senate Journal and page 1008 of the House Journal and that Senate Bill No. 2163 be amended as follows:

Page 1, line 10, overstrike "The tax rate"

Page 1, line 10, after "for" insert "For"

Page 1, line 10, remove the overstrike over "a-licensed"

Page 1, remove the overstrike over line 11

Page 1, line 12, remove the overstrike over "a. ~~Not exceeding~~"

Page 1, line 13, remove the overstrike over "~~one million~~" and insert immediately thereafter "five hundred thousand"

Page 1, line 13, remove the overstrike over the second "~~dollars~~" and insert immediately thereafter "the tax"

Page 1, line 13, remove the overstrike over "is"

Page 1, remove the overstrike over line 14

Page 1, line 15, after "e." insert "b."

Page 1, line 15, remove the overstrike over "~~Exceeding one million~~" and insert immediately thereafter "five hundred thousand"

Page 1, line 15, remove the overstrike over "dollars"

Page 1, line 15, after "hundred" insert "the tax is fifteen"

Page 1, line 16, remove the overstrike over "~~thousand dollars~~"

Page 1, line 16, after "is" insert "plus"

Page 1, line 16, remove the overstrike over "~~two~~" and insert immediately thereafter "and twenty-five hundredths"

Page 1, line 16, remove the overstrike over "~~percent of gross proceeds~~" and insert immediately thereafter "exceeding one million five hundred thousand dollars"

Page 1, line 16, remove the overstrike over the overstruck period

Page 1, line 17, remove "is one"

Page 1, overstrike line 18

Page 1, line 23, replace "nine and two-tenths" with "seven"

Renumber accordingly

SB 2163 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2225, as engrossed: Your conference committee (Sens. Armstrong, Sitte, Nelson and Reps. Paur, Toman, Hogan) recommends that the **HOUSE RECEDE** from the House

amendments as printed on SJ page 942, adopt amendments as follows, and place SB 2225 on the Seventh order:

That the House recede from its amendments as printed on page 942 of the Senate Journal and page 1063 of the House Journal and that Engrossed Senate Bill No. 2225 be amended as follows:

Page 1, line 12, overstrike the semicolon and insert immediately thereafter an underscored comma

Page 1, line 12, remove the overstrike over "priests" and insert immediately thereafter an underscored comma

Page 1, line 13, remove "5. Priests"

Page 1, line 13, overstrike the semicolon and insert immediately thereafter "and"

Page 1, line 13, remove the overstrike over "clergy"

Page 1, line 14, remove "6. Clergy"

Page 1, line 14, after "~~licensed~~" insert ", authorized"

Page 1, line 14, remove the overstrike over "~~by recognized denominations~~"

Page 1, line 15, replace "7." with "5."

Page 1, line 15, overstrike "person" and insert immediately thereafter "individual"

Renumber accordingly

Engrossed SB 2225 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2299, as engrossed: Your conference committee (Sens. Armstrong, Lyson, Grabinger and Reps. Louser, Laning, Mooney) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1011-1013, adopt amendments as follows, and place SB 2299 on the Seventh order:

That the House recede from its amendments as printed on pages 1011-1013 of the Senate Journal and pages 1132-1134 of the House Journal and that Engrossed Senate Bill No. 2299 be amended as follows:

Page 1, line 7, after "sections" insert "16.1-08.1-03.12,"

Page 1, line 8, remove "to repeal section"

Page 1, remove line 9

Page 1, line 10, remove "statements required of political organizations;"

Page 3, line 13, after the period insert "However, if a political committee, the only purpose of which is accepting contributions and making expenditures for a political purpose, incorporates for liability purposes only, the committee is not considered a corporation for the purposes of this chapter."

Page 3, line 30, after "6." insert """Incidental committee" means a committee, club, association, or other group of persons that makes a contribution or expenditure, but for which making contributions and expenditures for political purposes is not its primary purpose."

7."

Page 4, line 4, replace "7." with "8."

Page 4, line 6, overstrike "8." and insert immediately thereafter "9."

Page 4, line 9, overstrike "9." and insert immediately thereafter "10."

Page 4, line 24, overstrike "and"

Page 4, line 26, after "state" insert "; and

f. An incidental committee"

Page 4, line 27, overstrike "10." and insert immediately thereafter "11."

Page 5, line 1, overstrike "11." and insert immediately thereafter "12."

Page 5, line 12, overstrike "12." and insert immediately thereafter "13."

Page 8, line 3, overstrike the first comma and insert immediately thereafter "and"

Page 8, line 3, overstrike the first "and"

Page 8, line 3, after "address" insert ", and a designation as to whether the committee is incorporated solely for the purpose of liability protection."

Page 8, line 4, overstrike "in which it receives any contribution"

Page 8, line 11, after the period insert "An incidental political committee is required to register under this section only as a result of making a reportable expenditure or contribution in the aggregate during any reporting period, but the registration under this section does not change the nature of business for the organization."

Page 15, after line 3, insert:

"SECTION 13. AMENDMENT. Section 16.1-08.1-03.12 of the North Dakota Century Code is amended and reenacted as follows:

16.1-08.1-03.12. Contribution statements of political organizations incidental committees and other political committees.

1. ~~An organization governed by section 527 of the Internal Revenue Code [26 U.S.C. 527], which solicits or receives contributions or makes expenditures for political purposes, shall file a statement showing the name and mailing address of each contributor of an amount in excess of two hundred dollars in the aggregate for the reporting period and a listing of all expenditures of an amount in excess of two hundred dollars in the aggregate made for political purposes with the secretary of state. The statement must include the amount of each reportable contribution and the date the contribution was received. The statement must also include the amount of each reportable expenditure and the date the expenditure was made.~~
2. ~~A preelection statement must be filed no later than the twelfth day before a primary, special, or general election and must be complete from the beginning of the calendar year through the twentieth day before the election.~~
3. ~~A year-end statement covering the entire calendar year must be filed no later than the thirty-first day of January of the following year.~~
4. ~~Even if such an organization has not received any contributions or made any expenditure in excess of two hundred dollars during the reporting period, the organization shall file a statement as required by this chapter.~~
5. ~~A statement filed according to this section during the reporting period must show the following:~~

- a. ~~The gross total of all contributions received and expenditures made in excess of two hundred dollars;~~
 - b. ~~The gross total of all contributions received and expenditures made of two hundred dollars or less; and~~
 - c. ~~The cash on hand in the filer's account at the start and close of the reporting period.~~
6. ~~The organization shall report the occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, that contributed five thousand dollars or more in the aggregate during the reporting period.~~
1. An incidental committee or political committee not otherwise covered by another section of this chapter may make a contribution to a measure committee for the purpose of promoting the passage or defeat of an initiated or referred measure or make a contribution to any other person that makes an independent expenditure. The incidental committee or political committee may make an independent expenditure for a political purpose or for the purpose of promoting passage or defeat of initiated or referred measures. The incidental committee or political committee shall file a statement disclosing a contribution for a political purpose or an independent expenditure made under this subsection with the secretary of state within forty-eight hours after making the contribution or independent expenditure. The statement filed under this subsection must include:
- a. The full name of the incidental committee or political committee;
 - b. The complete address of the incidental committee or political committee;
 - c. The name of the recipient of the contribution or independent expenditure;
 - d. If the contribution or independent expenditure is related to a measure, the title of the measure and whether the contribution or independent expenditure is made in support of or opposition to the measure;
 - e. If the contribution or independent expenditure is related to a measure, the election date on which the measure appeared or will appear on the ballot;
 - f. The amount of the contribution or independent expenditure made to a recipient in this state;
 - g. The cumulative total of contributions and independent expenditures since the beginning of the calendar year made to recipients in this state;
 - h. The telephone number, printed name, and signature of the individual completing the report, attesting to the report being true, complete, and correct; and
 - i. The date on which the report was signed.
2. An incidental committee that solicits or accepts contributions for any political purpose shall file a statement in the office of the secretary of state no later than the thirty-second day before the date of any primary, special, or general election. The statement must be complete from the beginning of that calendar year through the fortieth day before the date of the primary, special, or general election. The committee shall file a complete statement for the entire calendar year no later than the

thirty-first day of January of the following year in which the committee received a reportable contribution. Even if an incidental committee has not received any contributions in excess of two hundred dollars during the reporting period, the committee shall file a statement as required under this chapter. A statement filed under this subsection during the reporting period must show the following:

- a. The gross total of all contributions received in excess of two hundred dollars;
- b. The name and mailing address of each contributor that contributed in excess of two hundred dollars in the aggregate to the committee during a reporting period;
- c. The gross total of all contributions received of two hundred dollars or less;
- d. The date the last reportable contribution was received;
- e. The cash on hand in the filer's account at the start and close of the reporting period; and
- f. The occupation, employer, and principal place of business of each person, or the political committee if not already registered according to state or federal law, which contributed five thousand dollars or more in the aggregate during the reporting period."

Page 16, line 25, overstrike "or"

Page 16, line 25, after "16.1-08.1-03.11" insert ", or 16.1-08.1-03.12"

Page 20, remove lines 10 and 11

Page 20, line 12, replace "16" with "17"

Renumber accordingly

Engrossed SB 2299 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2131, as engrossed: Your conference committee (Sens. Dever, Anderson, Axness and Reps. Looyesen, Anderson, Mooney) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1088 and place SB 2131 on the Seventh order.

Engrossed SB 2131 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2144: Your conference committee (Sens. Laffen, Unruh, Murphy and Reps. Ruby, Kasper, Boschee) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1206-1207, adopt amendments as follows, and place SB 2144 on the Seventh order:

That the House recede from its amendments as printed on pages 1206 and 1207 of the Senate Journal and pages 1266 and 1267 of the House Journal and that Senate Bill No. 2144 be amended as follows:

Page 8, line 16, after "has" insert "a"

Page 8, line 16, replace "owners" with "owner"

Page 8, after line 24, insert:

- "5. In order to regulate organizations that have minority ownership, the secretary of state shall collect one thousand dollars for articles of

incorporation for a corporation, articles of organization for a limited liability company, or articles of amendment related to an organization that has a minority owner. This fee is in addition to the fees provided for these filings under section 10-19.1-147 or 10-32-150. Fees collected by the secretary of state under this subsection must be deposited in the secretary of state's general services operating fund."

Renumber accordingly

SB 2144 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2152: Your conference committee (Sens. Unruh, Laffen, Murphy and Reps. Kasper, Ruby, Boschee) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ page 1208, adopt amendments as follows, and place SB 2152 on the Seventh order:

That the House recede from its amendments as printed on page 1208 of the Senate Journal and pages 1267 and 1268 of the House Journal and that Senate Bill No. 2152 be amended as follows:

Page 1, line 1, after "to" insert "create and enact a new subsection to section 10-31-13 of the North Dakota Century Code, relating to regulation of professional organizations; and to"

Page 1, after line 15, insert:

"SECTION 2. A new subsection to section 10-31-13 of the North Dakota Century Code is created and enacted as follows:

In order to regulate organizations that have ownership that renders more than one professional service, the secretary of state shall collect one thousand dollars for articles of incorporation for a corporation, articles of organization for a limited liability company, or articles of amendment related to an organization that has ownership that renders more than one professional service. This fee is in addition to the fees provided for these filings under section 10-19.1-147 or 10-32-150. Fees collected by the secretary of state under this subsection must be deposited in the secretary of state's general services operating fund."

Renumber accordingly

SB 2152 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2175, as engrossed: Your conference committee (Sens. Sorvaag, Unruh, Sinner and Reps. Klemin, Brabandt, Delmore) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1097 and place SB 2175 on the Seventh order.

Engrossed SB 2175 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2227, as engrossed: Your conference committee (Sens. Berry, Sitte, Nelson and Reps. Kretschmar, Boehning, Hogan) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1093 and place SB 2227 on the Seventh order.

Engrossed SB 2227 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1112: Your conference committee (Sens. Unruh, Klein, Murphy and Reps. Vigesaa, Kasper, Amerman) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 939 and place HB 1112 on the Seventh order.

HB 1112 was placed on the Seventh order of business on the calendar.

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

William R. Horton, Secretary