

APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,278,486	\$262,499	\$3,540,985
Accrued leave payments	0	67,722	67,722
Operating expenses	409,656	(5,290)	404,366
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Total general fund	\$3,708,942	\$324,931	\$4,033,873
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Governor's transition lines	\$65,000	\$0
Education jobs fund	21,517,716	0
Total all funds	\$21,582,716	\$0
Total estimated income	21,517,716	0
Total general fund	\$65,000	\$0

SECTION 3. APPROPRIATION - GOVERNOR'S OFFICE. In addition to the amounts appropriated to the governor's office in section 1 of this Act, there is appropriated any additional income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. APPOINTMENTS - LEGISLATIVE MANAGEMENT REPORT. The governor or the governor's designee shall report to the legislative management annually regarding the status of gender balance on appointive boards, commissions, committees, and councils as provided in section 54-06-19 and within the governor's appointive cabinet for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor.

The annual salary of the governor is one hundred ~~thirteen~~twenty-one thousand ~~five~~six hundred ~~ninety-four~~eighty-one dollars through June 30, ~~2012~~2014, and one hundred ~~seventeen~~twenty-five thousand ~~one~~three hundred ~~thirty-one~~ dollars thereafter.

SECTION 6. AMENDMENT. Section 54-08-03 of the North Dakota Century Code is amended and reenacted as follows:

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~eighty-eight~~ninety-four thousand ~~one~~four hundred ~~eighty-three~~sixty-two dollars through June 30, ~~2012~~2014, and ~~ninety~~ninety-seven thousand ~~eight~~two hundred ~~twenty-nine~~ninety-six dollars thereafter.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 2

HOUSE BILL NO. 1002

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

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to provide exemptions; to amend and reenact section 54-09-05 of the North Dakota Century Code, relating to the salary of the secretary of state; and to provide for reports to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

SECRETARY OF STATE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,423,343	\$839,880	\$4,263,223
Accrued leave payments	0	82,831	82,831
Operating expenses	2,621,950	41,647	2,663,597
Capital assets	0	10,000	10,000
Petition review	8,000	0	8,000
Election reform	<u>6,206,812</u>	<u>(1,063,697)</u>	<u>5,143,115</u>
Total all funds	\$12,260,105	(\$89,339)	\$12,170,766
Less estimated income	<u>6,786,984</u>	<u>(942,567)</u>	<u>5,844,417</u>
Total general fund	\$5,473,121	\$853,228	\$6,326,349
Full-time equivalent positions	28.00	3.00	31.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Public printing	\$310,000	\$10,500	\$320,500
Total general fund	\$310,000	\$10,500	\$320,500

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$5,783,121	\$863,728	\$6,646,849

Grand total special funds	<u>6,786,984</u>	<u>(942,567)</u>	<u>5,844,417</u>
Grand total all funds	\$12,570,105	(\$78,839)	\$12,491,266

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Mainframe migration computer project	\$3,500,000	\$0
Online public meeting system	43,039	0
Funding for three new full-time equivalent positions	0	283,754
Overtime funding	0	225,600
Multipurpose copier	0	10,000
Information technology hosting charges	0	<u>84,000</u>
Total general fund	\$3,543,039	\$603,354

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The secretary of state shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. EXEMPTION - GENERAL SERVICES OPERATING FUND. Any unexpended and unobligated balance remaining in the secretary of state's general services operating fund on June 30, 2013, is not subject to the provisions of section 54-09-08, and any unexpended funds are available and may be expended by the secretary of state, during the biennium beginning July 1, 2013, and ending June 30, 2015, for the database and processing platform migration project.

SECTION 4. AMENDMENT. Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

54-09-05. Salary of secretary of state.

The annual salary of the secretary of state is ~~ninety-ninety-six~~ thousand ~~threeseven~~ hundred ~~sixtyninety-four~~ dollars through June 30, ~~2012~~2014, and ~~ninety-threeninety-nine~~ thousand ~~seventy-onesix~~ hundred ~~ninety-eight~~ dollars thereafter.

SECTION 5. EXEMPTION - MAINFRAME MIGRATION COMPUTER PROJECT. Unexpended funding of \$1,750,000 provided in the operating expenses line item of subdivision 1 of section 1 of chapter 28 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11 at the end of the 2011-13 biennium and may be continued into the 2013-15 biennium for the completion of the mainframe migration computer project.

SECTION 6. NEW FULL-TIME EQUIVALENT POSITIONS - LIMITED AUTHORIZATION. The two new full-time equivalent business registration unit positions and the one new full-time equivalent business information unit position included in subdivision 1 of section 1 of this Act are authorized only for the biennium beginning July 1, 2013, and ending June 30, 2015. The secretary of state shall reevaluate these positions after the completion of the mainframe migration computer project to determine if the positions will be requested as part of the agency's 2015-17 biennium budget request as optional items.

SECTION 7. CREDIT CARD FEES - BUDGET SECTION REPORTS. The secretary of state shall report semiannually to the budget section during the 2013-14 interim regarding credit card usage rates and credit card fees paid by the secretary of state.

Approved April 29, 2013

Filed April 29, 2013

CHAPTER 3**HOUSE BILL NO. 1003**

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

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact section 54-12-11 of the North Dakota Century Code, relating to the salary of the attorney general; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$29,506,046	\$5,478,516	\$34,984,562
Accrued leave payments	0	1,057,247	1,057,247
Operating expenses	16,418,016	10,576,040	26,994,056
Capital assets	1,943,783	419,294	2,363,077
Grants	3,420,000	(1,046,053)	2,373,947
Litigation fees	50,000	0	50,000
Abortion litigation fees	0	400,000	400,000
Medical examinations	660,000	0	660,000
North Dakota lottery	3,700,242	433,579	4,133,821
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,368	0	7,368
Total all funds	\$55,715,455	\$17,318,623	\$73,034,078
Less estimated income	24,485,610	10,896,840	35,382,450
Total general fund	\$31,229,845	\$6,421,783	\$37,651,628
Full-time equivalent positions	204.00	9.50	213.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	\$2,355,708	\$0
Crime lab equipment and BCI vehicles	312,400	0
NICS Improvement Act - 2007	585,859	0
BCI vehicles	0	198,000
Total all funds	\$3,253,967	\$198,000
Total special funds	2,941,567	0
Total general fund	\$312,400	\$198,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The attorney general shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. ATTORNEY GENERAL REFUND FUND TRANSFER TO THE GENERAL FUND - EXEMPTION. Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund that would otherwise be transferred to the general fund on June 30, 2013.

SECTION 4. AMENDMENT. Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

54-12-11. Salary of attorney general.

The annual salary of the attorney general is one hundred ~~thirty-four~~thirty-four thousand ~~onesix~~thirty-five hundred ~~thirty-five~~eighty-five dollars through June 30, ~~2012~~2014, and one hundred ~~thirty-eight~~thirty-eight thousand ~~onenine~~hundred fifty-nine hundred ~~fifty-nine~~ninety-six dollars thereafter.

SECTION 5. FULL-TIME EQUIVALENT POSITION - LIMITED AUTHORIZATION. The full-time equivalent line item in section 1 of this Act includes one full-time equivalent position for computerized business projects. This position is authorized only for the biennium beginning July 1, 2013, and ending June 30, 2015. The attorney general shall reevaluate the position and determine if the position will be requested as part of the agency's 2015-17 biennium budget request as an optional item.

SECTION 6. EMERGENCY. Section 3 of this Act is declared to be an emergency measure.

Approved May 6, 2013
Filed May 7, 2013

CHAPTER 4

HOUSE BILL NO. 1004

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,626,758	\$1,486,379	\$10,113,137
Accrued leave payments	0	201,157	201,157
Operating expenses	794,572	111,541	906,113
Capital assets	0	40,000	40,000
Information technology consultants	150,000	100,000	250,000
Total all funds	\$9,571,330	\$1,939,077	\$11,510,407
Less estimated income	<u>2,427,522</u>	<u>609,396</u>	<u>3,036,918</u>
Total general fund	\$7,143,808	\$1,329,681	\$8,473,489
Full-time equivalent positions	50.80	3.00	53.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation of section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Vault renovation	\$0	\$45,000
Total general fund	\$0	\$45,000

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The state auditor shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. AMENDMENT. Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor.

The annual salary of the state auditor is ~~ninety~~ninety-six thousand ~~three~~seven hundred ~~sixty~~ninety-four dollars through June 30, ~~2012~~2014, and ~~ninety-three~~ninety-nine thousand ~~seventy-one~~six hundred ~~ninety-eight dollars thereafter.~~

Approved April 29, 2013

Filed April 29, 2013

CHAPTER 5

HOUSE BILL NO. 1005

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

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; to amend and reenact subsection 18 of section 54-11-01, section 54-11-13, and subsection 5 of section 57-51.2-02 of the North Dakota Century Code, relating to the duties and salary of the state treasurer and a tribal oil and gas agreement; to provide legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury not otherwise appropriated, to the state treasurer for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,054,524	\$341,913	\$1,396,437
Accrued leave payments	0	13,038	13,038
Operating expenses	163,066	349,881	512,947
Coal severance payments	<u>252,800</u>	<u>0</u>	<u>252,800</u>
Total general fund	\$1,470,390	\$704,832	\$2,175,222
Full-time equivalent positions	7.00	1.00	8.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
IT development costs	\$266,588	\$377,591
Transportation funding distributions	25,000,000	0
Transportation funding - special session	<u>23,000,000</u>	<u>0</u>
Total general fund	\$48,266,588	\$377,591

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The state treasurer shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. AMENDMENT. Subsection 18 of section 54-11-01 of the North Dakota Century Code is amended and reenacted as follows:

18. Shall correct any underpayment, overpayment, or erroneous payment of tax distribution funds, resulting from an error made by the state treasurer in a timely manner. Unless otherwise provided by law, adjustments may

be made from the general fund. This authority is limited to one hundred dollars per biennium, unless approved by the emergency commission. An adjustment of an insignificant amount need not be made at the discretion of the state treasurer. The state treasurer shall adopt a written policy identifying what is considered insignificant.

SECTION 4. AMENDMENT. Section 54-11-13 of the North Dakota Century Code is amended and reenacted as follows:

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~eighty-five~~ninety-one thousand ~~three~~four hundred ~~thirty~~six dollars through June 30, ~~2012~~2014, and ~~eighty-seven~~ninety-four thousand ~~eight~~hundred ~~ninety~~one hundred ~~forty~~eight dollars thereafter.

¹ **SECTION 5. AMENDMENT.** Subsection 5 of section 57-51.2-02 of the North Dakota Century Code is amended and reenacted as follows:

5. The allocation of revenue from oil and gas gross production and oil extraction taxes on the Fort Berthold Reservation must be as follows:
 - a. Production attributable to trust lands. All revenues and exemptions from all oil and gas gross production and oil extraction taxes attributable to production from trust lands on the Fort Berthold Reservation must be evenly divided between the tribe and the state.
 - b. All other production. The tribe must receive twenty percent of the total oil and gas gross production taxes collected from all production attributable to nontrust lands on the Fort Berthold Reservation in lieu of the application of the Three Affiliated Tribes' fees and taxes related to production on such lands. The state must receive the remainder.
 - c. The state's share of the oil and gas gross production tax revenue as divided in subdivisions a and b is subject to distribution among political subdivisions as provided in ~~chapters~~chapter 57-51 and ~~57-51.1~~.

SECTION 6. LEGISLATIVE INTENT - STATE TREASURER'S SALARY. It is the intent of the sixty-third legislative assembly that the salary of the state treasurer be increased to the salary of the next lowest-paid elected official effective July 1, 2017.

SECTION 7. EMERGENCY. The sum of \$195,223 and one full-time equivalent position included in section 1 of this Act are declared to be an emergency measure.

Approved April 30, 2013

Filed April 30, 2013

¹ Section 57-51.2-02 was also amended by section 7 of House Bill No. 1198, chapter 473.

CHAPTER 6

HOUSE BILL NO. 1006

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

AN ACT to provide an appropriation for defraying the expenses of the office of the tax commissioner and for payment of state reimbursement under the homestead tax credit and disabled veterans credit; to amend and reenact section 57-01-04 of the North Dakota Century Code, relating to the tax commissioner's salary; to provide an exemption; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veterans credit, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$18,797,710	\$1,340,778	\$20,138,488
Accrued leave payments	0	624,818	624,818
Operating expenses	6,398,031	2,323,803	8,721,834
Capital assets	16,000	0	16,000
Homestead tax credit	8,792,788	11,207,212	20,000,000
Disabled veterans credit	<u>4,243,920</u>	<u>3,434,080</u>	<u>7,678,000</u>
Total all funds	\$38,248,449	\$18,930,691	\$57,179,140
Less estimated income	<u>10,000</u>	<u>115,000</u>	<u>125,000</u>
Total general fund	\$38,238,449	\$18,815,691	\$57,054,140
Full-time equivalent positions	134.00	0.00	134.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
TAP project	\$0	\$1,000,000
GenTax upgrade	<u>1,000,000</u>	<u>0</u>
Total general fund	\$1,000,000	\$1,000,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The tax commissioner shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. EXEMPTION. Up to \$50,000 of the general fund appropriation to the tax commissioner in section 1 of chapter 6 of the 2009 Session Laws continued into the 2011-13 biennium is not subject to provisions of section 54-44.1-11, and may be distributed by the tax commissioner as a grant to the North Dakota state university department of agribusiness and applied economics, for the purpose of converting the software of the core model used for the preparation of agricultural land valuations as required under section 57-02-27.2, during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. TRANSFER. There is transferred to the general fund in the state treasury, out of motor vehicle fuel tax revenue collected pursuant to section 57-43.1-02, the sum of \$1,777,360 for the purpose of reimbursing the general fund for expenses incurred in the collection of the motor vehicle fuels and special fuels taxes and the administration of these taxes.

SECTION 5. AMENDMENT. Section 57-01-04 of the North Dakota Century Code is amended and reenacted as follows:

57-01-04. Salary.

The annual salary of the state tax commissioner is ~~ninety-eight thousand five hundred fifty~~ ninety-eight thousand five hundred dollars through June 30, ~~2012~~ 2014, and one hundred ~~one~~ two thousand ~~ten~~ two hundred ~~two~~ two dollars thereafter.

Approved May 3, 2013
Filed May 7, 2013

CHAPTER 7**HOUSE BILL NO. 1007**

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the labor commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,648,342	\$273,706	\$1,922,048
Accrued leave payments	0	39,609	39,609
Operating expenses	<u>316,294</u>	<u>7,400</u>	<u>323,694</u>
Total all funds	\$1,964,636	\$320,715	\$2,285,351
Less estimated income	<u>424,511</u>	<u>13,415</u>	<u>437,926</u>
Total general fund	\$1,540,125	\$307,300	\$1,847,425
Full-time equivalent positions	12.00	1.00	13.00

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 8

HOUSE BILL NO. 1008

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

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 64-02-10 of the North Dakota Century Code, relating to the salary of public service commissioners and fees to test or calibrate weighing and measuring devices; to provide for legislative management studies; to authorize a transfer; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,482,074	\$1,024,630	\$8,506,704
Accrued leave payments	0	168,278	168,278
Operating expenses	1,972,572	(77,010)	1,895,562
Capital assets	53,000	35,665	88,665
Grants	16,000	4,000	20,000
Abandoned mined lands contractual	8,000,000	0	8,000,000
Rail rate complaint case	900,000	0	900,000
Reclamation and grain licensing litigation	0	900,000	900,000
Total all funds	\$18,423,646	\$2,055,563	\$20,479,209
Less estimated income	12,403,431	984,038	13,387,469
Total general fund	\$6,020,215	\$1,071,525	\$7,091,740
Full-time equivalent positions	43.00	1.00	44.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	\$658,217	\$0
Reclamation and grain licensing litigation	0	750,000
Hydraulic soil probe	0	28,000
Total all funds	\$658,217	\$778,000
Total special funds	658,217	353,920
Total general fund	\$0	\$424,080

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The public service commission shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. AMENDMENT. Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners.

The annual salary of a commissioner is ~~ninety-two~~ninety-nine thousand ~~eight~~four hundred ~~twenty-six~~thirty-five dollars through June 30, ~~2012~~2014, and ~~ninety-five~~one hundred ~~two~~thousand six hundred ~~eleven~~eighteen dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

SECTION 4. LEGISLATIVE MANAGEMENT STUDY - CIVIL PENALTIES. The legislative management shall consider studying, during the 2013-14 interim, civil penalties assessed and collected by state agencies, including a review of the funds into which the collections are deposited and the appropriateness of the use of funds collected. 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 5. LEGISLATIVE MANAGEMENT STUDY - METROLOGY LABORATORY. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of constructing a new metrology laboratory. 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 6. AMENDMENT. Section 64-02-10 of the North Dakota Century Code is amended and reenacted as follows:

64-02-10. Fees to test or calibrate weighing and measuring devices.

The commission shall collect the following fees to:

1.	Test railroad track or truck scale	\$171.00
2.	Test livestock and vehicle scale	171.00
3.	Test livestock scale if the sales ring or buying station scale owner transports to the scale and furnishes all test weights and manpower needed to properly test the scale	96.00
4.	Test auxiliary beam on livestock, motor truck, and motor truck dump scale	24.00
5.	Test overhead monorail, track, hopper, dormant, deck, and hanging scale of <u>one thousand pounds [453 kilograms] or less capacity</u>	<u>53.00</u>
6-2.	Test movable platform scale	11.00

7-3.	Test counter or computing scale	11.00
8-4.	Test hanging scale of fifty pound [22.68 kilogram] capacity or less	11.00
9-5.	Test a retail motor fuel device	11.00
10-6.	Test or calibrate weighing and measuring standards, per metrologist, per quarter hour or fraction thereof	17.00
11-7.	Test mobile delivery gasoline and fuel oil meter	24.00
12-8.	Test gasoline, LPG, or fuel oil meter on common carrier pipelines, or any other meter used in loading railway cars, transports, or other conveyances	53.00
13-9.	Test propane, ag chemical, or liquid fertilizer meter	39.00
14.	Test crane scale	-107.00
15-10.	Test or calibrate weighing and measuring devices other than the above and those set by rule, per inspector per quarter hour or fraction thereof	11.00
16-11.	Witnessing any of the above tests	Fifty percent of the applicable fee

When a rejected weighing or measuring device has been reconditioned or replaced by new equipment, it must be retested and certified before being put into use except as otherwise provided by rule. The fee for retest and certification is the same as for the first test and certification.

When a test of a weighing or measuring device is required in addition to the regularly scheduled test, the commission shall charge a fee equal to the cost of operating the motor vehicle used in conducting the test. The mileage charges, as determined by the commission, must be in addition to the regular test fee and calculated to cover the costs of the additional travel. If a test has been requested and the person requesting it fails to appear or to have the weighing or measuring device ready for testing at the arranged time, there is a charge of ten dollars a quarter hour for the time between the arranged time and the time at which the test can begin.

SECTION 7. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND. The sum of \$900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act, shall be transferred by the Bank of North Dakota from the beginning farmer revolving loan fund to the public service commission to pay for costs associated with a rail rate complaint case. Transfers shall be made during the biennium beginning July 1, 2013, and ending June 30, 2015, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

SECTION 8. LEGISLATIVE INTENT - GAS PIPELINE SAFETY INSPECTOR AND PUBLIC UTILITY ANALYST. It is the intent of the legislative assembly that the public service commission proceed in the hiring process of the gas pipeline safety inspector and public utility analyst positions that have been repurposed in the commission's 2013-15 biennium budget from the weights and measures program prior to June 30, 2013.

SECTION 9. EMERGENCY. Section 8 of this Act is declared to be an emergency measure.

Approved May 2, 2013
Filed May 2, 2013

CHAPTER 9

HOUSE BILL NO. 1009

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

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to create and enact a new section to chapter 19-13.1 of the North Dakota Century Code, relating to license, inspection, and registration fees; to amend and reenact section 4-01-21 of the North Dakota Century Code, relating to the salary of the agriculture commissioner; to provide for transfers; to provide for a legislative management study of the milk marketing board; to provide for a report to the sixty-fourth legislative assembly; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,712,364	\$1,148,831	\$10,861,195
Operating expenses	6,451,453	(566,191)	5,885,262
Capital assets	17,000	(5,000)	12,000
Grants	3,170,828	1,425,000	4,595,828
State board of animal health	2,153,952	(44,124)	2,109,828
Wildlife services	1,417,400	0	1,417,400
Crop harmonization board	75,000	0	75,000
Accrued leave payments	0	<u>237,295</u>	<u>237,295</u>
Total all funds	\$22,997,997	\$2,195,811	\$25,193,808
Less estimated income	<u>14,801,251</u>	<u>953,340</u>	<u>15,754,591</u>
Total general fund	\$8,196,746	\$1,242,471	\$9,439,217
Full-time equivalent positions	77.00	0.00	77.00

SECTION 2. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer \$325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of \$6,064,403, or so much of the sum as may be necessary, from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2013, and ending June-30, 2015.

SECTION 4. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of \$484,398, or so much of

the sum as may be necessary, from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of \$250,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. EXEMPTION - JOHNE'S DISEASE CONTROL. The amount appropriated for Johnes disease control in section 1 of chapter 35 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended appropriations may be continued into the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 7. NORTH DAKOTA MEDIATION SERVICE - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The agriculture commissioner shall provide a report to the appropriations committees of the sixty-fourth legislative assembly regarding the activities of the North Dakota mediation service. The report must include information regarding the amount of funding used for the program, the use of contracted services for the program, the success of resolving disputes, and the amount of services provided for agriculture mediation, energy development mediation, and other mediation areas.

SECTION 8. AMENDMENT. Section 4-01-21 of the North Dakota Century Code is amended and reenacted as follows:

4-01-21. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is ~~ninety-two thousand eight hundred twenty-six~~~~ninety-nine thousand four hundred thirty-five~~ dollars through June 30, 2012~~2014~~, and ~~ninety-five thousand six hundred ten~~~~one hundred two thousand four hundred eighteen~~ dollars thereafter.

SECTION 9. A new section to chapter 19-13.1 of the North Dakota Century Code is created and enacted as follows:

Deposit of fees.

The commissioner shall forward all inspection fees, license fees, and registration fees received under this chapter to the state treasurer. The state treasurer shall deposit the first \$727,500 of fees received under this chapter each biennium in the environment and rangeland protection fund and any remaining fees in the general fund.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - MILK MARKETING BOARD. During the 2013-14 interim, the legislative management shall consider studying the structure of the milk marketing board; its statutory duties; the manner in which it prescribes and regulates producer, distributor, and retail prices throughout the state; and the manner in which it investigates and resolves concerns regarding the price and availability of milk throughout the state. If conducted, the study must review any policy or regulatory changes that the board has implemented in order to address pricing issues and availability of milk in the western portion of this state. The study must examine whether the continued regulation of the grade A dairy industry is best accomplished by the milk marketing board in its current form and operating under its current statutory directives, whether changes are needed to the board or its statutory

directives, and whether there are other methods by which the desired results could be effectively and efficiently achieved. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 10**HOUSE BILL NO. 1010**

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

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; and to amend and reenact section 26.1-01-09 of the North Dakota Century Code, relating to the commissioner's salary.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,859,830	\$1,159,684	\$8,019,514
Accrued leave payments	0	163,182	163,182
Operating expenses	3,431,900	(573,892)	2,858,008
Capital assets	70,000	(70,000)	0
American health benefit	1,000,000	(1,000,000)	0
Federal Affordable Care Act	<u>642,350</u>	<u>(642,350)</u>	<u>0</u>
Total special funds	\$12,004,080	(\$963,376)	\$11,040,704
Full-time equivalent positions	49.50	0.00	49.50

SECTION 2. BONDING FUND. Section 1 of this Act includes \$45,199 from the state bonding fund to pay bonding fund administrative expenses for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. FIRE AND TORNADO FUND. Section 1 of this Act includes \$1,552,929 from the state fire and tornado fund to pay fire and tornado fund administrative expenses, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes \$28,690 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. PETROLEUM RELEASE COMPENSATION FUND. Section 1 of this Act includes \$107,598 from the petroleum release compensation fund to pay petroleum release compensation fund administrative expenses for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. AMENDMENT. Section 26.1-01-09 of the North Dakota Century Code is amended and reenacted as follows:

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~ninety-ninety-six~~ thousand ~~threeseven~~ hundred ~~sixty-ninety-four~~ dollars through June 30, ~~2012~~2014, and ~~ninety-three~~ninety-nine thousand ~~seventy-onesix~~ hundred ~~ninety-eight~~ dollars thereafter.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 11**HOUSE BILL NO. 1011**

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the securities commissioner of the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,519,978	\$153,785	\$1,673,763
Operating expenses	706,441	(121,349)	585,092
Accrued leave payments	<u>0</u>	<u>38,927</u>	<u>38,927</u>
Total all funds	\$2,226,419	\$71,363	\$2,297,782
Less estimated income	<u>317,199</u>	<u>(147,199)</u>	<u>170,000</u>
Total general fund	\$1,909,220	\$218,562	\$2,127,782
Full-time equivalent positions	9.00	0.00	9.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Information technology equipment upgrades	<u>\$0</u>	<u>\$25,850</u>
Total general fund	\$0	\$25,850

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The securities commissioner shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 12

HOUSE BILL NO. 1012

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

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, subsection 3 of section 14-09-09.10, and subsection 6 of section 50-24.7-01 of the North Dakota Century Code, relating to criminal background checks for foster care providers, child support payments, and definitions for expanded service payments for elderly and disabled; to provide an exemption; to provide for a report to the legislative management; to provide for legislative management studies; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

MANAGEMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$15,382,133	\$25,247,062	\$40,629,195
Operating expenses	62,229,003	8,668,982	70,897,985
Capital assets	<u>138,400</u>	<u>(126,400)</u>	<u>12,000</u>
Total all funds	\$77,749,536	\$33,789,644	\$111,539,180
Less estimated income	<u>46,573,712</u>	<u>13,024,040</u>	<u>59,597,752</u>
Total general fund	\$31,175,824	\$20,765,604	\$51,941,428

Subdivision 2.

PROGRAM AND POLICY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$50,207,605	(\$1,365,487)	\$48,842,118
Operating expenses	91,973,280	14,740,749	106,714,029
Grants	490,196,862	(36,122,732)	454,074,130
Grants - medical assistance	<u>1,601,650,984</u>	<u>148,872,688</u>	<u>1,750,523,672</u>
Total all funds	\$2,234,028,731	\$126,125,218	\$2,360,153,949
Less estimated income	<u>1,497,456,325</u>	<u>(70,714,334)</u>	<u>1,426,741,991</u>
Total general fund	\$736,572,406	\$196,839,552	\$933,411,958

Subdivision 3.

FIELD SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Human service centers	\$163,188,026	\$11,469,662	\$174,657,688
Institutions	123,232,447	2,667,659	125,900,106
Total all funds	\$286,420,473	\$14,137,321	\$300,557,794
Less estimated income	126,939,489	(4,554,629)	122,384,860
Total general fund	\$159,480,984	\$18,691,950	\$178,172,934

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$927,229,214	\$237,540,188	\$1,164,769,402
Grand total special funds	1,670,969,526	97,104,398	1,768,073,924
Grand total all funds	\$2,598,198,740	\$334,644,586	\$2,932,843,326
Full-time equivalent positions	2,197.35	2.73	2,200.08

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Mainframe migration	\$0	\$810,000
Demolish refectory and pleasant view building - developmental center	0	220,000
State hospital capital projects	1,800,000	864,714
Grants	0	925,000
Federal stimulus funds	519,175	0
Supplemental payments	400,000	0
Eligibility system	42,416,499	0
Critical access payments	3,454,061	0
Guardianship enhancements	64,000	0
Replacement of MMIS general fund	1,474,362	0
System changes for processing jail claims	221,418	0
Total all funds	\$50,349,515	\$2,819,714
Less estimated income	36,602,712	1,086,093
Total general fund	\$13,746,803	\$1,733,621

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department of human services shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. FUNDING TRANSFERS - EXCEPTIONS - AUTHORIZATION. Notwithstanding section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2013, and ending June 30, 2015. The department shall notify the office of management and budget of any transfer made pursuant to this section. The

department shall report to the budget section after June 30, 2014, any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-fourth legislative assembly regarding any transfers made pursuant to this section.

SECTION 4. EXEMPTION. The amount appropriated for the replacement of the medicaid management information system in chapter 50 of the 2007 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2009-11 biennium and then the 2011-13 biennium are available for the completion of the medicaid management information system project during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. MEDICAID UPPER PAYMENT LIMITS. Any appropriated increase for department providers paid with medicaid funding, may only be provided to the extent the increase will not exceed the upper payment limit for that specific medicaid service.

SECTION 6. LEGISLATIVE INTENT - REBASE RURAL HEALTH CLINICS. It is the intent of the legislative assembly that the department of human services rebase rural health clinics to the medicare rates. Future increases will be authorized based on approved inflationary increases.

² **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.

SECTION 8. AMENDMENT. Subsection 3 of section 14-09-09.10 of the North Dakota Century Code is amended and reenacted as follows:

3. "Child support" means payments for the support of ~~children~~ a child, including payments for health insurance coverage or other medical support, and ~~combined~~ payments for the support of ~~children~~ and spouses or former spouses with whom the child is living as long as the spousal support payment is owed to the spouse or former spouse under the same order as the payments for the child, however denominated; if the payment is required by the order of a court or other governmental agency having authority to issue such orders, and includes past-due support.

SECTION 9. AMENDMENT. Subsection 6 of section 50-24.7-01 of the North Dakota Century Code is amended and reenacted as follows:

6. "Eligible beneficiary" means a resident of this state who:

- a. (1) Is aged; or

² Section 12-60-24 was also amended by section 1 of House Bill No. 1327, chapter 491, section 1 of House Bill No. 1389, chapter 325, section 1 of Senate Bill No. 2110, chapter 324, and section 1 of Senate Bill No. 2304, chapter 232.

- (2) Is at least eighteen years of age and is disabled or blind;
- b. Has applied for and is eligible to receive benefits under title XIX of the Social Security Act [42 U.S.C. 1396 et seq.], and who has applied for and is receiving benefits, if the individual is eligible to receive benefits, under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.];
 - c. Based on a functional assessment, is not severely impaired in any of the activities of daily living of toileting, transferring to or from a bed or chair, or eating and:
 - (1) Has health, welfare, or safety needs, including a need for supervision or a structured environment; ~~and~~
 - (2) Is impaired in three of the four instrumental activities of daily living of preparing meals, doing homework, taking medicine, and doing laundry;
 - d. Has countable income, less the cost of necessary remedial care that may be provided under this chapter, does not exceed an amount equal to the cash benefit under titles II and XVI of the Social Security Act [42 U.S.C. 401-434 and 42 U.S.C. 1381 et seq.] which the individual would receive if the individual had no income, plus the personal needs allowance;
 - e. Has impairments that are not the result of an intellectual disability; and
 - f. Is determined to be eligible pursuant to rules adopted by the department.

SECTION 10.

Review and limitation.

Intermediate care facility providers shall submit all facility construction or remodeling proposals to the department of human services prior to enactment of a contract for the completion of the project. The department of human services shall review all intermediate care facility construction or remodeling proposals and may limit allowable construction and remodeling costs to ensure the costs are reasonable and appropriate.

SECTION 11. GRANT TO ASSISTED LIVING CENTER - LIMITATION. The sum of \$425,000, or so much of the sum as may be necessary, included in the grants - medical assistance line item in subdivision 2 of section 1 of this Act, is to provide a grant to an assisted living center that accepts low-income tenants for an expansion project. This funding may not be spent for any other purpose if the expansion project has not begun by July 1, 2015.

SECTION 12. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, from the general fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive reimbursement payments under section 50-01.2-03.2 and is determined by the department of human services to be the most significantly impacted based on calendar year 2012 data considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and ending June 30, 2015. No more than fifty percent of this appropriation may be distributed in each fiscal year of the biennium.

SECTION 13. AUTHORIZATION - GRANT FOR ADAPTIVE SKIING. The grants - medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the general fund for a grant for an adaptive skiing program affiliated with a winter park that is located in a county of less than 10,000 individuals, for the biennium beginning July 1, 2013, and ending June 30, 2015. Of the funding provided, \$120,000 of the amount may be used for a project coordinator and the remaining amount may be used for any equipment necessary for the adaptive skiing program. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - DEVELOPMENTAL CENTER. The legislative management shall consider studying, during the 2013-14 interim, the developmental center in Grafton. If conducted, the study must determine future use, reduction in size, and any change of scope for the developmental center. The study must consider information from local community groups that have concerns or ideas for the future use of the developmental center. The legislative management shall report its findings and recommendations, along with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - NORTH DAKOTA HEALTH CARE. During the 2013-14 interim, the legislative management shall consider studying the immediate needs and challenges of the North Dakota health care delivery system, implementing the healthy North Dakota initiative, examining Medicaid reform, and the feasibility of 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. In performing the study, the legislative management may consider population shifts, facility needs, personnel needs, rural access, regulatory public health functions, and vulnerable populations; determine the scope of the weakness in the current health care system; 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; and consider how to forge partnerships with federal payers and regulators in order to work toward addressing medical reimbursement system reform. 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 16. LEGISLATIVE MANAGEMENT STUDY OF THE NEED FOR A COMPREHENSIVE SYSTEM OF CARE FOR INDIVIDUALS WITH BRAIN INJURY. During the 2013-14 interim, the legislative management shall consider studying the need for a comprehensive system of care for individuals with brain injury, including services available to veterans who are returning from wars, the impact of the inclusion of all acquired brain injury on traumatic brain injury programs, the need for a statewide registry for brain injury, the need for increased awareness of the impact of brain injury, the need for screening for brain injury in the education system, the availability of community support systems, the availability of specialized substance abuse services, the examination of the long-term care needs, the availability of home and community-based services, services available from independent living centers, the need for transitional supportive housing, and the suitability of the current level of care determination for brain injury. Consideration should be given to input from the department of human services traumatic brain injury advisory committee and stakeholders from the private and public sectors, including individuals with brain injury, families impacted by brain injury, educators, treatment providers, and service providers. 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 17. REPORT TO LEGISLATIVE MANAGEMENT - TRANSITIONAL LIVING FACILITY. Subdivision 3 of section 1 of this Act includes funding of \$547,000 from the general fund and \$182,000 from other funds for an eight-unit transitional living facility in the southeast human service center region. The department of human services shall provide a report to the budget section in December 2014 on the status of the facility.

SECTION 18. LEGISLATIVE INTENT - DEMOLITION OF DEVELOPMENTAL CENTER BUILDINGS. It is the intent of the sixty-third legislative assembly that the department of human services demolish the refectory and pleasant view buildings at the developmental center at westwood park, Grafton. If the amount of \$220,000 included in the developmental center line item in subdivision 3 of section 1 of this Act is insufficient to provide for the demolition of both buildings, the department of human services may request emergency commission approval for additional funding from the state contingencies appropriation.

SECTION 19. 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 20. LEGISLATIVE INTENT - ELECTRONIC HEALTH RECORDS. Because the electronic health records system is needed for the state hospital to maintain accreditation, the reduction 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 21. 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	<u>39,594</u>
Total all funds	\$160,592,403
Less estimated income	<u>159,349,321</u>
Total general fund appropriation	\$1,243,082

Approved May 2, 2013

Filed May 2, 2013

CHAPTER 13

HOUSE BILL NO. 1013

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

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, North Dakota vision services - school for the blind, and the legislative council; to create and enact sections 15.1-27-04.1, 15.1-27-04.2, and 15.1-27-45 and a new section to chapter 15.1-35 of the North Dakota Century Code, relating to the determination of state aid payable to school districts; to amend and reenact sections 15-39.1-28, 15.1-02-02, 15.1-07-32, 15.1-09-33, 15.1-09-39, 15.1-09-40, 15.1-09-47, 15.1-09-48, 15.1-09-49, 15.1-18.1-02, 15.1-22-01, 15.1-27-03.1, 15.1-27-03.2, 15.1-27-17, 15.1-27-35, 15.1-27-35.3, 15.1-27-39, 15.1-29-15, 15.1-30-04, 15.1-36-02, 40-55-08, 40-55-09, 57-15-01.1, 57-15-14, 57-15-14.2, 57-15-14.5, 57-15-17, 57-15-17.1, 57-15-31, 57-19-01, 57-19-02, and 57-19-09 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, the national board certification program, and the determination of state aid payable to school districts; to repeal sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code, relating to kindergarten payments and special reserve funds; to provide an appropriation; to provide supplemental assistance payments; to provide for a transfer; to provide exemptions; to provide legislative intent; to provide for a legislative management study; to provide for a suspension; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the school for the deaf, North Dakota vision services - school for the blind, and the state library for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$14,409,300	\$1,531,653	\$15,940,953
Accrued leave payments	0	322,068	322,068
Operating expenses	29,099,187	631,615	29,730,802
Funding pool for initiatives	0	2,750,000	2,750,000
Grants - state school aid	918,459,478	(918,459,478)	0
Integrated formula payments	0	1,752,100,000	1,752,100,000
Grants - special education contracts	16,000,000	500,000	16,500,000
Grants - transportation	48,500,000	5,000,000	53,500,000
Grants - other grants	304,609,393	(32,043,132)	272,566,261

Grants - mill levy reduction	341,790,000	(341,790,000)	0
Rapid enrollment grants	5,000,000	(5,000,000)	0
Transportation efficiency	30,000	0	30,000
National board certification	<u>185,000</u>	<u>(65,000)</u>	<u>120,000</u>
Total all funds	\$1,678,082,358	\$465,477,726	\$2,143,560,084
Less estimated income	<u>434,485,707</u>	<u>2,511,052</u>	<u>436,996,759</u>
Total general fund	\$1,243,596,651	\$462,966,674	\$1,706,563,325
Full-time equivalent positions	99.75	0.00	99.75

Subdivision 2.

STATE LIBRARY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,450,359	\$329,694	\$3,780,053
Accrued leave payments	0	75,354	75,354
Operating expenses	1,695,726	200,000	1,895,726
Grants	<u>2,252,500</u>	<u>266,500</u>	<u>2,519,000</u>
Total all funds	\$7,398,585	\$871,548	\$8,270,133
Less estimated income	<u>2,134,610</u>	<u>259,535</u>	<u>2,394,145</u>
Total general fund	\$5,263,975	\$612,013	\$5,875,988
Full-time equivalent positions	29.75	0.00	29.75

Subdivision 3.

SCHOOL FOR THE DEAF

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,932,638	\$1,000,267	\$6,932,905
Accrued leave payments	0	134,846	134,846
Operating expenses	1,633,911	274,883	1,908,794
Capital assets	41,700	1,152,321	1,194,021
Grants	<u>200,000</u>	<u>0</u>	<u>200,000</u>
Total all funds	\$7,808,249	\$2,562,317	\$10,370,566
Less estimated income	<u>1,193,277</u>	<u>1,377,910</u>	<u>2,571,187</u>
Total general fund	\$6,614,972	\$1,184,407	\$7,799,379
Full-time equivalent positions	43.94	0.67	44.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,815,825	\$599,355	\$4,415,180
Accrued leave payments	0	87,463	87,463
Operating expenses	707,006	13,800	720,806
Capital assets	<u>39,500</u>	<u>3,284,900</u>	<u>3,324,400</u>
Total all funds	\$4,562,331	\$3,985,518	\$8,547,849
Less estimated income	<u>835,091</u>	<u>18,665</u>	<u>853,756</u>
Total general fund	\$3,727,240	\$3,966,853	\$7,694,093
Full-time equivalent positions	29.50	0.50	30.00

Subdivision 5.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$1,259,202,838	\$468,829,947	\$1,728,032,785
Grand total special funds	<u>438,648,685</u>	<u>4,167,162</u>	<u>442,815,847</u>
Grand total all funds	\$1,697,851,523	\$472,997,109	\$2,170,848,632

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Department of public instruction		
IT application rewrite and maintenance	\$384,000	\$0
Education standards and practices board database	200,000	0
Funding pool for initiatives	0	2,750,000
Information technology staffing analysis	0	100,000
Early childhood care and education study	0	200,000
Governing North Dakota textbook	0	20,000
Education jobs fund	<u>21,517,716</u>	<u>0</u>
Total department of public instruction - all funds	\$22,101,716	\$3,070,000
Total department of public instruction - estimated income	<u>21,717,716</u>	<u>0</u>
Total department of public instruction - general fund	\$384,000	\$3,070,000
School for the deaf		
Extraordinary repairs	<u>\$998,530</u>	<u>\$1,002,259</u>
Total school for the deaf - all funds	\$998,530	\$1,002,259
Total school for the deaf - estimated income	<u>894,730</u>	<u>1,002,259</u>
Total school for the deaf - general fund	\$103,800	\$0
North Dakota vision services - school for the blind		
Equipment	\$25,500	\$20,200
Elevator installation	0	241,500
Window replacements	0	189,000
Extraordinary repairs	0	90,129
Remodel of west wing	0	2,762,000
Facility master plan	20,000	0
Instructional equipment	<u>24,500</u>	<u>0</u>
Total school for the blind - all funds	\$70,000	\$3,302,829
Total school for the blind - estimated income	0	<u>110,329</u>
Total school for the blind - general fund	\$70,000	\$3,192,500
Grand total - all funds	\$23,170,246	\$7,375,088
Grand total - estimated income	<u>22,612,446</u>	<u>1,112,588</u>
Grand total - general fund	\$557,800	\$6,262,500

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department of public instruction, state library, school for the deaf, and North Dakota vision services - school for the blind shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. APPROPRIATION. There is appropriated from special funds derived from federal funds the sum of \$25,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for grants for the period beginning with the effective date of this Act and ending June 30, 2013.

SECTION 4. APPROPRIATION - TUITION APPORTIONMENT. The sum of \$140,326,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. TRANSFER - PROPERTY TAX RELIEF SUSTAINABILITY FUND TO THE GENERAL FUND. The office of management and budget shall transfer the sum of \$341,790,000 from the property tax relief sustainability fund to the general fund, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act in payment of grants for educational services that were due in the 2011-13 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2013.

SECTION 7. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of \$800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.
2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 8. REGIONAL EDUCATION ASSOCIATIONS - GRANTS. During the 2013-15 biennium, the superintendent of public instruction shall expend up to \$800,000 from the integrated formula payments line item in subdivision 1 of section 1 of this Act for the purpose of providing an annual grant to each eligible regional education association in order to assist each association with the cost of compensating a coordinator.

1. In order to receive a grant under this section, each regional education association must:
 - a. Enter a contract with an individual to serve as a coordinator, on a full-time or a part-time basis, for a duration of at least twelve months; and

- b. Provide from other revenue sources at least thirty percent of the total compensation payable to the coordinator.
2. The maximum grant payable to a regional education association under this section during each year of the biennium is the lesser of \$50,000 or seventy percent of the total compensation payable to the coordinator.

SECTION 9. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2013-15 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:
 - a. One dollar and thirteen cents per mile for schoolbuses having a capacity of ten or more passengers;
 - b. Fifty-two cents per mile for vehicles having a capacity of nine or fewer passengers;
 - c. Fifty cents per mile, provided:
 - (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;
 - (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;
 - (3) The student is transported by an adult member of the student's family;
 - (4) The student is transported in a vehicle furnished by the student's parents;
 - (5) The student's transportation is paid for by the student's parents; and
 - (6) The reimbursement does not exceed two round trips daily between the student's home and school;
 - d. Fifty cents per mile, one way, provided:
 - (1) The student being transported resides more than two miles from the public school that the student attends;
 - (2) The student is transported by an adult member of the student's family;
 - (3) The student is transported in a vehicle furnished by the student's parents; and
 - (4) The student's transportation is paid for by the student's parents; and
 - e. Thirty cents per student for each one-way trip.
2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.

3. If any moneys provided for transportation payments in the grants - transportation line item in subdivision 1 of section 1 of this Act, remain after application of the formula provided for in this section, the superintendent of public instruction shall prorate the remaining amounts according to the percentage of the total transportation formula amount to which each school district is entitled.
4. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 10. CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The sum of \$150,000, or so much of the sum as may be necessary, included in the grants - other grants line item in subdivision 1 of section 1 of this Act is provided for continuing education grants, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The superintendent of public instruction shall award grants in amounts up to \$1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:
 - a. (1) Be licensed to teach by the education standards and practices board;
 - (2) Have taught in this state during each of the last three school years; and
 - (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;
 - b. Be pursuing the requirements for a certificate in career development facilitation; or
 - c. Be pursuing a school counselor credential.
2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 11. SUPERINTENDENT - SCHOOL FOR THE DEAF - AUTHORIZATION - CONTINGENT FUNDING. The salaries and wages line item in subdivision 3 of section 1 of this Act includes \$142,242 from the general fund to provide funding for a full-time superintendent at the school for the deaf. The school for the deaf may use the funding to fill a full-time superintendent position as directed by the superintendent of public instruction. This funding is contingent on the superintendent of public instruction certifying to the director of the office of management and budget that the position has been filled by a full-time superintendent. The office of management and budget shall prorate the amount of funding available to the school for the deaf based on the retirement date of the current superintendent of the school for the deaf.

SECTION 12. SUPERINTENDENT - SCHOOL FOR THE BLIND - AUTHORIZATION - CONTINGENT FUNDING. The salaries and wages line item in subdivision 4 of section 1 of this Act includes \$144,670 from the general fund to

provide funding for a full-time superintendent at the school for the blind. In addition, a .5 full-time equivalent position is added, which is contingent on a determination made by the superintendent of public instruction that the position should be filled by a full-time superintendent. The school for the blind may use the funding to fill a full-time superintendent position as directed by the superintendent of public instruction. This funding is contingent on the superintendent of public instruction certifying to the director of the office of management and budget that the position has been filled by a full-time superintendent. The office of management and budget shall prorate the amount of funding available to the school for the blind based on the retirement date of the current superintendent of the school for the blind.

SECTION 13. INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 14. EXEMPTION - FUNDING POOL FOR INITIATIVES - LINE ITEM TRANSFER. Notwithstanding the provisions of section 54-16-04, the superintendent of public instruction shall transfer funding from the funding pool for initiatives line item in subdivision 1 of section 1 of this Act, to the extent necessary, to the appropriate line item for expending the funds for each initiative. The superintendent of public instruction shall report to the office of management and budget regarding all transfers from the funding pool for initiatives line item.

SECTION 15. INFORMATION TECHNOLOGY STAFFING ANALYSIS. Subdivision 1 of section 1 of this Act includes \$100,000 from the general fund for the superintendent of public instruction to contract with the information technology department and a private consultant to conduct an information technology staffing analysis for the biennium beginning July 1, 2013, and ending June 30, 2015. The analysis must include a review of the department of public instruction information technology staffing duties, responsibilities, and staffing levels and must consider the feasibility and desirability of transferring additional information technology positions to the information technology department and must provide recommendations regarding the appropriate level of information technology staff for the department of public instruction.

SECTION 16. OTHER GRANTS - REPORTING. The superintendent of public instruction shall develop a format for reporting on the cost per participant and the outcomes of other grants and report to the sixty-fourth legislative assembly regarding participation, cost, and outcomes of these grants.

SECTION 17. LEGISLATIVE INTENT - REIMBURSEMENT OF TITLE FUNDING DUE TO FEDERAL SEQUESTRATION. If, as a result of the federal sequestration order for fiscal year 2013, issued pursuant to section 251A of the Balanced Budget and Emergency Deficit Control Act, as amended [2 U.S.C. 901A], school districts experience a reduction in funds provided under title I, part A of the Elementary and Secondary Education Act of 1965, as amended [20 U.S.C. 6301, et seq.], it is the intent of the legislative assembly that the superintendent of public instruction introduce legislation to the sixty-fourth legislative assembly seeking state funding for school districts to offset these federal funding reductions.

SECTION 18. STATE AID TO PUBLIC LIBRARIES. The line item entitled grants in subdivision 2 of section 1 of this Act includes \$1,766,500 for aid to public libraries, of which no more than one-half is to be expended during the fiscal year ending June 30, 2014.

SECTION 19. FEES DEPOSITED IN NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND OPERATING FUND. Any moneys included in the estimated income line item in subdivision 4 of section 1 of this Act, collected for subscription fees or braille fees, must be deposited in the North Dakota vision services - school for the blind operating fund in the state treasury and may be spent subject to appropriation by the legislative assembly.

SECTION 20. SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM. The grants line item contained in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing, for the biennium beginning July 1, 2013, and ending June 30, 2015. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds shall be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on a uniform hourly reimbursement.
2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.
3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.
4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred, during the biennium, hourly expenses in excess of the formula reimbursement level.
5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 21. AMENDMENT. Section 15-39.1-28 of the North Dakota Century Code is amended and reenacted as follows:

15-39.1-28. Tax levy for teachers' retirement.

~~Any school district by a resolution of its school board may levy a tax pursuant to subdivision b of subsection 1 of use the proceeds of levies, as permitted by section 57-15-14.2, the proceeds to be used for the purposes of meeting the district's contribution to the fund arising under this chapter and to provide the district's share, if any, of contribution to the fund for contracted employees of either a multidistrict special education board or another school district where the contracted employees are also providing services to the taxing school district.~~

SECTION 22. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary.

The annual salary of the superintendent of public instruction is one hundred ~~twoten~~ thousand ~~eightone~~ hundred ~~sixty-eight~~~~ninety-two~~ dollars through June 30, ~~2012~~~~2014~~, and one hundred ~~fivethirteen~~ thousand ~~ninefour~~ hundred ~~fifty-four~~~~ninety-eight~~ dollars thereafter.

SECTION 23. AMENDMENT. Section 15.1-07-32 of the North Dakota Century Code is amended and reenacted as follows:

15.1-07-32. Student performance strategist - Verification - Qualifications.

~~Beginning with the 2010-11 school year, each~~Each school district must have available one full-time equivalent student performance strategist for every four hundred students in average daily membership in kindergarten through grade three. Each school district shall submit documentation to the superintendent of public instruction, at the time and in the manner directed by the superintendent, verifying the amount of time that each student performance strategist expended in tutoring students on a one-to-one basis or in groups ranging from two to five, or in providing instructional coaching to teachers. For purposes of this section, a "student performance strategist" must ~~meet~~;

1.
 - a. Meet the qualifications of an elementary school teacher as set forth in section 15.1-18-07; or
 - b. Be licensed to teach or approved to teach by the education standards and practices board and hold a special education endorsement or credential; and serve
2. Serve as a tutor or an instructional coach.

SECTION 24. AMENDMENT. Section 15.1-09-33 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-33. School board - Powers.

The board of a school district may:

1. Establish a system of free public schools for all children of legal school age residing within the district.
2. Organize, establish, operate, and maintain elementary, middle, and high schools.
3. Have custody and control of all school district property and, in the case of the board of education of the city of Fargo, have custody and control of all public school property within the boundaries of the Fargo public school district and to manage and control all school matters.
4. Acquire real property and construct school buildings and other facilities.
5. Relocate or discontinue schools and liquidate the assets of the district as required by law; provided no site may be acquired or building constructed, or no school may be organized, established, operated, maintained, discontinued, or changed in location without the approval of the state board of public school education if outside the boundary of the district.

6. Purchase, sell, exchange, and improve real property.
7. Lease real property for a maximum of one year except in the case of a career and technical education facility constructed in whole or in part with financing acquired under chapter 40-57, which may be leased for up to twenty years.
8. Subject to chapter 32-15, exercise the power of eminent domain to acquire real property for school purposes.
9. Purchase, sell, exchange, improve, and lease for up to one year equipment, furniture, supplies, and textbooks.
10. Recruit or contract with others to recruit homes and facilities which provide boarding care for special education students.
11. Provide dormitories for the boarding care of special education students.
12. Insure school district property.
13. Independently or jointly with other school districts, purchase telecommunications equipment or lease a telecommunications system or network.
14. Provide for the education of students by another school district.
15. Contract with federal officials for the education of students in a federal school.
16. Prescribe courses of study in addition to those prescribed by the superintendent of public instruction or by law.
17. Adopt rules regarding the instruction of students, including their admission, transfer, organization, grading, and government.
18. Join the North Dakota high school activities association and pay membership fees.
19. Adopt alternative curricula for high school seniors who require fewer than four academic units.
20. Contract with, employ, and compensate school district personnel.
21. Contract with and provide reimbursement for the provision of teaching services by an individual certified as an instructor in the areas of North Dakota American Indian languages and culture by the education standards and practices board.
22. Suspend school district personnel.
23. Dismiss school district personnel.
24. Participate in group insurance plans and pay all or part of the insurance premiums.
25. Contract for the services of a district superintendent, provided that the contract, which may be renewed, does not exceed a period of three years.

26. Contract for the services of a principal.
27. Employ an individual to serve as the school district business manager or contract with any person to perform the duties assigned to a school district business manager by law.
28. Suspend or dismiss a school district business manager for cause without prior notice.
29. Suspend or dismiss a school district business manager without cause with thirty days' written notice.
30. Defray the necessary and contingent expenses of the board.
31. Levy a tax upon property in the district for school purposes, as permitted in accordance with chapter 57-15.
32. Amend and certify budgets and tax levies, as provided in title 57.
33. Pay dues allowing for the board to hold membership in city, county, state, and national organizations and associations.
34. Designate, at its annual meeting, a newspaper of general circulation as the official newspaper of the district.

SECTION 25. AMENDMENT. Section 15.1-09-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-39. Districts in bordering states - Contract.

1. Notwithstanding any other provision of law, the board of a school district in this state may contract with the board of a school district in another state for the joint operation and maintenance of school facilities and for joint activities, if the districts are contiguous. To be valid, the contract must be approved by the superintendent of public instruction and by a majority of the qualified electors residing in the district.
2. In assessing the contract, the superintendent shall consider the district's enrollment, its valuation, and its longevity.
3. If the superintendent approves the contract, the board shall submit the contract to the electorate of the district, for approval, at an annual or a special election.
4. The board shall publish notice of the election in the official newspaper of the district at least fourteen days before the election. The notice must include a statement regarding the purpose of the election and the terms of the contract.
5. On the ballot, the board shall seek the voters' permission to execute the proposed contract, as approved by the superintendent of public instruction.
6. If the voters approve the execution of the contract, the board may levy and collect taxes, as permitted in accordance with chapter 57-15, to carry out the contract pursuant to law.

7. If a district that is a party to a contract under this section dissolves, any district to which the land of the dissolved district is attached shall assume the contractual responsibilities.

SECTION 26. AMENDMENT. Section 15.1-09-40 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-40. Sharing of levied taxes - Contract.

The boards of two or more school districts may contract to share levied taxes in all or a portion of their respective districts. The rate of taxes to be levied on any property in the joint taxing area or district is the rate of tax provided for in the contract, not exceeding any levy limitations applicable to the property under chapter 57-15. The auditor of each county in which all or a portion of a contracting district is located shall fix and levy taxes on that portion of the property which is described in the contract and is located in the county at the rate set by the contract.

SECTION 27. AMENDMENT. Section 15.1-09-47 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-47. Board of education of city of Fargo - Taxing authority.

4. The board of education of the city of Fargo may levy taxes, as necessary for any of the following purposes:
 - a. To purchase, exchange, lease, or improve sites for schools.
 - b. To build, purchase, lease, enlarge, alter, improve, and repair schools and their appurtenances.
 - c. To procure, exchange, improve, and repair school apparatus, books, furniture, and appendages, but not the furnishing of textbooks to any student whose parent is unable to furnish the same.
 - d. To provide fuel.
 - e. To defray the contingent expenses of the board, including the compensation of employees.
 - f. To pay teacher salaries after the application of public moneys, which may by law be appropriated and provided for that purpose.
2. The question of authorizing or discontinuing the unlimited taxing authority of the board of education of the city of Fargo must be submitted to the qualified electors of the Fargo school district at the next regular election upon resolution of the board of education or upon filing with the board a petition containing the signatures of qualified electors of the district equal in number to twenty percent of the individuals enumerated in the most recent school district census. However, if the electors approve a discontinuation of the unlimited taxing authority, their approval of the discontinuation may not affect the tax levy effective for the calendar year in which the election is held. In addition, the minimum levy may not be less than the levy that was in force at the time of the election. The board may increase its levy in accordance with section 57-15-01. If the district experiences growing enrollment, the board may increase the levy by an amount equal to the amount levied the preceding year.

~~per student times the number of additional students enrolled during the new year within the requirements or limitations of this title and title 57.~~

SECTION 28. AMENDMENT. Section 15.1-09-48 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-48. Board of education of city of Fargo - Tax collection.

The board of education of the city of Fargo ~~has the power to~~ may levy taxes within the boundaries of the Fargo public school district and ~~to cause such~~ the taxes to be collected in the same manner as other city taxes, provided the taxes meet the requirements or limitations of this title and title 57. ~~The business manager of the board of education shall cause~~ certify the rate for each purpose ~~to be certified by the business manager to the city auditor in time to be added to the annual tax list of the city. It is the duty of the~~ The city auditor ~~to~~ shall calculate and extend upon the annual assessment roll and tax list any tax levied by the board of education. The tax must be collected in the same manner as other city taxes ~~are collected.~~ If the city council fails to levy any tax for city purposes or fails to cause an assessment roll or tax list to be made, the board of education may ~~cause~~ make an assessment roll and tax list ~~to be made~~ and submit the roll to the city auditor with a warrant for the collection of the tax. The board of education may cause the tax to be collected in the same manner as other city taxes are collected or as otherwise provided by resolution of the board.

SECTION 29. AMENDMENT. Section 15.1-09-49 of the North Dakota Century Code is amended and reenacted as follows:

15.1-09-49. Board of education of city of Fargo - Taxes for buildings.

The amount to be raised for teacher salaries and contingent expenses must be such only as together with the public money coming to the city from any source is sufficient to establish and maintain efficient and proper schools for students in the city. The tax for purchasing, leasing, or improving sites and the building, purchasing, leasing, enlarging, altering, and repairing of schools may not exceed in any one year fifteen mills on the ~~dollar valuation of the taxable~~ valuation of property of the city in the school district. The board of education may borrow, and when necessary shall borrow, in anticipation of the ~~amount of the taxes to be raised, levied, and collected.~~

SECTION 30. AMENDMENT. Section 15.1-18.1-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-18.1-02. National board certification program - Recertification - Board duties.

1. The board shall:
 - a. Inform teachers of the national board certification program and the scholarships and services the national board provides to teachers seeking certification.
 - b. Collect and review in the order received scholarship applications from individuals who are licensed to teach by the board or approved to teach by the board.
 - c. (1) Approve no more than seventeen applications per year under this subsection;

- (2) During each year of the biennium, reserve three of the available scholarships under this subsection until October first for individuals teaching at low-performing schools. At that time, the three slots, if not filled, become available to all other applicants;
 - (3) Require the recipient for a scholarship under this subsection to serve during the school year as a full-time classroom teacher in a public or nonpublic school in this state; and
 - (4) If available, require the recipient for a scholarship under this subsection to participate in mentoring programs developed and implemented in the employing school or school district.
- d. Ensure that all scholarship recipients under this subsection receive adequate information regarding the level of commitment required to acquire certification.
2. The board shall collect and review in the order received scholarship applications for national board recertification from individuals who are licensed to teach by the board or approved to teach by the board and:
 - a. Approve no more than three scholarship applications per year under this subsection;
 - b. Require each recipient for a scholarship under this subsection to serve during the school year as a full-time classroom teacher in a public or nonpublic school in this state; and
 - c. If available, require each recipient for a scholarship under this subsection to participate in mentoring programs developed and implemented in the employing school or school district.
 3. If any individual who receives a scholarship under this section does not complete the certification process within the time allotted by the board, the individual must reimburse the state an amount equal to one-half of the amount awarded to the individual as a scholarship.
 4. ~~The board shall pay to any individual who received national board certification before July 1, 2007, one thousand dollars for each year the individual has maintained and continues to maintain national board certification, provided the individual continues to be employed by a school district in this state. An individual may not receive more than four thousand dollars under this subsection.~~
 5. a. At the conclusion of each school year after an individual receives national board certification, the board shall pay to an individual an additional one thousand five hundred dollars for the life of the national board certificate if:
 - (1)a. The individual was employed during the school year as a full-time classroom teacher by a school district in this state; and
 - (2)b. The individual participated in any efforts of the employing school district to develop and implement teacher mentoring programs.

b. ~~The payment provided for in this subsection is available beginning with the 2007-08 school year.~~

~~6-5.~~ A contract negotiated under chapter 15.1-16 may not preclude or limit the ability of a school district or any other entity, public or private, from providing any remuneration to a teacher who has obtained national board certification. Any remuneration received by a teacher as a consequence of having obtained national board certification is in addition to any other compensation otherwise payable as a result of any contract negotiated under chapter 15.1-16.

SECTION 31. AMENDMENT. Section 15.1-22-01 of the North Dakota Century Code is amended and reenacted as follows:

15.1-22-01. Kindergarten - Establishment by board - Request by parent - Levy.

1. The board of a school district shall either provide at least a half-day kindergarten program for any student enrolled in the district or pay the tuition required for the student to attend a kindergarten program in another school district.

~~2. The board of a school district that establishes a kindergarten under this section may levy a tax pursuant to subdivision p of subsection 1 of section 57-15-14.2.~~

SECTION 32. AMENDMENT. Section 15.1-27-03.1 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.1. (Effective through June 30, 2013, and after June 30, 2015) Weighted average daily membership - Determination.

1. For each school district, the superintendent of public instruction shall multiply by:

a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;

b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;

c. 0.60 the number of full-time equivalent students enrolled in a summer education program;

d. 0.50 the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;

e. 0.30 the number of full-time equivalent students who:

(1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and

(2) Are enrolled in a program of instruction for English language learners;

f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;

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- g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
 - j. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
 - k. ~~0.0790.082~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
 - l. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
 - m. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
 - n. 0.006 the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;

- (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and
- o. 0.004 the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

(Effective July 1, 2013, through June 30, 2015) Weighted average daily membership - Determination.

- 1. For each school district, the superintendent of public instruction shall multiply by:
 - a. 1.00 the number of full-time equivalent students enrolled in a migrant summer program;
 - b. 1.00 the number of full-time equivalent students enrolled in an extended educational program in accordance with section 15.1-32-17;
 - c. 0.60 the number of full-time equivalent students enrolled in a summer education program;
 - d. ~~0.500.20~~ the number of full-time equivalent students enrolled in a home-based education program and monitored by the school district under chapter 15.1-23;
 - e. 0.30 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be least proficient and placed in the first of six categories of proficiency; and
 - (2) Are enrolled in a program of instruction for English language learners;
 - f. 0.25 the number of full-time equivalent students enrolled in an alternative high school;
 - g. 0.20 the number of full-time equivalent students attending school in a bordering state in accordance with section 15.1-29-01;
 - h. 0.20 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the first of six categories of proficiency and therefore placed in the second of six categories of proficiency; and

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- (2) Are enrolled in a program of instruction for English language learners;
- i. 0.17 the number of full-time equivalent students enrolled in an early childhood special education program;
 - j. 0.15 the number of full-time equivalent students in grades six through eight enrolled in an alternative education program for at least an average of fifteen hours per week;
 - k. 0.10 the number of students enrolled in average daily membership, if the district has fewer than one hundred students enrolled in average daily membership and the district consists of an area greater than two hundred seventy-five square miles [19424.9 hectares], provided that any school district consisting of an area greater than six hundred square miles [155399 hectares] and enrolling fewer than fifty students in average daily membership must be deemed to have an enrollment equal to fifty students in average daily membership;
 - l. ~~0-0790.082~~ the number of students enrolled in average daily membership, in order to support the provision of special education services;
 - m. 0.07 the number of full-time equivalent students who:
 - (1) On a test of English language proficiency approved by the superintendent of public instruction are determined to be more proficient than students placed in the second of six categories of proficiency and therefore placed in the third of six categories of proficiency;
 - (2) Are enrolled in a program of instruction for English language learners; and
 - (3) Have not been in the third of six categories of proficiency for more than three years;
 - n. 0.025 the number of students representing that percentage of the total number of students in average daily membership which is equivalent to the three-year average percentage of students in grades three through eight who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.];
 - o. ~~0-0060.003~~ the number of students enrolled in average daily membership in each public school in the district that:
 - (1) Has acquired and is utilizing the PowerSchool student information system;
 - (2) Has acquired and is in the process of implementing the PowerSchool student information system; or
 - (3) Will acquire the PowerSchool student information system during the current school year, provided the acquisition is contractually demonstrated; and

- p. ~~0.0040.002~~ the number of students enrolled in average daily membership in a school district that is a participating member of a regional education association meeting the requirements of chapter 15.1-09.1.
2. The superintendent of public instruction shall determine each school district's weighted average daily membership by adding the products derived under subsection 1 to the district's average daily membership.

SECTION 33. AMENDMENT. Section 15.1-27-03.2 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-03.2. School district size weighting factor - Weighted student units.

1. For each high school district in the state, the superintendent of public instruction shall assign a school district size weighting factor of:
- a. ~~1.25~~1.35 if the students in average daily membership number fewer than ~~125~~125;
 - b. 1.34 if the students in average daily membership number at least 125 but fewer than 130;
 - c. 1.33 if the students in average daily membership number at least 130 but fewer than 135;
 - d. 1.32 if the students in average daily membership number at least 135 but fewer than 140;
 - e. 1.31 if the students in average daily membership number at least 140 but fewer than 145;
 - f. 1.30 if the students in average daily membership number at least 145 but fewer than 150;
 - g. 1.29 if the students in average daily membership number at least 150 but fewer than 155;
 - h. 1.28 if the students in average daily membership number at least 155 but fewer than 160;
 - i. 1.27 if the students in average daily membership number at least 160 but fewer than 165;
 - j. 1.26 if the students in average daily membership number at least 165 but fewer than 175;
 - k. 1.25 if the students in average daily membership number at least 175 but fewer than 185;
 - ~~h-l~~ 1.24 if the students in average daily membership number at least 185 but fewer than 200;
 - e-m. 1.23 if the students in average daily membership number at least 200 but fewer than 215;

- d-n. 1.22 if the students in average daily membership number at least 215 but fewer than 230;
- e-o. 1.21 if the students in average daily membership number at least 230 but fewer than 245;
- f-p. 1.20 if the students in average daily membership number at least 245 but fewer than 260;
- g-q. 1.19 if the students in average daily membership number at least 260 but fewer than 270;
- h-r. 1.18 if the students in average daily membership number at least 270 but fewer than 275;
- i-s. 1.17 if the students in average daily membership number at least 275 but fewer than 280;
- j-t. 1.16 if the students in average daily membership number at least 280 but fewer than 285;
- k-u. 1.15 if the students in average daily membership number at least 285 but fewer than 290;
- l-v. 1.14 if the students in average daily membership number at least 290 but fewer than 295;
- m-w. 1.13 if the students in average daily membership number at least 295 but fewer than 300;
- n-x. 1.12 if the students in average daily membership number at least 300 but fewer than 305;
- o-y. 1.11 if the students in average daily membership number at least 305 but fewer than 310;
- p-z. 1.10 if the students in average daily membership number at least 310 but fewer than 320;
- q-aa. 1.09 if the students in average daily membership number at least 320 but fewer than 335;
- r-bb. 1.08 if the students in average daily membership number at least 335 but fewer than 350;
- s-cc. 1.07 if the students in average daily membership number at least 350 but fewer than 360;
- t-dd. 1.06 if the students in average daily membership number at least 360 but fewer than 370;
- u-ee. 1.05 if the students in average daily membership number at least 370 but fewer than 380;
- v-ff. 1.04 if the students in average daily membership number at least 380 but fewer than 390;

- w-gg. 1.03 if the students in average daily membership number at least 390 but fewer than 400;
- x-hh. 1.02 if the students in average daily membership number at least 400 but fewer than 600;
- y-ii. 1.01 if the students in average daily membership number at least 600 but fewer than 900; and
- z-jj. 1.00 if the students in average daily membership number at least 900.
2. For each elementary district in the state, the superintendent of public instruction shall assign a weighting factor of:
- 1.25 if the students in average daily membership number fewer than 125;
 - 1.17 if the students in average daily membership number at least 125 but fewer than 200; and
 - 1.00 if the students in average daily membership number at least 200.
3. The school district size weighting factor determined under this section and multiplied by a school district's weighted average daily membership equals the district's weighted student units.
4. Notwithstanding the provisions of this section, the school district size weighting factor assigned to a district may not be less than the factor arrived at when the highest number of students possible in average daily membership is multiplied by the school district size weighting factor for the subdivision immediately preceding the district's actual subdivision and then divided by the district's average daily membership.

SECTION 34. Section 15.1-27-04.1 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.1. Baseline funding - Establishment - Determination of state aid.

- In order to determine the amount of state aid payable to each district, the superintendent of public instruction shall establish each district's baseline funding. A district's baseline funding consists of:
 - All state aid received by the district in accordance with chapter 15.1-27 during the 2012-13 school year;
 - The district's 2012-13 mill levy reduction grant, as determined in accordance with chapter 57-64, as it existed on June 30, 2013;
 - An amount equal to that raised by the district's 2012 general fund levy or that raised by one hundred ten mills of the district's 2012 general fund levy, whichever is less;
 - An amount equal to that raised by the district's 2012 long-distance learning and educational technology levy;
 - An amount equal to that raised by the district's 2012 alternative education program levy; and

- f. An amount equal to:
- (1) Seventy-five percent of all revenue received by the school district and reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (2) Seventy-five percent of all mineral revenue received by the school district through direct allocation from the state treasurer and not reported under code 2000 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08;
 - (3) Seventy-five percent of all tuition received by the school district and reported under code 1300 of the North Dakota school district financial accounting and reporting manual, as developed by the superintendent of public instruction in accordance with section 15.1-02-08, with the exception of revenue received specifically for the operation of an educational program provided at a residential treatment facility and tuition received for the provision of an adult farm management program;
 - (4) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on the distribution and transmission of electric power;
 - (5) Seventy-five percent of all revenue received by the school district from payments in lieu of taxes on electricity generated from sources other than coal;
 - (6) All revenue received by the school district from mobile home taxes;
 - (7) Seventy-five percent of all revenue received by the school district from the leasing of land acquired by the United States for which compensation is allocated to the state under 33 U.S.C. 701(c)(3);
 - (8) All telecommunications tax revenue received by the school district; and
 - (9) All revenue received by the school district from payments in lieu of taxes and state reimbursement of the homestead credit and disabled veterans' credit.
2. The superintendent shall divide the district's total baseline funding by the district's 2012-13 weighted student units in order to determine the district's baseline funding per weighted student unit.
3. a. In 2013-14, the superintendent shall multiply the district's weighted student units by eight thousand eight hundred ten dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
 - (a) One hundred two percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2013-14 weighted student units; or

- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred ten percent of the district's baseline funding per weighted student unit multiplied by the district's 2013-14 weighted student units, as established in subsection 2.
- b. In 2014-15, the superintendent shall multiply the district's weighted student units by nine thousand ninety-two dollars.
- (1) The superintendent shall adjust the product to ensure that the product is at least equal to the greater of:
- (a) One hundred four percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units; or
- (b) One hundred percent of the district's baseline funding as established in subsection 1.
- (2) The superintendent shall also adjust the product to ensure that the product does not exceed one hundred twenty percent of the district's baseline funding per weighted student unit, as established in subsection 2, multiplied by the district's 2014-15 weighted student units.
4. After determining the product in accordance with subsection 3, the superintendent of public instruction shall:
- a. Subtract an amount equal to sixty mills multiplied by the taxable valuation of the school district, provided that after 2013, the amount in dollars subtracted for purposes of this subdivision may not exceed the previous year's amount in dollars subtracted for purposes of this subdivision by more than twelve percent; and
- b. Subtract an amount equal to seventy-five percent of all revenues listed in paragraphs 1 through 5, and 7 of subdivision f of subsection 1 and one hundred percent of all revenues listed in paragraphs 6, 8, and 9 of subdivision f of subsection 1.
5. The amount remaining after the computation required under subsection 4 is the amount of state aid to which a school district is entitled, subject to any other statutory requirements or limitations.

SECTION 35. Section 15.1-27-04.2 of the North Dakota Century Code is created and enacted as follows:

15.1-27-04.2. State aid - Minimum local effort - Determination.

If a district's taxable valuation per student is less than twenty percent of the state average valuation per student, the superintendent of public instruction, for purposes of determining state aid in accordance with section 15.1-27-04.1, shall utilize an amount equal to sixty mills times twenty percent of the state average valuation per student multiplied by the number of weighted student units in the district.

SECTION 36. AMENDMENT. Section 15.1-27-17 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-17. Per student payments - Reorganization of school districts - Separate weighting factor.

1. Notwithstanding the provisions of section 15.1-27-03.2, the superintendent of public instruction shall create and assign a separate weighting factor to:
 - a. ~~Any school district that reorganized on or before June 30, 2007, and which was receiving per student payments in accordance with section 15.1-27-17, as that section existed on June 30, 2007; and~~
 - b. Any any school district that reorganizes on or after July 1, 2007.
2.
 - a. The separate weighting factor must allow the reorganized school district to receive a payment rate equivalent to that which each separate school district would have received had the reorganization not taken place.
 - b. The separate weighting factor must be computed to four decimal places.
 - c. The provisions of this subsection are effective for a period of four years from the date of the reorganization.
3. At the beginning of the fifth and at the beginning of the sixth years after the date of the reorganization, the superintendent of public instruction shall make proportionate adjustments in the assigned weighting factor so that beginning with the seventh year after the date of the reorganization, the weighting factor that will be applied to the reorganized district is that provided in section 15.1-27-03.2.

SECTION 37. AMENDMENT. Section 15.1-27-35 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35. Average daily membership - Calculation.

1. a. ~~During the 2009-10 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - (1) The school district's calendar; or
 - (2) One hundred eighty.
- b. ~~During the 2010-11 school year, average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:~~
 - (1) The school district's calendar; or

~~(2) One hundred eighty-one.~~

- e. ~~Beginning with the 2011-12 school year, average~~Average daily membership is calculated at the conclusion of the school year by adding the total number of days that each student in a given grade, school, or school district is in attendance during a school calendar and the total number of days that each student in a given grade, school, or school district is absent during a school calendar, and then dividing the sum by the greater of:

~~(1)~~a. The school district's calendar; or

~~(2)~~b. One hundred eighty-two.

2. For purposes of calculating average daily membership, all students are deemed to be in attendance on:
 - a. The three holidays listed in subdivisions b through j of subsection 1 of section 15.1-06-02 and selected by the school board in consultation with district teachers;
 - b. The two days set aside for professional development activities under section 15.1-06-04; and
 - c. The two full days, or portions thereof, during which parent-teacher conferences are held or which are deemed by the board of the district to be compensatory time for parent-teacher conferences held outside regular school hours.
3. For purposes of calculating average daily membership:
 - a. A student enrolled full time in any grade from one through twelve may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - b. A student enrolled full time in an approved regular education kindergarten program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.
 - c. A student enrolled full time, as defined by the superintendent of public instruction, in an approved early childhood special education program may not exceed an average daily membership of 1.00. The membership may be prorated for a student who is enrolled less than full time.

SECTION 38. AMENDMENT. Section 15.1-27-35.3 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-35.3. Payments to school districts - Unobligated general fund balance.

1. a. The superintendent of public instruction shall determine the amount of payments due a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty-five percent of its actual expenditures, plus twenty thousand dollars.

- b. Beginning July 1, 2015, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of forty percent of its actual expenditures, plus twenty thousand dollars.
 - c. Beginning July 1, 2017, the superintendent of public instruction shall determine the amount of payments due to a school district and shall subtract from that the amount by which the unobligated general fund balance of the district on the preceding June thirtieth is in excess of thirty-five percent of its actual expenditures, plus twenty thousand dollars.
2. In making the determination required by subsection 1, the superintendent of public instruction may not include in a district's unobligated general fund balance any moneys that were received by the district from the federal education jobs fund program.
 3. For purposes of this section, a district's unobligated general fund balance includes all moneys in the district's miscellaneous fund, as established under section 57-15-14.2.

SECTION 39. AMENDMENT. Section 15.1-27-39 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-39. Annual salary - Minimum amount.

1. ~~Beginning with the 2005-06 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least twenty-two thousand dollars.~~
2. Beginning with the ~~2006-07~~2014-15 school year, the board of each school district shall provide to each full-time teacher, under contract for a period of nine months, a minimum salary level for the contract period equal to at least ~~twenty-two~~twenty-seven thousand five hundred dollars.

SECTION 40. Section 15.1-27-45 of the North Dakota Century Code is created and enacted as follows:

15.1-27-45. Property tax relief fund.

1. a. The property tax relief fund is a special fund in the state treasury. On July 1, 2013, the state treasurer shall change the name of the property tax relief sustainability fund established under section 57-64-05 to the property tax relief fund, as established by this section, and any unobligated balance in the property tax relief sustainability fund must be retained in the property tax relief fund.
- b. The legislative council shall change the name of the property tax relief sustainability fund to the property tax relief fund in the North Dakota Century Code, in its supplements, and in all statutory compilations generated as a result of action by the sixty-third legislative assembly.
2. Moneys in the property tax relief fund may be expended pursuant to legislative appropriations for property tax relief programs.

3. On or before the third Monday in each January, February, March, April, August, September, October, November, and December, the office of management and budget shall certify to the superintendent of public instruction the amount of the property tax relief fund. The superintendent shall include the amount certified in determining the state aid payments to which each school district is entitled under chapter 15.1-27.

SECTION 41. AMENDMENT. Section 15.1-29-15 of the North Dakota Century Code is amended and reenacted as follows:

15.1-29-15. Levy for tuition payments.

If the board of a school district approves tuition payments for students in grades seven through twelve or if the board is required to make tuition or tutoring payments under this chapter, the board may levy an amount sufficient to meet such payments, pursuant to ~~subdivision e of subsection 4 of section 57-15-14.2.~~

SECTION 42. AMENDMENT. Section 15.1-30-04 of the North Dakota Century Code is amended and reenacted as follows:

15.1-30-04. Provision of meals and lodging for high school students - Payment permitted -Levy.

Instead of providing transportation so that an eligible high school student residing in the district can attend school in another district, a school board may pay a reasonable allowance to the student's parent for costs incurred in the provision of meals and lodging for the student at a location other than the student's residence. ~~A school district that furnishes either transportation or an allowance for the provision of meals and lodging for a student under this section may levy a tax pursuant to subdivision a of subsection 1 of section 57-15-14.2 for this purpose.~~

SECTION 43. A new section to chapter 15.1-35 of the North Dakota Century Code is created and enacted as follows:

Beverages - Snack breaks.

During the 2013-15 biennium, a school district may utilize resources provided in accordance with subdivision n of subsection 1 of section 15.1-27-03.1 to ensure that students who are eligible for free or reduced lunches under the Richard B. Russell National School Lunch Act [42 U.S.C. 1751 et seq.] receive one serving of milk or juice if a mid-morning snack break is provided.

SECTION 44. AMENDMENT. Section 15.1-36-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-36-02. School construction projects - Loans.

1. ~~The~~In order to provide school construction loans, the board of university and school lands may authorize the use of ~~moneys in:~~
 - a. ~~Fifty million dollars, or so much of that amount as may be necessary, from the coal development trust fund, established pursuant to section 21 of article X of the Constitution of North Dakota and subsection 1 of section 57-62-02 to provide school construction loans, as described in this chapter. The outstanding principal balance of loans under this chapter may not exceed fifty million dollars. The board may adopt policies and rules governing school construction loans; and~~

- b. One hundred fifty million dollars from the strategic investment and improvements fund, established pursuant to section 15-08.1-08.
2. In order to be eligible for a loan under this section, the board of a school district shall:
- Propose a construction project with a cost of at least one million dollars and an expected utilization of at least thirty years;
 - Obtain the approval of the superintendent of public instruction for the construction project under section 15.1-36-01; and
 - Submit to the superintendent of public instruction an application containing all information deemed necessary by the superintendent, including potential alternative sources or methods of financing the construction project.
- ~~3. The superintendent of public instruction shall give priority to any district that meets the requirements for receipt of an equity payment under section 15.1-27-11.~~
4. If an eligible school district's ~~imputed~~ taxable valuation per student is less than eighty percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- A school construction loan equal to the lesser of ~~twelve~~ twenty million dollars or ~~eighty~~ ninety percent of the actual project cost;
 - An interest rate discount equal to at least one hundred but not more than ~~two~~ four hundred ~~fifty~~ basis points below the prevailing tax-free bond rates; and
 - A term of repayment that may extend up to twenty years.
- ~~5-4.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least eighty percent but less than ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- A school construction loan equal to the lesser of ~~ten~~ fifteen million dollars or ~~seventy~~ eighty percent of the actual project cost;
 - An interest rate buydown equal to at least one hundred but not more than ~~two~~ three hundred fifty basis points below the prevailing tax-free bond rates; and
 - A term of repayment that may extend up to twenty years.
- ~~6-5.~~ If an eligible school district's ~~imputed~~ taxable valuation per student is equal to at least ninety percent of the state average ~~imputed~~ taxable valuation per student, the district is entitled to receive:
- A school construction loan equal to the lesser of ~~four~~ ten million dollars or ~~thirty~~ seventy percent of the actual project cost;

- b. An interest rate discount equal to at least one hundred but not more than ~~two~~three hundred ~~ffty~~ basis points below the prevailing tax-free bond rates; and
 - c. A term of repayment that may extend up to twenty years.
- ~~7-6.~~ The board of a school district may submit its loan application to the superintendent of public instruction before or after receiving authorization of a bond issue in accordance with chapter 21-03. If the vote to authorize a bond issue precedes the application for a loan, the application must be acted upon by the superintendent expeditiously but no later than one hundred eighty days from the date it is received by the superintendent.
- ~~8-7.~~ The superintendent of public instruction shall consider each loan application in the order it received approval under section 15.1-36-01.
- ~~9-8.~~ If the superintendent of public instruction approves the loan, the superintendent may determine the loan amount, the term of the loan, and the interest rate, in accordance with the requirements of this section. A school district's interest rate may not be less than one percent, regardless of any rate discount for which the district might otherwise qualify under this section.
- ~~10.~~ ~~The superintendent of public instruction may adopt rules governing school construction loans.~~
- ~~9.~~ a. If a school district seeking a loan under this section received an allocation of the oil and gas gross production tax during the previous fiscal year in accordance with chapter 57-51, the board of the district shall provide to the board of university and school lands, and to the state treasurer, its evidence of indebtedness indicating that the loan originated under this section.
- b. If the evidence of indebtedness is payable solely from the school district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the loan does not constitute a general obligation of the school district and may not be considered a debt of the district.
- c. If a loan made to a school district is payable solely from the district's allocation of the oil and gas gross production tax in accordance with section 57-51-15, the terms of the loan must require that the state treasurer withhold the dollar amount or percentage specified in the loan agreement, from each of the district's oil and gas gross production tax allocations, in order to repay the principal and interest of the evidence of indebtedness. The state treasurer shall deposit the amount withheld into the fund from which the loan originated.
- d. Any evidence of indebtedness executed by the board of a school district under this subsection is a negotiable instrument and not subject to taxation by the state or any political subdivision of the state.
- ~~11-10.~~ For purposes of this section, a "construction project" means the purchase, lease, erection, or improvement of any structure or facility by a school board, provided the acquisition or activity is within a school board's authority.

SECTION 45. AMENDMENT. Section 40-55-08 of the North Dakota Century Code is amended and reenacted as follows:

40-55-08. Election to determine desirability of establishing recreation system - How called.

The governing body of any municipality, school district, or park district to which this chapter is applicable, may and upon receipt of a petition signed by at least ten qualified electors but not less than five percent of those qualified electors who voted at the last general election of the municipality, school district, or park district, shall submit to the qualified electors the question of the establishment, maintenance, and conduct of a public recreation system, and except in the case of a school district, the levying of an annual tax for the conduct and maintenance thereof of not more than two and five-tenths mills on each dollar of taxable valuation of all taxable property within the corporate limits or boundaries of such municipality or park district, to be voted upon at the next general election or special municipal election; provided, however, that such questions may not be voted upon at the next general election unless such action of the governing body shall be taken, or such petition to submit such question shall be filed thirty days prior to the date of such election. A school district may ~~levy a tax~~ provide for the establishment, maintenance, and conduct of a public recreation system pursuant to subdivision q of subsection 1 of section ~~40-55-08~~ 57-15-14.2.

SECTION 46. AMENDMENT. Section 40-55-09 of the North Dakota Century Code is amended and reenacted as follows:

40-55-09. Favorable vote at election - Procedure.

Except in the case of a school district or park district, upon adoption of the public recreation system proposition at an election by a majority of the votes cast upon the proposition, the governing body of the municipality, by resolution or ordinance, shall provide for the establishment, maintenance, and conduct of a public recreation system, and thereafter levy and collect annually a tax of not more than two and five-tenths mills, or not more than eight and five-tenths mills if authorized as provided by this section, on each dollar of the taxable valuation of all taxable property within the corporate limits or boundaries of the municipality. This tax is in addition to the maximum of taxes permitted to be levied in such municipality. The mill levy authorized by this section may be raised to not more than eight and five-tenths mills when the increase is approved by the citizens of the municipality after submission of the question in the same manner as provided in section 40-55-08 for the establishment of the public recreation system. The governing body of the municipality shall continue to levy the tax annually for public recreation purposes until the qualified voters, at a regular or special election, by a majority vote on the proposition, decide to discontinue the levy. The governing body of the municipality may appropriate additional funds for the operation of the public recreation system if in the opinion of the governing body additional funds are needed for the efficient operation thereof. This chapter does not limit the power of any municipality, school district, or park district to appropriate on its own initiative general municipal, school district, or park district tax funds for the operation of a public recreation system, a community center, or character-building facility. ~~A school district may levy a tax annually for the conduct and maintenance of a public recreation system pursuant to subdivision q of subsection 1 of section 40-55-08.~~ A park district may levy a tax annually within the general fund levy authority of section 57-15-12 for the conduct and maintenance of a public recreation system.

SECTION 47. AMENDMENT. Section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

57-15-01.1. Protection of taxpayers and taxing districts.

Each taxing district may levy the lesser of the amount in dollars as certified in the budget of the governing body, or the amount in dollars as allowed in this section, subject to the following:

1. No taxing district may levy more taxes expressed in dollars than the amounts allowed by this section.
2. For purposes of this section:
 - a. "Base year" means the taxing district's taxable year with the highest amount levied in dollars in property taxes of the three taxable years immediately preceding the budget year. For a park district general fund, the "amount levied in dollars in property taxes" is the sum of amounts levied in dollars in property taxes for the general fund under section 57-15-12 including any additional levy approved by the electors, the insurance reserve fund under section 32-12.1-08, the employee health care program under section 40-49-12, the public recreation system under section 40-55-09 including any additional levy approved by the electors, forestry purposes under section 57-15-12.1 except any additional levy approved by the electors, pest control under section 4-33-11, and handicapped person programs and activities under section 57-15-60;
 - b. "Budget year" means the taxing district's year for which the levy is being determined under this section;
 - c. "Calculated mill rate" means the mill rate that results from dividing the base year taxes levied by the sum of the taxable value of the taxable property in the base year plus the taxable value of the property exempt by local discretion or charitable status, calculated in the same manner as the taxable property; and
 - d. "Property exempt by local discretion or charitable status" means property exempted from taxation as new or expanding businesses under chapter 40-57.1; improvements to property under chapter 57-02.2; or buildings belonging to institutions of public charity, new single-family residential or townhouse or condominium property, property used for early childhood services, or pollution abatement improvements under section 57-02-08.
3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:
 - a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.

- b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.
 - c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district. For purposes of this subdivision, an expired temporary mill levy increase does not include a school district general fund mill rate exceeding one hundred ten mills which has expired or has not received approval of electors for an extension under subsection 2 of section 57-64-03.
 - d. ~~Increased, for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the base year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the budget year.~~
 - e. ~~Reduced for a school district determining its levy limitation under this section, by the amount the school district's mill levy reduction grant under section 57-64-02 for the budget year exceeds the amount of the school district's mill levy reduction grant under section 57-64-02 for the base year.~~
 - d. If the base year is a taxable year before 2013, reduced by the amount of state aid under chapter 15.1-27, which is determined by multiplying the budget year taxable valuation of the school district by the lesser of:
 - (1) The base year mill rate of the school district minus sixty mills; or
 - (2) Fifty mills.
4. In addition to any other levy limitation factor under this section, a taxing district may increase its levy in dollars to reflect new or increased mill levies authorized by the legislative assembly or authorized by the electors of the taxing district.
 5. Under this section a taxing district may supersede any applicable mill levy limitations otherwise provided by law, or a taxing district may levy up to the mill levy limitations otherwise provided by law without reference to this section, but the provisions of this section do not apply to the following:
 - a. Any irrevocable tax to pay bonded indebtedness levied pursuant to section 16 of article X of the Constitution of North Dakota.
 - b. The one-mill levy for the state medical center authorized by section 10 of article X of the Constitution of North Dakota.
 6. A school district choosing to determine its levy authority under this section may apply subsection 3 only to the amount in dollars levied for general fund purposes under section 57-15-14 or, if the levy in the base year included separate general fund and special fund levies under sections 57-15-14 and 57-15-14.2, the school district may apply subsection 3 to the total amount levied in dollars in the base year for both the general fund and special fund

accounts. School district levies under any section other than section 57-15-14 may be made within applicable limitations but those levies are not subject to subsection 3.

7. Optional levies under this section may be used by any city or county that has adopted a home rule charter unless the provisions of the charter supersede state laws related to property tax levy limitations.

SECTION 48. AMENDMENT. Section 57-15-14 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14. ~~General fund levy limitations~~ Voter approval of excess levies in school districts.

~~The aggregate amount levied each year for the purposes listed in section 57-15-14.2 by any school district, except the Fargo school district, may not exceed the amount in dollars which the school district levied for the prior school year plus twelve percent up to a general fund levy of one hundred eighty-five mills on the dollar of the taxable valuation of the district, except that:~~

1. Unless authorized by the electors of the school district in accordance with this section, a school district may not impose greater levies than those permitted under section 57-15-14.2.
 - a. In any school district having a total population in excess of four thousand according to the last federal decennial census there may be levied any specific number of mills that upon resolution of the school board has been submitted to and approved by a majority of the qualified electors voting upon the question at any regular or special school district election.
 - 2- b. In any school district having a total population of fewer than four thousand, there may be levied any specific number of mills that upon resolution of the school board has been approved by fifty-five percent of the qualified electors voting upon the question at any regular or special school election.
 - 3- c. After June 30, 2009, in any school district election for approval by electors of increased levy authority under subsection 1 or 2, the ballot must specify the number of mills proposed for approval, and the number of taxable years for which that approval is to apply. After June 30, 2009, approval by electors of increased levy authority under subsection 1 or 2 may not be effective for more than ten taxable years.
 - 4- d. The authority for a levy of up to a specific number of mills under this section approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy for taxable years after 2015 of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
 - e. For taxable years beginning after 2012:
 - (1) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that includes a taxable year before 2009, must be reduced by one hundred fifteen

mills as a precondition of receiving state aid in accordance with chapter 15.1-27.

(2) The authority for a levy of up to a specific number of mills, approved by electors of a school district for any period of time that does not include a taxable year before 2009, must be reduced by forty mills as a precondition of receiving state aid in accordance with chapter 15.1-27.

(3) The authority for a levy of up to a specific number of mills, placed on the ballot in a school district election for electoral approval of increased levy authority under subdivision a or b, after June 30, 2013, must be stated as a specific number of mills of general fund levy authority and must include a statement that the statutory school district general fund levy limitation is seventy mills on the dollar of the taxable valuation of the school district.

5. f. The authority for an unlimited levy approved by electors of a school district before July 1, 2009, is terminated effective for taxable years after 2015. If the electors of a school district subject to this subsection have not approved a levy of up to a specific number of mills under this section by December 31, 2015, the school district levy limitation for subsequent years is subject to the limitations under section 57-15-01.1 or this section.
2. a. The question of authorizing or discontinuing such specific number of mills authority in any school district must be submitted to the qualified electors at the next regular election upon resolution of the school board or upon the filing with the school board of a petition containing the signatures of qualified electors of the district equal in number to ten percent of the number of electors who cast votes in the most recent election in the school district. ~~However, not~~No fewer than twenty-five signatures are required. ~~However, the~~
- b. The approval of discontinuing such authority does not affect the tax levy in the calendar year in which the election is held.
- c. The election must be held in the same manner and subject to the same conditions as provided in this section for the first election upon the question of authorizing the mill levy.

SECTION 49. AMENDMENT. Section 57-15-14.2 of the North Dakota Century Code is amended and reenacted as follows:

~~57-15-14.2. Mill levies requiring board action -- Proceeds to general fund account~~School district levies.

- ~~1.~~ A school board of any school district may levy an amount sufficient to cover general expenses, including the costs of the following:
- ~~a.~~ Board and lodging for high school students as provided in section 15.1-30-04.
- ~~b.~~ The teachers' retirement fund as provided in section 15-39.1-28.
- ~~c.~~ Tuition for students in grades seven through twelve as provided in section 15.1-29-15.

- d. ~~Special education program as provided in section 15.1-32-20.~~
- e. ~~The establishment and maintenance of an insurance reserve fund for insurance purposes as provided in section 32-12.1-08.~~
- f. ~~A final judgment obtained against a school district.~~
- g. ~~The district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund as provided by chapter 52-09 and to provide the district's share of contribution to the old-age survivors' fund and matching contribution for the social security fund for contracted employees of a multidistrict special education board.~~
- h. ~~The rental or leasing of buildings, property, or classroom space. Minimum state standards for health and safety applicable to school building construction shall apply to any rented or leased buildings, property, or classroom space.~~
- i. ~~Unemployment compensation benefits.~~
- j. ~~The removal of asbestos substances from school buildings or the abatement of asbestos substances in school buildings under any method approved by the United States environmental protection agency and any repair, replacement, or remodeling that results from such removal or abatement, any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36, any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school, and for providing an alternative education program as provided in section 57-15-17.1.~~
- k. ~~Participating in cooperative career and technical education programs approved by the state board.~~
- l. ~~Maintaining a career and technical education program approved by the state board and established only for that school district.~~
- m. ~~Paying the cost of purchasing, contracting, operating, and maintaining schoolbuses.~~
- n. ~~Establishing and maintaining school library services.~~
- o. ~~Equipping schoolbuses with two-way communications and central station equipment and providing for the installation and maintenance of such equipment.~~
- p. ~~Establishing free public kindergartens in connection with the public schools of the district for the instruction of resident children below school age during the regular school term.~~
- q. ~~Establishing, maintaining, and conducting a public recreation system.~~
- r. ~~The district's share of contribution to finance an interdistrict cooperative agreement authorized by section 15.1-09-40.~~

2. This limitation does not apply to mill levies pursuant to subdivisions a, c, f, and j of subsection 1. If a school district maintained a levy to finance either its participation in a cooperative career and technical education program or its sponsorship of single district career and technical education programs prior to July 1, 1983, and the district discontinues its participation in or sponsorship of those career and technical education programs, that district must reduce the proposed aggregated expenditure amount for which its general fund levy is used by the dollar amount raised by its prior levy for the funding of those programs.
3. All proceeds of any levy established pursuant to this section must be placed in the school district's general fund account and may be expended to achieve the purposes for which the taxes authorized by this section are levied. Proceeds from levies established pursuant to this section and funds provided to school districts pursuant to chapter 15.1-27 may not be transferred to the building fund within the school district.
1. For taxable years after 2013, the board of a school district may levy a tax not exceeding the amount in dollars that the school district levied for the prior year, plus twelve percent, up to a levy of seventy mills on the taxable valuation of the district, for any purpose related to the provision of educational services. The proceeds of this levy must be deposited into the school district's general fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
2. For taxable years after 2013, the board of a school district may levy no more than twelve mills on the taxable valuation of the district, for miscellaneous purposes and expenses. The proceeds of this levy must be deposited into a special fund known as the miscellaneous fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
3. The board of a school district may levy no more than three mills on the taxable valuation of the district for deposit into a special reserve fund, in accordance with chapter 57-19.
4. The board of a school district may levy no more than the number of mills necessary, on the taxable valuation of the district, for the payment of tuition, in accordance with section 15.1-29-15. The proceeds of this levy must be deposited into a special fund known as the tuition fund and used in accordance with this subsection. The proceeds may not be transferred into any other fund.
5. Nothing in this section limits the board of a school district from levying:
 - a. Mills for a building fund, as permitted in sections 15.1-09-49 and 57-15-16; and
 - b. Mills necessary to pay principal and interest on the bonded debt of the district, including the mills necessary to pay principal and interest on any bonded debt incurred under section 57-15-17.1 before July 1, 2013.
6. For the taxable year 2013 only, the board of a school district may levy, for the purposes described in subsections 1 and 2, a tax not exceeding the amount in dollars determined under this subsection, plus twelve percent, up to a combined levy of eighty-two mills. For purposes of this subsection, the

allowable increase in dollars is determined by multiplying the 2013 taxable valuation of the district by the sum of sixty mills plus the number of mills levied in 2012 for miscellaneous expenses under sections 57-15-14.5 and 57-15-17.1.

SECTION 50. AMENDMENT. Section 57-15-14.5 of the North Dakota Century Code is amended and reenacted as follows:

57-15-14.5. Long-distance learning and educational technology levy –~~Voter approval.~~

- ~~1. The school board of a public school district may, upon approval by a majority vote of the qualified electors of the school district voting on the question at any regular or special election, dedicate a tax levy for purposes of this section not to exceed five mills on the dollar of taxable valuation of property within the district.~~
- ~~2. All revenue accruing from the levy under this section must be used only for purposes of establishing and maintaining long-distance learning and purchasing and maintaining educational technology. For purposes of this section, educational technology includes computer software, computers and computer networks, other computerized equipment, which must be used for student instruction, and the salary of a staff person to supervise the use and maintenance of educational technology.~~
- ~~3. If the need for the fund terminates, the governing board of the public school district shall order the termination of the levy and On July 1, 2013, each school district shall transfer the remaining any balance remaining in its long-distance learning and educational technology fund to the general fund of the school district.~~

SECTION 51. AMENDMENT. Section 57-15-17 of the North Dakota Century Code is amended and reenacted as follows:

57-15-17. Disposition of building fund tax.

Revenue raised for building purposes shall be disposed of as follows:

1. a. All revenue accruing from appropriations or tax levies for a school district building fund together with such amounts as may be realized for building purposes from all other sources must be placed in a separate fund known as a school building fund and must be deposited, held, or invested in the same manner as the sinking funds of such school district or in the purchase of shares or securities of federal or state-chartered savings and loan associations within the limits of federal insurance.
- b. The funds may only be used for the following purposes:
 - (1) ~~The erection~~construction of new school district buildings ~~or and facilities, or additions to old;~~
 - (2) ~~The renovation, repair, or expansion of~~ school district buildings ~~or and facilities, or the making of major repairs to existing buildings or facilities, or improvements to school land and site. For purposes of this paragraph, facilities may include parking lots, athletic complexes, or any other real property owned by the school district.~~

- ~~(3) The improvement of school district buildings, facilities, and real property;~~
- ~~(4) The leasing of buildings and facilities;~~
- ~~(2)(5) The payment of rentals upon contracts with the state board of public school education;~~
- ~~(3)(6) The payment of rentals upon contracts with municipalities for career and technical education facilities financed pursuant to chapter 40-57;~~
- ~~(4) Within the limitations of school plans as provided in subsection 2 of section 57-15-16; and~~
- ~~(5)(7) The payment of principal, premium, if any premiums, and interest on bonds issued pursuant to in accordance with subsection 7 of section 21-03-07.~~
- ~~(6) The payment of premiums for fire and allied lines, liability, and multiple peril insurance on any building and its use, occupancy, fixtures, and contents.~~
- c. The custodian of the funds may pay out the funds only upon order of the school board, signed by the president and the business manager of the school district. The order must recite upon its face the purpose for which payment is made.
2. Any moneys remaining in a school building fund after the completion of the payments for any school building project which has cost seventy-five percent or more of the amount in such building fund at the time of letting the contracts therefor shall be returned to the general fund of the school district upon the order of the school board.
 3. The governing body of any school district may pay into the general fund of the school district any moneys which have remained in the school building fund for a period of ten years or more, and such district may include the same as a part of its cash on hand in making up its budget for the ensuing year. In determining what amounts have remained in said fund for ten years or more, all payments which have been paid from the school building fund for building purposes shall be considered as having been paid from the funds first acquired.
 4. Whenever collections from the taxes levied for the current budget and other income are insufficient to meet the requirements for general operating expenses, a majority of the governing body of a school district may transfer unobligated funds from the school building fund into the general fund of the school district if the school district has issued certificates of indebtedness equal to fifty percent of the outstanding uncollected general fund property tax. No school district may transfer funds from the school building fund into the general fund for more than two years.

SECTION 52. AMENDMENT. Section 57-15-17.1 of the North Dakota Century Code is amended and reenacted as follows:

~~57-15-17.1. School board levies - Multiyear mercury and hazardous substance abatement or removal - Required remodeling - Alternative education programs - Heating, ventilation, and air-conditioning systems - Discontinuation of special funds - Required transfers.~~

~~1. The governing body of any public school district may by resolution adopted by a two-thirds vote of the school board dedicate a tax levy for purposes of this section of not exceeding fifteen mills on the dollar of taxable valuation of property within the district for a period not longer than fifteen years. The school board may authorize and issue general obligation bonds to be paid from the proceeds of this dedicated levy for the purpose of:~~

- ~~a. Providing funds for the abatement or removal of mercury and other hazardous substances from school buildings in accordance with any method approved by the United States environmental protection agency and for any repair, replacement, or remodeling that results from the abatement or removal of such substances;~~
 - ~~b. Any remodeling required to meet specifications set by the Americans with Disabilities Act accessibility guidelines for buildings and facilities as contained in the appendix to 28 CFR 36;~~
 - ~~c. Any remodeling required to meet requirements set by the state fire marshal during the inspection of a public school;~~
 - ~~d. Providing alternative education programs; and~~
 - ~~e. Providing funds for the repair, replacement, or modification of any heating, ventilation, or air-conditioning systems and required ancillary systems to provide proper indoor air quality that meets American society of heating, refrigerating and air-conditioning engineers, incorporated standards.~~
- ~~2. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 3, 4, and 5 must be placed in a separate fund known as the mercury and hazardous substance abatement or removal fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of mercury and hazardous substance abatement or removal.~~
- ~~3. All revenue accruing from up to five mills of the fifteen-mill levy under this section must be placed in a separate fund known as the required remodeling fund and must be accounted for within the capital projects fund group and disbursements must be made from such funds within this fund group for the purpose of required remodeling, as set forth in subsection 1.~~
- ~~4. All revenue accruing from up to ten mills of the fifteen-mill levy under this section may be placed in a separate fund known as the alternative education program fund. Disbursement may be made from the fund for the purpose of providing an alternative education program but may not be used to construct or remodel facilities used to accommodate an alternative education program.~~
- ~~5. All revenue accruing from the levy under this section, except revenue deposited as allowed by subsections 2, 3, and 4, must be placed in a separate fund known as the heating, ventilation, and air conditioning upgrade fund and must be accounted for within the capital projects fund group and~~

~~disbursements must be made from such funds within this fund group for the purpose of improving indoor air quality.~~

- 6- ~~Any~~ On July 1, 2013, each school district shall transfer to its building fund or its general fund any moneys remaining in the mercury and hazardous substance abatement or removal fund after completion of the principal and interest payments for any bonds issued for any school mercury and hazardous substance abatement or removal project, ~~any funds, any moneys~~ remaining in the required remodeling fund after completion of the remodeling projects, ~~any funds, any moneys~~ remaining in the alternative education program fund at the termination of the program, and any ~~funds~~ moneys remaining in the heating, ventilation, and air-conditioning upgrade fund after completion of the principal and interest payments for any bonds issued for any indoor air quality project must be transferred to the general fund of the school district upon the order of the school board.

SECTION 53. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy.

The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
7. ~~The amount reported to a school district by the superintendent of public instruction as the school district's mill levy reduction grant for the year under section 57-64-02.~~

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy.

SECTION 54. AMENDMENT. Section 57-19-01 of the North Dakota Century Code is amended and reenacted as follows:

57-19-01. School district may establish special reserve fund.

~~Each school district in this state may establish and maintain a special reserve fund which must be separate and distinct from all other funds now authorized by law and which may not exceed in amount at any one time the sum. The balance of~~

~~moneys in the fund may not exceed that which could be produced by a levy of the maximum mill levy allowed by law fifteen mills in that district for that year.~~

SECTION 55. AMENDMENT. Section 57-19-02 of the North Dakota Century Code is amended and reenacted as follows:

57-19-02. Special reserve fund - Separate trust fund.

~~The special reserve fund is a separate trust fund for the use and benefit of the school district, to be drawn upon as provided in this chapter.~~

- ~~1. Moneys in the special reserve fund may be deposited, held, or invested in the same manner as the sinking fund of the district or in the purchase of shares or securities of federal savings and loan associations or state-chartered building and loan associations, within the limits of federal insurance. ~~The school district business manager shall annually, upon a resolution of the school board, transfer to the school district general fund any part or all of the investment income or interest earned by the principal amount of the school district's special reserve fund.~~~~
- ~~2. Each July first, the board of the school district shall transfer from the special reserve fund to the district's general fund any amount that exceeds the limitation in section 57-19-01.~~

SECTION 56. AMENDMENT. Section 57-19-09 of the North Dakota Century Code is amended and reenacted as follows:

57-19-09. When fund may be transferred.

~~Any school district which has heretofore by mistake, or for any other reason, considered all or any part of a special reserve fund, as provided for in chapter 57-19, in determining the budget for the school district which has deducted all or any part of the funds in such special reserve fund from the amount necessary to be levied for any school fiscal year, may transfer from the special reserve fund into the general fund all or any part of such amounts which have been so considered contrary to the provisions of section 57-19-05. Any school district special reserve fund and the tax levy therefor may be discontinued by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election. Any moneys remaining unexpended in such special reserve fund must be transferred to the building or general fund of the school district. The discontinuance of a special reserve fund shall not decrease the school district tax levies otherwise provided for by law by more than twenty percent. A special reserve fund and the tax levy therefor which has been discontinued may be reinstated by a vote of sixty percent of the electors of the school district voting upon the question at any special or general election.~~

SECTION 57. SCHOOL DISTRICT SUPPLEMENTAL ASSISTANCE PAYMENT.

1. A school district is entitled to a one-time supplemental assistance payment if:
 - a. During the 2012-13 school year, the school district participated with one other school district in a cooperative agreement approved by the superintendent of public instruction;
 - b. At the conclusion of the 2012-13 school year, the school district with which it cooperated became part of a reorganized district; and

- c. Students who resided in the school district and who attended school in one of the reorganizing districts during the 2012-13 school year enroll in their district of residence for the 2013-14 school year.
2. The supplemental assistance payment to which a school district is entitled under this section must be based on the number of its resident students in average daily membership that had attended school under the referenced cooperating agreement in a district other than their school district of residence during the 2012-13 school year and that enrolled in their school district of residence for the 2013-14 school year. That number, as determined by the superintendent of public instruction, must be multiplied by \$8,810.
3. The superintendent of public instruction shall base the supplemental assistance payment on the school district's September tenth enrollment report.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent shall reserve the first \$158,150, or so much of that amount as may be necessary, to provide the supplemental assistance payment required by this section.
5. The supplemental assistance payment is not available to any school district that is entitled to a rapid enrollment grant, as a result of legislation enacted by the sixty-third legislative assembly.

SECTION 58. LEGISLATIVE MANAGEMENT STUDY - FUNDING OF EDUCATION - ACCOUNTABILITY - COMMITTEE ESTABLISHMENT.

1. The legislative management shall appoint a committee to examine and clarify state-level and local-level responsibility for the equitable and adequate funding of elementary and secondary education in this state.
2. The committee shall:
 - a. Define what constitutes "education" for purposes of meeting the state's constitutional requirements;
 - b. Examine the distribution of financial and managerial responsibility for transportation, athletics and activities, course offerings beyond those that are statutorily required, and other nonmandatory offerings and services;
 - c. Examine the distribution of financial and managerial responsibility for school construction;
 - d. Examine the organizational structure for educational delivery in this state, in light of demographic changes, to ensure effectiveness and efficiency;
 - e. Examine the benefits and detriments of statutorily limiting school districts in their ability to generate and expend property tax dollars; and
 - f. Define what constitutes "adequacy" for purposes of funding education.

3. The committee shall:
 - a. Examine concepts of accountability in elementary and secondary education;
 - b. Examine the performance of North Dakota students in state and national assessments to determine whether recent legislative efforts have effected measurable improvements in student achievement; and
 - c. Examine high school curricular requirements, content standards, and teacher training and qualifications to determine whether North Dakota students are being adequately prepared for the various assessments and for their first year of enrollment in institutions of higher education.
4. The committee shall examine the effectiveness of teacher, principal, and superintendent evaluation systems.
5. 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 59. APPROPRIATION. 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, to the legislative council for the purpose of contracting with consultants and other personnel necessary to complete the study of education funding and accountability, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 60. SCHOOL CONSTRUCTION LOANS - UNCOMMITTED MONEYS - ADDITIONAL PURPOSES. Notwithstanding section 15.1-36-02, if as of December 31, 2014, any portion of the \$150,000,000 referenced in subdivision b of subsection 1 of section 15.1-36-02 remains uncommitted for the purpose of providing school construction loans, the state board of university and school lands may authorize up to \$50,000,000 of the uncommitted amount for the purpose of providing medical facility infrastructure loans in accordance with Senate Bill No. 2187, as enacted by the sixty-third legislative assembly.

SECTION 61. AUTISM SPECTRUM DISORDER - TECHNOLOGY GRANT - TRANSFER.

1. During the 2014-15 school year, the department of career and technical education shall provide a grant to an institution implementing a certificate program that prepares individuals with autism spectrum disorder for employment in the technology sector.
2. The amount of the grant must be determined by multiplying the per student payment rate established in subdivision b of subsection 3 of section 15.1-27-04.1 by the number of students that completed the program, up to a maximum of thirty students.
3. The grant recipient shall provide a report to the legislative management regarding program graduates who found employment in the technology sector, their starting salaries, and their total compensation.
4. Notwithstanding section 15.1-27-22.1, if any moneys remain in the grants - state school aid line item after the superintendent of public instruction

complies with all statutory payment obligations imposed for the 2011-13 biennium, the superintendent may transfer \$250,000, or so much of that amount as may be necessary, to the department of career and technical education, to provide the autism spectrum disorder grant required by this section.

SECTION 62. SUSPENSION. Sections 15.1-27-04, 15.1-27-11, 15.1-27-22.1, 15.1-27-42, 15.1-27-43, 15.1-27-44, 15.1-32-20, 57-15-14.4, and 57-19-04 of the North Dakota Century Code are suspended through June 30, 2015.

³ **SECTION 63. SUSPENSION.** Chapter 57-64 of the North Dakota Century Code is suspended for the first two taxable years beginning after December 31, 2012.

SECTION 64. REPEAL. Sections 15.1-27-07.1 and 57-19-10 of the North Dakota Century Code are repealed.

SECTION 65. EFFECTIVE DATE. Section 30 of this Act becomes effective July 1, 2015.

SECTION 66. EXPIRATION DATE. Sections 33 through 35, 38, 40, 44, 51, and 54 through 56 of this Act are effective through June 30, 2015, and after that date are ineffective.

SECTION 67. EFFECTIVE DATE - EXPIRATION DATE.

1. Sections 21, 27, 28, 42, 45 through 50, 52, and 53 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective.
2. Section 57-15-17.1 remains effective through June 30, 2013, for the purpose of any levy and bond issuance authorized by the board of a school district from January 1, 2013, through June 30, 2013. The amendment to section 57-15-17.1, as set forth in section 52 of this Act, is effective beginning July 1, 2013, for the duration of the 2013 taxable year, and for the taxable year beginning after December 31, 2013.

SECTION 68. EMERGENCY. Sections 3, 44, 57, and 61 of this Act are declared to be an emergency measure.

Approved May 14, 2013
Filed May 15, 2013

³ Section 57-64-02 was also amended by section 13 of House Bill No. 1043, chapter 63.

CHAPTER 14

HOUSE BILL NO. 1014

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the committee on protection and advocacy for the purpose of defraying the expenses of the committee on protection and advocacy, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Protection and advocacy operations	\$5,104,253	\$567,331	\$5,671,584
Accrued leave payments	0	93,590	93,590
Total all funds	\$5,104,253	\$660,921	\$5,765,174
Less estimated income	<u>3,118,888</u>	<u>114,724</u>	<u>3,233,612</u>
Total general fund	\$1,985,365	\$546,197	\$2,531,562
Full-time equivalent positions	28.50	(1.00)	27.50

Approved April 29, 2013
 Filed April 29, 2013

CHAPTER 15

HOUSE BILL NO. 1015

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

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to create and enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to political subdivisions submitting budget information to the state budget database website; to amend and reenact section 14-03.2-05 as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, section 15.1-27-25, subsection 1 of section 23-35-07, subsection 4 of section 23-35-08, subsection 2 of section 41-09-87, sections 48-10-02 and 54-44.1-04, and subsection 1 of section 57-02-08.1 as amended by Senate Bill No. 2171, and subdivision e of subsection 1 of section 62.1-04-03 as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly, of the North Dakota Century Code and section 12 of House Bill No. 1012, section 1 of House Bill No. 1019, section 5 of House Bill No. 1020, sections 5, 6, and 7 of House Bill No. 1358, and section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, relating to marital agreement requirements, distributions of royalties, health district budgets, the capitol building fund, Uniform Commercial Code filings, agency budget requests, homestead tax credit, concealed weapons permits, grants to a jurisdiction adjacent to an Indian reservation, appropriations for defraying the expenses of the parks and recreation department, loans to the western area water supply authority, transportation funding distributions, and research North Dakota grants; to provide exemptions; to provide an exception to general fund transfers to the budget stabilization fund; to provide for the use of funds by the department of human services; to provide for various transfers; to provide legislative intent; to provide for a budget section report; to provide for legislative management studies; to provide an effective date; to provide a contingent effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$18,477,763	\$1,475,552	\$19,953,315
Operating expenses	13,755,254	641,534	14,396,788
Emergency commission contingency fund	700,000	0	700,000
Capital assets	5,190,143	4,760,922	9,951,065
Grants	430,000	0	430,000

Prairie public broadcasting	1,000,000	937,138	1,937,138
State student internship program	200,000	0	200,000
Health insurance pool - temporary employees	0	2,000,000	2,000,000
Accrued leave payments	0	570,412	570,412
Total all funds	\$39,753,160	\$10,385,558	\$50,138,718
Less estimated income	10,514,461	(783,831)	9,730,630
Total general fund	\$29,238,699	\$11,169,389	\$40,408,088
Full-time equivalent positions	131.50	(1.00)	130.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Capitol envelope	\$2,800,000	\$0
Capitol complex parking lot repairs	800,000	4,000,000
North Dakota 125 th anniversary coordinator	50,000	190,000
Board of integrative health	4,000	0
State transfers	474,700,000	0
Capitol south entrance	0	1,000,000
Exterior restoration of legislative and j-wing	0	1,500,000
Prairie public broadcasting	0	600,000
Health insurance pool	0	2,000,000
Repair and cleaning capitol and j-wing	0	1,200,000
Total all funds	\$478,354,000	\$10,490,000
Less estimated income	0	1,000,000
Total general fund	\$478,354,000	\$9,490,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The office of management and budget shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. APPROPRIATION - TRANSFER GENERAL FUND TO PROPERTY TAX RELIEF SUSTAINABILITY FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$315,210,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the property tax relief sustainability fund during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - GENERAL FUND. During the biennium beginning July 1, 2013, and ending June 30, 2015, the director of the office of management and budget shall transfer the sum of \$520,000,000 from the strategic investment and improvements fund to the general fund.

SECTION 5. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND - EXCEPTION. Notwithstanding section 54-27.2-02, the state treasurer and the office of management and budget may not include any general fund appropriations provided in Senate Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to determine general fund transfers to the budget stabilization fund at the end of the 2011-13 biennium under chapter 54-27.2.

SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY - EMERGENCY COMMISSION APPROVAL. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so much of the sum as may be necessary, and from special funds derived from federal funds and other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office of management and budget for a state agency energy development impact funding pool, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this section are considered a one-time funding item.

A state agency may submit an application to the office of management and budget for a transfer of appropriation authority from the state agency energy development impact funding pool for employee housing rental assistance and temporary salary increases for employees affected by energy development. The office of management and budget, subject to emergency commission approval, shall transfer appropriation authority from the state agency energy development impact funding pool to eligible agencies for approved applications.

1. A state agency may submit an application to the office of management and budget to address rental assistance needs for employees in affected areas of the state. Spending authority is limited to six months or until the need for the assistance has ended, whichever occurs first. An agency may submit a renewal application for continued spending authority to address any continued need to provide assistance.
 - a. As part of the application for rental assistance, the agency must identify each position within the agency that requires rental assistance. The agency shall provide a housing survey conducted by the agency or an approved statewide housing survey for the immediate geographical location appropriate to each position for which approval is being requested. The survey must include an identified difference between the state rental rate average and the rental rates for housing in the location where the employee will reside. The survey must describe the methodology used in determining rental differential for that immediate geographical location. For an existing employee or applicant already with housing, the agency must attach the employee's rental agreement from the rental property company. For a newly hired employee, the agency shall forward a copy of the rental agreement after the applicant has been hired and secured housing. The rental agreement must include the following information:
 - (1) Rental company name.
 - (2) Rental company address.
 - (3) Amount of rent.
 - (4) Effective date of lease.
 - b. The office of management and budget shall review the application for rental assistance and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. The applications must be reviewed on an individual position or positions basis based on documented need and affordability.

- c. Rental assistance payments must be based on a housing survey conducted by the agency or a statewide survey subject to review and recommendation by the office of management and budget and approval by the emergency commission. Employees eligible to receive rental assistance include employees currently renting in designated areas of the state and new employees or existing employees transferring into affected areas of the state. The rental assistance payment must be a flat dollar amount based on the difference between the state rental rate average and the rental rates for housing in the location where the employee resides.
 - d. A state agency that has an employee receiving rental assistance must submit documentation to the office of management and budget upon request that verifies the employee's proof of payment.
 - e. A state agency must report any changes to the office of management and budget of the housing status of employees relating to a position that has been approved.
2. A state agency may submit an application for up to six months of salary differential payments for employees living in assigned or in temporarily assigned areas of the state affected by energy development. The application must document the salary level of each affected employee or position compared to statewide and local averages for similar types of employee positions. The office of management and budget shall review the application for salary differential payments and make a recommendation to the emergency commission to approve or reject the request. The emergency commission shall make the final determination on the application. Any salary differential payment provided to an employee does not become part of the employee's permanent base salary.

SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION. The grants line item in section 1 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing community service supervision grants. The office of management and budget shall distribute the grant funds on or before August first during each year of the biennium beginning July 1, 2013, and ending June 30, 2015, to North Dakota community corrections association regions as follows:

Barnes County	\$9,091
Bismarck (urban)	20,293
Bismarck (rural)	10,667
Devils Lake	10,747
Dickinson	12,683
Fargo	24,127
Grand Forks	19,803
Jamestown	13,883
Minot	16,194
Richland County	9,931
Rugby	11,657
Sargent County	8,086
Wells County	8,189
Williston	<u>12,149</u>
Total	\$187,500

Any moneys in the community service supervision fund are appropriated to the office of management and budget for distribution to community corrections association

regions on or before August first of each year during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE HEALTH INSURANCE POOL - TRANSFER AUTHORITY. The office of management and budget may transfer to each eligible agency appropriation authority from the health insurance pool - temporary employees line item contained in section 1 of this Act. Transfers may be made for the purpose of providing temporary employee health insurance adjustments for state employees, including institutions of higher education, determined to be full time based on guidelines developed by the office of management and budget in accordance with the shared responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 9. EXEMPTION. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the accounting, management, and payroll systems, during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 10. INTENT. Within the authority included in section 1 of this Act are the following grants and special items:

Boys and girls clubwork	\$53,000
State memberships and related expenses	\$611,000
Unemployment insurance	\$1,500,000
Capitol grounds planning commission	\$25,000

SECTION 11. STATE STUDENT INTERNSHIP PROGRAM. The human resources division of the office of management and budget may transfer to each eligible agency appropriated general fund spending authority from the state student internship program line item contained in section 1 of this Act.

SECTION 12. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line items, as it relates to compensation increases authorized in section 13 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015. However, agencies may not transfer appropriation authority from the accrued leave payments line item under authority granted in this section. The agencies shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES - BUDGET SECTION APPROVAL. It is the intent of the sixty-third legislative assembly that 2013-15 biennium compensation adjustments for classified state employees are to be in a range of 3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for the second year of the biennium based on documented performance. Increases for classified state employees are not to be the same percentage increase for each employee. The performance increases for the first year of the biennium are to be given beginning with the month of July 2013, to be paid in August 2013, and for the second year of the biennium are to be given beginning with the month of July 2014, to be paid in August 2014. An additional compensation adjustment for each year of the biennium of up to 2 percent for a classified state employee whose salary is in the first quartile of the employee's assigned salary range and up to 1 percent for a classified state employee whose

salary is in the second quartile of the employee's assigned salary range may be provided to address market equity.

It is the intent of the sixty-third legislative assembly that the goal of the classified state employee compensation program be a compensation ratio of 95 percent of the market policy point used by the office of management and budget for establishing the grade and salary range structure for fiscal year 2013. The office of management and budget, subject to budget section approval, may adjust the market policy point based on an estimated inflationary factor during the 2013-15 biennium. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for regular classified employees in accordance with provisions of this section and section 54-44.3-01.2.

Compensation adjustments for regular nonclassified state employees are to be in a range of 3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for the second year of the biennium based on market and documented performance and are not to be the same percentage increase for each employee. The market and performance increases are to be given beginning with the month of July 2013 for the first year of the biennium, to be paid in August 2013, and beginning with the month of July 2014 for the second year of the biennium, to be paid in August 2014.

Probationary employees are not entitled to the market and performance increases. However, probationary employees may be given all or a portion of the increases upon completion of probation, at the discretion of the appointing authority. Employees whose overall documented performance level does not meet standards are not eligible for any salary increase.

Each agency appropriation is increased to provide additional funding of \$95 per month for each eligible employee to maintain existing health insurance benefits. As a percentage of the average state employee monthly salary, this amount represents a 2.35 percent increase.

SECTION 14. ACCRUED LEAVE PAYMENTS LINE ITEM - PILOT PROJECT - LINE ITEM TRANSFERS - EMERGENCY COMMISSION APPROVAL. The accrued leave payments line item included in agency appropriation bills, as approved by the sixty-third legislative assembly, includes funding for a pilot project for the biennium beginning July 1, 2013, and ending June 30, 2015, for paying accrued annual leave and sick leave for eligible employees resigning, retiring, or otherwise discontinuing employment with the agency. The emergency commission may approve agency requests for line item transfers from the accrued leave payments line item to the salaries and wages line item or other line item that includes salaries and wages funding subject to the agency providing documentation justifying the need for the funding transfer for the biennium beginning July 1, 2013, and ending June 30, 2015. For the purpose of determining salaries and wages amounts under section 54-27-10, the office of management and budget shall consider the amounts included in the accrued leave payments line item as part of the appropriation for salaries and wages.

SECTION 15. TRANSFERS - RACING COMMISSION FUNDS. Upon the request of the North Dakota racing commission, the office of management and budget shall transfer up to \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds transferred under this section must be used to promote additional horse races in the state during the biennium beginning July 1, 2013, and ending June 30, 2015. Notwithstanding any other provision of law, the office of management and budget shall deposit any funds

designated for the purse fund and racing promotion fund under section 53-06.2-11 in the breeders' fund until the deposits equal the transfers made to the purse fund and racing promotion fund as provided under this section.

SECTION 16. PROCUREMENT REQUIREMENTS - DEPARTMENT OF TRANSPORTATION AIRPLANE REPLACEMENT. The purchase of airplanes by the department of transportation under the authorization granted in section 5 of House Bill No. 1033, as approved by the sixty-third legislative assembly, is exempt from the procurement provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter.

SECTION 17. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES. The department of human services may use a portion of the funds appropriated for grants to critical access hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative assembly, for the purpose of providing a grant to an organization to assist hospitals in developing a system to verify patient personal and health insurance information. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section. The organization that receives the grant shall provide reports on the development and impact of the system to the department of human services in December and June of each year of the biennium.

SECTION 18. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS - CONTINGENT GRANT. If the department of human services has not projected a 2013-15 biennium appropriation deficiency on or after July 1, 2014, the department of human services may award a grant from its general fund appropriation to an entity eligible under subsection 2 of section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30, 2015. The amount provided under this section is in addition to, and may not exceed, the total amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly.

SECTION 19. AMENDMENT. Section 14-03.2-05 of the North Dakota Century Code as created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

14-03.2-05. Formation requirements.

A premarital agreement or marital agreement must be in a record and signed by both parties. The agreement is enforceable without consideration. ~~A marital agreement created pursuant to this chapter must be signed within the first one hundred twenty days of the marriage.~~

SECTION 20. AMENDMENT. Section 15.1-27-25 of the North Dakota Century Code is amended and reenacted as follows:

15.1-27-25. Royalties available under federal law - Distribution to counties and school districts - Continuing appropriation.

1. Any money paid to the state by the secretary of the treasury of the United States under the provisions of an Act of Congress entitled "An Act to promote the mining of coal, phosphate, oil, oil shale, gas, and sodium on the public domain" [Pub. L. 66-146; 41 Stat. 437; 30 U.S.C. 181 et seq.] must be credited to the state general fund and the federal mineral royalties distribution fund and must be distributed only pursuant to the terms of this section.

⁴ Section 14-03.2-05 was created by section 1 of House Bill No. 1128, chapter 121.

2. Within three months following the calendar quarters ending in March, June, September, and December, the state auditor shall certify to the state treasurer the amount of money the state received during the preceding calendar quarter for royalties under the Act of Congress cited in subsection 1.
3. The state treasurer shall allocate the percentage of the total moneys received as required by this section among the counties in which the minerals were produced based on the proportion each county's mineral royalty revenue bears to the total mineral royalty revenue received by the state for that calendar quarter. The state treasurer shall pay the amount calculated to each county.
4. The counties may use any money received under this section only for the planning, construction, and maintenance of public facilities and the provision of public services. As used in this section, public facilities include any facility used primarily for public use as determined by the board of county commissioners whether located on public or private property.
5. The percentage of money received by the state under the Act of Congress cited in subsection 1 which must be allocated and paid to the counties under this section is ~~ten percent for collections in 2000, twenty percent for collections in 2001, thirty percent for collections in 2002, forty percent for collections in 2003, and fifty percent for collections in 2004 and thereafter.~~
6. Any remaining money received by the state under the Act of Congress cited in subsection 1 must be distributed to school districts as provided for in this chapter. Any moneys distributed under this subsection are deemed the first moneys withdrawn or expended from the general fund for the purpose of state aid to school districts.
7. A reserve for distributions to counties pursuant to this section is created as a special fund in the state treasury known as the federal mineral royalties distribution fund. The state treasurer shall deposit in the fund fifty percent of amounts received pursuant to this section.
8. The funds needed to make the distribution to counties, as provided for in this section, are hereby appropriated on a continuing basis.

⁵ **SECTION 21. AMENDMENT.** Subsection 1 of section 23-35-07 of the North Dakota Century Code is amended and reenacted as follows:

1. A district board of health shall prepare a budget for the next fiscal year at the time at which and in the manner in which a county budget is adopted and shall submit this budget to the joint board of county commissioners for approval. The amount budgeted and approved must be prorated in health districts composed of more than one county among the various counties in the health district according to the taxable valuation of the respective counties in the health district. For the purpose of this section, "prorated" means that each member county's contribution must be based on an equalized mill levy throughout the district, except as otherwise permitted under subsection 3 of section 23-35-05. Within ten days after approval by the joint board of county commissioners, the district board of health shall certify the budget to the respective county auditors and the budget must be included in the levies of

⁵ Section 23-35-07 was also amended by section 6 of Senate Bill No. 2030, chapter 217.

the counties. The budget, not including gifts, grants, donations, and contributions, may not exceed the amount that can be raised by a levy of five mills on the taxable valuation, subject to public hearing in each county in the health district at least fifteen days before an action taken by the joint board of county commissioners. Action taken by the joint board of county commissioners must be based on the record, including comments received at the public hearing. A levy under this section is not subject to the limitation on the county tax levy for general and special county purposes. The amount derived by a levy under this section must be placed in the health district fund. The health district fund must be deposited with and disbursed by the treasurer of the district board of health. Each county in a health district quarterly shall remit and make settlements with the treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried over to the next fiscal year.

⁶ **SECTION 22. AMENDMENT.** Subsection 4 of section 23-35-08 of the North Dakota Century Code is amended and reenacted as follows:

4. May accept and receive expend any gift, grant, donation, or other contribution offered to aid in the work of the board of health or public health unit.

⁷ **SECTION 23. AMENDMENT.** Subsection 2 of section 41-09-87 of the North Dakota Century Code, as effective after June 30, 2013, is amended and reenacted as follows:

2. Filing does not occur with respect to a record that a filing office refuses to accept because:
 - a. The record is not communicated by a method or medium of communication authorized by the filing office;
 - b. An amount equal to or greater than the applicable filing fee is not tendered;
 - c. The filing office is unable to index the record because:
 - (1) In the case of an initial financing statement, the record does not provide a name for the debtor;
 - (2) In the case of an amendment or information statement, the record:
 - (a) Does not identify the initial financing statement as required by section 41-09-83 or 41-09-89, as applicable; or
 - (b) Identifies an initial financing statement whose effectiveness has lapsed under section 41-09-86;
 - (3) In the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously

⁶ Section 23-35-08 was also amended by section 7 of Senate Bill No. 2030, chapter 217.

⁷ Section 41-09-87 was also amended by section 25 of House Bill No. 1136, chapter 257.

provided in the financing statement to which the record relates, the record does not identify the debtor's surname; or

- (4) In the case of a record filed or recorded in the filing office described in subdivision a of subsection 1 of section 41-09-72, the record does not provide a sufficient description of the real property to which it relates;
- d. In the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;
- e. In the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:
 - (1) Provide a mailing address for the debtor; or
 - (2) Indicate whether the name provided as the name of the debtor is the name of an individual or an organization;
- f. In the case of an assignment reflected in an initial financing statement under subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of section 41-09-85, the record does not provide a name and mailing address for the assignee; or
- g. In the case of a continuation statement, the record is not filed within the six-month period prescribed by subsection 4 of section 41-09-86; or
- h. The record does not contain the social security number or the internal revenue service taxpayer identification number of the debtor.

SECTION 24. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

48-10-02. Capitol building fund to be administered by the capitol grounds planning commission - Continuing appropriation - Procedure for expenditure of certain funds.

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such funds to be sold at market value, direct the conversion of any securities now held by such funds to cash, approve expenditures from such funds subject to law and legislative appropriations, and to do all other things necessary to carry out the intent and purposes of this section. The board of university and school lands or its designee, on the commission's behalf, shall see to the investment and management of the capitol building fund and its interest and income fund and shall account to the commission concerning these funds at the commission's request.

Provided further, all moneys and other property in the capitol building fund, except as otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the construction of an addition to the legislative wing of the state capitol building, and the capitol grounds planning commission shall take necessary steps to accumulate and conserve the money and property in the capitol building fund for such purpose.

The commission may, during any biennium, expend from the interest and income fund of the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the first day of any biennium, and such amount is hereby appropriated to the capitol grounds planning commission. The expenditure may be made, after consideration of the capitol grounds master plan, for projects or planning but shall not exceed one hundred seventy-five thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds of the total membership of the commission. The expenditure must be made upon a voucher, or vouchers, prepared by the office of management and budget at the direction of the commission.

SECTION 25. AMENDMENT. Section 54-44.1-04 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The budget estimates for the North Dakota university system must include block grants for the university system for a base funding component and for an initiative funding component for specific strategies or initiatives and a budget estimate for an asset funding component for renewal and replacement of physical plant assets at the institutions of higher education. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget in the director's discretion may extend the filing date for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension set by the director of the budget, the director of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director designates shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

(Effective after July 31, 2013) Budget estimates of budget units filed with the office of the budget - Deadline.

The head of each budget unit, not later than July fifteenth of each year next preceding the session of the legislative assembly, shall submit to the office of the budget, estimates of financial requirements of the person's budget unit for the next two fiscal years, on the forms and in the manner prescribed by the office of the budget, with such explanatory data as is required by the office of the budget and such additional data as the head of the budget unit wishes to submit. The estimates so submitted must bear the approval of the board or commission of each budget unit for which a board or commission is constituted. The director of the budget may extend the filing date by up to sixty days for any budget unit if the director finds there is some circumstance that makes it advantageous to authorize the extension. If a budget unit has not submitted its estimate of financial requirements by the required date or within a period of extension of up to sixty days set by the director of the budget, the director

of the budget shall prepare the budget unit's estimate of financial requirements except the estimate may not exceed ninety percent of the budget unit's previous biennial appropriation. The director of the budget or a subordinate officer as the director shall designate shall examine the estimates and shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto and, when requested, shall grant to the heads of budget units a hearing thereon which must be open to the public.

SECTION 26. A new subsection to section 54-44.1-18 of the North Dakota Century Code is created and enacted as follows:

The governing body of each political subdivision may submit the annual budget adopted by the governing body to the director of the budget. The director of the budget shall include on the office of management and budget website any information submitted by a participating governing body of a political subdivision. The official who submits the annual budget to the director of the budget may not submit any information that is confidential under state or federal law. In lieu of submitting the annual budget adopted by the governing body to the director, any participating governing body may provide to the director a publicly accessible internet link on which the annual budget adopted by the participating governing body is available.

⁸ **SECTION 27. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

1. a. Any person sixty-five years of age or older or permanently and totally disabled, in the year in which the tax was levied, with an income that does not exceed the limitations of subdivision c is entitled to receive a reduction in the assessment on the taxable valuation on the person's homestead. An exemption under this subsection applies regardless of whether the person is the head of a family.
- b. The exemption under this subsection continues to apply if the person does not reside in the homestead and the person's absence is due to confinement in a nursing home, hospital, or other care facility, for as long as the portion of the homestead previously occupied by the person is not rented to another person.
- c. The exemption must be determined according to the following schedule:
 - (1) If the person's income is not in excess of twenty-two thousand dollars, a reduction of one hundred percent of the taxable valuation of the person's homestead up to a maximum reduction of four thousand five hundred dollars of taxable valuation.
 - (2) If the person's income is in excess of twenty-two thousand dollars and not in excess of twenty-six thousand dollars, a reduction of eighty percent of the taxable valuation of the person's homestead up to a maximum reduction of three thousand six hundred dollars of taxable valuation.

⁸ Section 57-02-08.1 was also amended by section 4 of House Bill No. 1106, chapter 443, and section 1 of Senate Bill No. 2171, chapter 442.

- (3) If the person's income is in excess of twenty-six thousand dollars and not in excess of thirty thousand dollars, a reduction of sixty percent of the taxable valuation of the person's homestead up to a maximum reduction of two thousand seven hundred dollars of taxable valuation.
- (4) If the person's income is in excess of thirty thousand dollars and not in excess of thirty-four thousand dollars, a reduction of forty percent of the taxable valuation of the person's homestead up to a maximum reduction of one thousand eight hundred dollars of taxable valuation.
- (5) If the person's income is in excess of thirty-four thousand dollars and not in excess of thirty-eight thousand dollars, a reduction of twenty percent of the taxable valuation of the person's homestead up to a maximum reduction of nine hundred dollars of taxable valuation.
- (6) If the person's income is in excess of thirty-eight thousand dollars and not in excess of forty-two thousand dollars, a reduction of ten percent of the taxable valuation of the person's homestead up to a maximum reduction of four hundred fifty dollars of taxable valuation.
- d. Persons residing together, as spouses or when one or more is a dependent of another, are entitled to only one exemption between or among them under this subsection. Persons residing together, who are not spouses or dependents, who are coowners of the property are each entitled to a percentage of a full exemption under this subsection equal to their ownership interests in the property.
- e. This subsection does not reduce the liability of any person for special assessments levied upon any property.
- f. Any person claiming the exemption under this subsection shall sign a verified statement of facts establishing the person's eligibility.
- g. A person is ineligible for the exemption under this subsection if the value of the assets of the person and any dependent residing with the person exceeds five hundred thousand dollars, including the value of any assets divested within the last three years.
- h. The assessor shall attach the statement filed under subdivision f to the assessment sheet and shall show the reduction on the assessment sheet.
- i. An exemption under this subsection terminates at the end of the taxable year of the death of the applicant.

⁹ **SECTION 28. AMENDMENT.** Subdivision e of subsection 1 of section 62.1-04-03 of the North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

- e. The applicant satisfactorily completes the bureau of criminal investigation application form and has successfully passed the criminal history records check conducted by the bureau of criminal investigation and the federal bureau of investigation. The applicant shall provide all documentation relating to any court-ordered treatment or commitment for mental health or

⁹ Section 62.1-04-03 was also amended by section 9 of House Bill No. 1327, chapter 491.

alcohol or substance abuse. The applicant shall provide the director of the bureau of criminal investigation written authorizations for disclosure of the applicant's mental health and alcohol or substance abuse evaluation and treatment records. The bureau may deny approval for a ~~class 1 firearm~~ license if the bureau has reasonable cause to believe that the applicant or licenseholder has been or is a danger to self or others as demonstrated by evidence, including past pattern of behavior involving unlawful violence or threats of unlawful violence; past participation in incidents involving unlawful violence or threats of unlawful violence; or conviction of a weapons offense. In determining whether the applicant or licenseholder has been or is a danger to self or others, the bureau may inspect expunged records of arrests and convictions of adults and juvenile court records; and

SECTION 29. AMENDMENT. Section 12 of House Bill No. 1012, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 12. GRANTS. The grants line item in subdivision 2 of section 1 of this Act includes \$300,000, or so much of the sum as may be necessary, from the general fund for grants to a jurisdiction that is adjacent to an Indian reservation but does not receive reimbursement payments under section 50-01.2-03.2 and is determined by the department of human services to be the most significantly impacted based on calendar year 2012 data for the first year of the biennium and calendar year 2013 data for the second year of the biennium considering the provisions of subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and ending June 30, 2015. ~~No more than fifty percent of this appropriation may be distributed in each fiscal year of the biennium.~~

SECTION 30. AMENDMENT. Section 1 of House Bill No. 1019, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	7,489,091	(1,403,216)	6,085,875
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	11,641,632	359,199	12,000,731
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00
Administration	\$2,484,885	\$188,708	\$2,673,593

Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	7,875,122	20,643,325
Recreation	7,489,091	(1,403,216)	6,085,875
Total all funds	\$22,742,179	\$6,842,191	\$29,584,370
Less estimated income	11,641,532	134,199	11,775,731
Total general fund	\$11,100,647	\$6,707,992	\$17,808,639
Full-time equivalent positions	54.00	1.00	55.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	Base Level	Adjustments or Enhancements	Appropriation
International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
Total general fund	\$773,699	\$1,450,000	\$2,223,699

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
Grand total special funds	11,641,632	359,199	12,000,731
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069
Grand total general fund	\$11,874,346	\$8,157,992	\$20,032,338
Grand total special funds	11,641,532	134,199	11,775,731
Grand total all funds	\$23,515,878	\$8,292,191	\$31,808,069

SECTION 31. AMENDMENT. Section 5 of House Bill No. 1020, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

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.~~ previous loans as agreed by the authority industrial commission 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.

SECTION 32. AMENDMENT. Section 5 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation as provided in this section among oil-producing counties that received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~ 2013, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support oil and gas production and distribution in North Dakota.
 - a. Funding allocations to counties are to be made by the department of transportation based on data supplied by the upper great plains transportation institute.
 - b. Counties identified in the data supplied by the upper great plains transportation institute which received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible for this funding.
2. Each county requesting funding under this section for county road and bridge projects shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on data supplied by the upper great plains transportation institute, actual road and bridge conditions, and integration with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO) pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
 - d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.

8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that 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.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 33. AMENDMENT. Section 6 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of allocation among counties that did not receive \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium beginning July 1, 2013, and ending June 30, 2015. The amounts available for allocation under this section must be distributed on or after February 1, 2014.

1. The sum appropriated in this section must be used to rehabilitate or reconstruct county paved and unpaved roads and bridges needed to support economic activity in North Dakota.
 - a. To be eligible to receive an allocation under this section, a county may not have received \$5,000,000 or more of allocations under subsection 2 of section 57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.
 - b. Allocations among eligible counties under this section must be based on the miles of roads defined by the department of transportation as county major collector roadways in each county.
 - c. The department of transportation may use data supplied by the upper great plains transportation institute in determining the projects to receive funding under this section.
2. Each county requesting funding under this section shall submit the request in accordance with criteria developed by the department of transportation.
 - a. The request must include a proposed plan for funding projects that rehabilitate or reconstruct paved and unpaved roads and bridges within the county.
 - b. The plan must be based on actual road and bridge conditions and the integration of projects with state highway and other county projects.
 - c. Projects funded under this section must comply with the American association of state highway transportation officials (AASHTO)

pavement design procedures and the department of transportation local government requirements. Upon completion of major reconstruction projects, the roadway segment must be posted at a legal load limit of 105,500 pounds [47853.993 kilograms].

- d. Funds may not be used for routine maintenance.
3. The department of transportation, in consultation with the county, may approve the plan or approve the plan with amendments.
4. The funding appropriated in this section may be used for:
 - a. Ninety percent of the cost of the approved projects not to exceed the funding available for that county.
 - b. Funding may be used for construction, engineering, and plan development costs.
5. Upon approval of the plan, the department of transportation shall transfer to the county the approved funding for engineering and plan development costs.
6. Upon execution of a construction contract by the county, the department of transportation shall transfer to the county the approved funding to be distributed for county and township rehabilitation and reconstruction projects.
7. The recipient counties shall report to the department of transportation upon awarding of each contract and upon completion of each project in a manner prescribed by the department.
8. The funding under this section may be applied to engineering, design, and construction costs incurred on related projects as of January 1, 2013.
9. For purposes of this section, a "bridge" is a structure that 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.
10. Section 54-44.1-11 does not apply to funding under this section. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for purposes authorized by this section.

SECTION 34. AMENDMENT. Section 7 of House Bill No. 1358, as approved by the sixty-third legislative assembly, is amended and enacted as follows:

SECTION 7. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to the state treasurer for allocation to counties for allocation to or for the benefit of townships in oil-producing counties, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided in this section must be distributed in equal amounts in July 2013 and May 2014. The state

treasurer shall distribute the funds provided under this section as soon as possible to counties and the county treasurer shall allocate the funds to or for the benefit of townships in oil-producing counties through a distribution of \$15,000 each year to each organized township and a distribution of \$15,000 each year for each unorganized township to the county in which the unorganized township is located. For unorganized townships within the county, the board of county commissioners may expend an appropriate portion of revenues under this subdivision for township roads or other infrastructure needs in those townships. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. 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 but less than \$5,000,000 in the state fiscal year ending June 30, 20122013.

SECTION 35. AMENDMENT. Section 15 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

Research North Dakota grants.

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

SECTION 36. LEGISLATIVE INTENT - CAPITOL GROUNDS PARKING LOT PROJECT. It is the intent of the sixty-third legislative assembly that the office of management and budget, in improving the parking lots on the capitol grounds during the biennium beginning July 1, 2013, and ending June 30, 2015, not reduce the number of parking spaces or the size of the legislative parking lot west of the capitol building.

SECTION 37. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY NEEDS. During the 2013-14 interim, the legislative management shall consider studying the facility needs of state agencies located in the Bismarck area, including an evaluation of current and projected facility needs of state agencies, facilities on the capitol grounds currently being used by state agencies, and facilities owned or leased by state agencies that are not located on the capitol grounds. The study, if conducted, must determine if additional facilities are needed for the

operations of state agencies. If it is determined that additional space is needed, the legislative management shall review the most economical options for increasing the amount of facilities space available, including options for renovating or expanding existing buildings on the capitol grounds, options for constructing new buildings on the capitol grounds, and options for building or leasing facilities that are not located on the capitol grounds. 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 38. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES APPROPRIATIONS - CLASSIFICATION SYSTEM. The legislative management shall consider studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages and the state's classification system. The study, if conducted, must consider the feasibility and desirability of appropriating a lump sum amount to each agency for salaries and wages, without identifying specific purposes for the funding and allowing the agency head the flexibility to use the funding as necessary to accomplish the duties and responsibilities of the agency. The study must also include the effect of this change on the state's classification and benefits system and on the process of reporting by the agency on its use of the funds to the legislative assembly. 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 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH INSURANCE PREMIUMS. The legislative management shall consider studying, during the 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to the cost of state employee health insurance premiums. 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 40. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID STABILIZATION FUND. The legislative management shall consider studying during the 2013-14 interim the foundation aid stabilization fund, including anticipated growth in the fund, appropriate funding levels, options for the disposition of excess funding if appropriate funding levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the fund, and the feasibility and desirability of proposing changes to the constitution relating to the foundation aid stabilization fund. 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 41. EFFECTIVE DATE. Section 26 of this Act becomes effective on January 1, 2014, and section 27 of this Act is effective for taxable years after December 31, 2012.

SECTION 42. CONTINGENT EFFECTIVE DATE. Section 23 of this Act becomes effective August 1, 2015, or earlier if the secretary of state makes a report to the legislative management and to the information technology committee certifying that the information technology components of the electronic filing system are ready for implementation of section 23 of this Act, in which case section 23 of this Act becomes effective ninety days following the completion of the certificate requirement.

SECTION 43. EMERGENCY. Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center, \$5,000,000 included in the operations line item in subdivision 10 of

section 1 for flood recovery funding, and the capital assets, master plan and space utilization study, and deferred maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third legislative assembly, are declared to be an emergency measure.

Approved May 23, 2013

Filed May 23, 2013

CHAPTER 16

HOUSE BILL NO. 1016

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

AN ACT to provide an appropriation for defraying the expenses of the office of adjutant general; to provide for a contingent appropriation; to provide an appropriation to the housing finance agency; to provide for transfers; to provide exemptions; to provide for a budget section report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

NATIONAL GUARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,153,886	\$2,179,283	\$7,333,169
Operating expenses	4,062,891	50,000	4,112,891
Capital assets	229,371	1,141,261	1,370,632
Grants	449,514	660,000	1,109,514
Civil air patrol	243,353	44,098	287,451
Tuition, recruiting, and retention	2,407,500	110,000	2,517,500
Air guard contract	10,989,323	493,835	11,483,158
Army guard contract	56,110,755	2,071,916	58,182,671
Veterans' cemetery	576,916	70,089	647,005
Reintegration program	1,477,449	9,531	1,486,980
Accrued leave payments	<u>0</u>	<u>812,098</u>	<u>812,098</u>
Total all funds	\$81,700,958	\$7,642,111	\$89,343,069
Less estimated income	<u>65,721,902</u>	<u>4,596,841</u>	<u>70,318,743</u>
Total general fund	\$15,979,056	\$3,045,270	\$19,024,326

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$11,363,744	(\$1,064,824)	\$10,298,920
Operating expenses	9,930,022	(10,534)	9,919,488
Capital assets	802,000	121,240	923,240
Grants	71,419,771	(52,046,524)	19,373,247
Disaster costs	109,923,008	37,795,559	147,718,567

Radio communications	0	2,735,000	2,735,000
Accrued leave payments	0	<u>283,895</u>	<u>283,895</u>
Total all funds	\$203,438,545	(\$12,186,188)	\$191,252,357
Less estimated income	<u>195,382,476</u>	<u>(15,856,622)</u>	<u>179,525,854</u>
Total general fund	\$8,056,069	\$3,670,434	\$11,726,503

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$24,035,125	\$7,090,704	\$31,125,829
Grand total special funds	<u>261,104,378</u>	<u>(9,759,781)</u>	<u>251,344,597</u>
Grand total all funds	\$285,139,503	(\$2,669,077)	\$282,470,426
Full-time equivalent positions	242.00	4.00	246.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Motorola lease purchase payment	\$1,525,347	\$0
Message switch upgrades	235,000	0
Central electronics bank dispatch system	1,100,000	0
Technology projects	100,000	0
State radio tower package	1,500,000	1,175,000
Statewide seamless base map	900,000	1,150,000
Military service center east	72,700	0
Extraordinary repairs	385,381	0
State radio communications center	0	1,201,240
Computer-aided dispatch upgrade	0	340,000
Voice incident recorder	0	150,000
State radio suppression project	0	210,000
Disaster coordination contract	0	1,500,000
Veterans' bonus program	0	600,000
Flood disaster expenditures (special session)	39,500,000	0
Flood-damaged school grant	<u>500,000</u>	<u>0</u>
Total all funds	\$45,818,428	\$6,326,240
Less estimated income	<u>40,000,000</u>	<u>2,000,000</u>
Total general fund	\$5,818,428	\$4,326,240

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The adjutant general shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. CONTINGENT APPROPRIATION - NATIONAL GUARD TUITION ASSISTANCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$375,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of providing tuition assistance to eligible members of the North Dakota national guard, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding appropriated under this section is contingent upon the adjutant general certifying to the office of

management and budget that the national guard has received a new assignment in association with the Grand Forks air force base.

SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - FLOOD-IMPACTED HOUSING ASSISTANCE - BUDGET SECTION REPORT. There is appropriated out of any moneys in the state disaster relief fund in the state treasury, not otherwise appropriated, the sum of \$1,500,000, or so much of the sum as may be necessary, to the housing finance agency for the purpose of providing grants for flood-impacted housing assistance, for the period beginning with the effective date of this Act and ending June 30, 2015. The funds appropriated under this section must be used to provide grants to counties, cities, local housing authorities, and other nonprofit entities to assist homeowners and residents in the rehabilitation or replacement of flood-damaged homes, to retain homeowners and other residents in the community, and for transitional expenses to facilitate housing availability for flood-impacted residents. An entity requesting a grant for temporary housing for flood-impacted residents must certify to the housing finance agency that housing occupants are eligible to receive housing assistance under federal housing and urban development agency guidelines, that a land use agreement is in place for temporary housing units, and that a plan has been developed for the disposal of temporary housing units. The housing finance agency shall develop guidelines for the distribution of funds including the frequency of the distribution of grant funds. During the 2013-14 interim the housing finance agency shall provide a report to the budget section regarding the use of funds under this section.

SECTION 5. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds which are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. MAINTENANCE AND REPAIRS - TRANSFERS. The adjutant general may transfer to the operating expenses and capital assets line items contained in section 1 of this Act up to the sum of \$500,000 from the various other line items contained in section 1 of this Act, as determined necessary by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2013, and ending June 30, 2015. Any amounts transferred pursuant to this section must be reported to the director of the office of management and budget.

SECTION 7. FUNDING TRANSFERS - STATE EMPLOYEE COMPENSATION ADJUSTMENTS - EXCEPTION. Notwithstanding section 54-16-04, the adjutant general may transfer appropriation authority between line items within each subdivision of section 1 of this Act and between subdivisions within section 1 of this Act, as it relates to state employee compensation increases authorized by the sixty-third legislative assembly, for the biennium beginning July 1, 2013, and ending June 30, 2015. The adjutant general shall notify the office of management and budget of any transfer made under this section.

SECTION 8. EXEMPTION. The sum of \$1,000,000 from the general fund appropriated for the computer-aided dispatch phase 2 project, as contained in section 1 of chapter 16 of the 2009 Session Laws, is not subject to section 54-44.1-11 and any unexpended funds are available for project costs during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 9. EXEMPTION. Any amounts carried over pursuant to section 7 of chapter 42 of the 2011 Session Laws that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11 and is available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. EXEMPTION. The amount appropriated in the capital assets line for the state radio tower package and statewide seamless base map in section 1, subdivision 2, of chapter 42 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available for completing these projects during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 11. EXEMPTION. The amount appropriated for flood relief or disaster mitigation projects in incorporated cities, and grants to political subdivisions for amounts required to match federal dollars on road grade raising projects and federal emergency relief funding in section 4, subdivisions 2, 3, and 4, of chapter 261 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 12. EXEMPTION. The amount appropriated for grants to cities and counties for flood-impacted housing rehabilitation in section 9 of chapter 579 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation are available for these purposes during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 42 of the 2011 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance to eligible members of the North Dakota national guard during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 14. EMERGENCY. Section 4 of this Act and funding of \$600,000 from the general fund in the grants line item in subdivision 1 of section 1 of this Act, relating to the veterans' bonus program, funding of \$241,240 from the general fund in the capital assets line item in subdivision 2 of section 1 of this Act, relating to the state radio communications center project, and funding of \$960,000 from the general fund in the capital assets line item in subdivision 1 of section 1 of this Act, relating to the state radio communications center project, are declared to be an emergency measure.

Approved May 3, 2013
Filed May 3, 2013

CHAPTER 17

HOUSE BILL NO. 1017

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

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; and to amend and reenact subsection 1 of section 54-17.8-06 of the North Dakota Century Code as created by House Bill No. 1278, as approved by the sixty-third legislative assembly, relating to the membership of the outdoor heritage advisory board.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$24,019,028	\$1,880,578	\$25,899,606
Operating expenses	12,524,493	432,235	12,956,728
Capital assets	4,183,170	(298,109)	3,885,061
Grants	7,718,500	(596,000)	7,122,500
Land habitat and deer depredation	12,904,686	(197,283)	12,707,403
Noxious weed control	600,000	50,000	650,000
Missouri River enforcement	200,000	75,939	275,939
Grants, gifts, and donations	800,000	0	800,000
Nongame wildlife conservation	120,000	0	120,000
Lonetree reservoir	1,749,065	186,571	1,935,636
Wildlife services	868,800	(484,400)	384,400
Accrued leave payments	<u>0</u>	<u>816,366</u>	<u>816,366</u>
Total special funds	\$65,687,742	\$1,865,897	\$67,553,639
Full-time equivalent positions	157.00	1.00	158.00

SECTION 2. GRANTS, GIFTS, AND DONATIONS LINE. The grants, gifts, and donations line item in section 1 of this Act includes up to \$400,000 received by the game and fish department for surface damage, easements, or reclamation on department owned or managed properties as a result of mineral exploration and extraction activities.

¹⁰ **SECTION 3. AMENDMENT.** Subsection 1 of section 54-17.8-06 of the North Dakota Century Code as created by House Bill No. 1278, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

1. There is created a North Dakota outdoor heritage advisory board consisting of twelve members. The governor shall appoint representatives from each of the

¹⁰ Section 54-17.8-06 was created by section 1 of House Bill No. 1278, chapter 408.

groups listed in this section based upon recommendations made by the appropriate group. The advisory board consists of:

- a. Four members from the agriculture community. The governor shall appoint one member from the North Dakota farm bureau, North Dakota farmers union, the North Dakota stockmen's association, and the North Dakota grain growers association.
- b. Two members from the energy industry. The governor shall appoint one member from the North Dakota petroleum council and one member from the lignite energy council.
- c. Four members from the conservation community. The governor shall appoint from a list of nominations one member from ducks unlimited of North Dakota, ~~the North Dakota natural resources trust fund~~, one member from the North Dakota chapter of pheasants forever, and two members from the conservation community at large of statewide conservation groups.
- d. One member from the business community from the greater North Dakota chamber.
- e. One member from the North Dakota recreation and park association.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 18

HOUSE BILL NO. 1018

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

AN ACT to provide an appropriation for defraying the expenses of the state historical society; and to provide for a report to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,477,860	\$2,039,850	\$11,517,710
Accrued leave payments	0	211,332	211,332
Operating expenses	2,387,016	379,000	2,766,016
Capital assets	1,620,736	128,989	1,749,725
Project pool	0	950,000	950,000
Grants	1,000,000	0	1,000,000
Cultural heritage grants	504,500	0	504,500
Yellowstone-Missouri-Fort Union	<u>4,492</u>	<u>0</u>	<u>4,492</u>
Total all funds	\$14,994,604	\$3,709,171	\$18,703,775
Less estimated income	<u>2,900,413</u>	<u>321,551</u>	<u>3,221,964</u>
Total general fund	\$12,094,191	\$3,387,620	\$15,481,811
Full-time equivalent positions	63.00	6.00	69.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Marketing \$75,000	\$0	
New exhibit development	90,000	0
Lawrence Welk homestead grant	25,000	0
Repairs and small capital projects	1,125,000	0
North Dakota studies eighth grade curriculum	125,000	150,000
Historic sites exhibits	0	50,000
Project pool	0	950,000
Database migration	30,900	0
Temporary staff	59,800	0
Business analysis	10,000	0
State's 125th celebration planning	<u>50,000</u>	<u>100,000</u>
Total all funds	\$1,590,700	\$1,250,000

Less estimated income	650,000	0
Total general fund	\$940,700	\$1,250,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The state historical society shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes provided in chapter 55-03, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. LAWRENCE WELK HOMESTEAD HISTORIC SITE PURCHASE - REPAIRS. The project pool line item in section 1 of this Act includes funding that may be used to purchase the Lawrence Welk homestead. If the homestead is purchased, the state historical society shall determine repairs that must be completed by the property owners and negotiate with the property owners to have those repairs made prior to the state's purchase of the Lawrence Welk homestead, during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. PROJECT POOL - REPORT TO BUDGET SECTION. The state historical society shall report to the budget section on or before July 1, 2014, regarding the use of funds in the project pool line item in section 1 of this Act.

SECTION 7. CONTINGENT FULL-TIME EQUIVALENT POSITION - LIMITED AUTHORIZATION. The full-time equivalent positions line item in section 1 of this Act includes one full-time equivalent position that is contingent on the state historical society using funding included in the project pool line item in section 1 of this Act for a technology coordinator position. The position is authorized only for the biennium beginning July 1, 2013, and ending June 30, 2015. The state historical society shall reevaluate the position and determine if the position will be requested as part of the agency's 2015-17 biennium budget request as an optional item.

Approved May 2, 2013
 Filed May 2, 2013

CHAPTER 19

HOUSE BILL NO. 1019

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

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden; to provide for matching funds; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$2,484,885	\$188,708	\$2,673,593
Accrued leave payments	0	181,577	181,577
Natural resources	12,768,203	8,325,122	21,093,325
Recreation	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
Total all funds	\$22,742,179	\$7,292,191	\$30,034,370
Less estimated income	<u>11,641,532</u>	359,199	12,000,731
Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
Full-time equivalent positions	54.00	1.00	55.00

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
Total general fund	\$773,699	\$1,450,000	\$2,223,699

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338

Grand total special funds	<u>11,641,532</u>	<u>359,199</u>	<u>12,000,731</u>
Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Parks capital projects and deferred maintenance	\$5,269,210	\$3,897,800
Parks equipment	116,000	350,000
Lewis and Clark interpretive center grant	0	1,350,000
Little Missouri state park trail leases	85,000	0
Parks SCORP plan	40,000	0
Parks strategic plans	0	100,000
Community grant program	0	500,000
International Peace Garden capital projects	<u>267,000</u>	<u>1,250,000</u>
Total all funds	\$5,777,210	\$7,447,800
Less estimated income	<u>1,028,000</u>	<u>1,270,300</u>
Total general fund	\$4,749,210	\$6,177,500

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of \$122,000, or so much of the sum as may be necessary, included in the natural resources line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. MATCHING REQUIREMENT - INTERPRETIVE EXHIBITS. The natural resources line item in subdivision 1 of section 1 of this Act includes the sum of \$200,000 for completion of interpretive exhibits at the Icelandic state park visitor center. This amount consists of \$150,000 from the parks and recreation fund, derived from park fees and other income, and \$50,000 from the state parks gift fund. The \$50,000 appropriated from the state parks gift fund must be provided to the department as matching funds from nonstate sources for the completion of the interpretive exhibits.

SECTION 5. EXEMPTION. Up to \$500,000 of community grants funding from the general fund included in the recreation line item contained in subdivision 1 of section 1 of this Act is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be expended during the biennium beginning July 1, 2015, and ending June 30, 2017, for the purposes provided in section 55-08-14.1.

SECTION 6. OIL-RELATED REVENUE - NEW WELLS. Fifteen percent of any revenue received by the department from oil wells completed after July 1, 2013, must be used for the community grants program for the biennium beginning July 1, 2013,

and ending June 30, 2015. Any remaining revenue received from these oil wells may only be used for one-time funding items.

SECTION 7. MARINA PURCHASE - APPRAISAL - EMERGENCY COMMISSION APPROVAL. The natural resources line item in subdivision 1 of section 1 of this Act includes \$387,500 from the general fund and \$387,500 from other funds for the purchase of a marina. The parks and recreation department must obtain an appraisal from a certified appraiser prior to the purchase of the marina. If the appraisal value exceeds \$775,000, the department may request emergency commission approval to spend an additional \$25,000 of other funds for the marina.

SECTION 8. PEMBINA GORGE AREA PROJECT. The natural resources line item in subdivision 1 of section 1 of this Act includes \$300,000 from the general fund which the parks and recreation department may use to rent property in the Pembina gorge area for the purpose of providing office space for employees or individuals responsible for monitoring or patrolling the trail systems in the area, developing a plan for continued monitoring and patrolling of the trail systems, and to determine the feasibility of establishing an interpretive center.

SECTION 9. CONTINGENT FUNDING - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The sum of \$1,250,000 from the general fund included in subdivision 2 of section 1 of this Act is for an engineering study and repair of the peace tower at the International Peace Garden and to the extent funds remain, other infrastructure improvements. The funding is contingent upon the International Peace Garden raising matching funds on a dollar-for-dollar basis from nonstate sources. Up to ten percent of the funds provided from the general fund are for the engineering study and emergency repairs and are not subject to the match requirement. The parks and recreation department shall accept and review engineering proposals and recommendations of the study before committing additional funds to the project and shall assist with bidding and construction oversight of any repair work.

SECTION 10. EMERGENCY. The natural resources line item in subdivision 1 of section 1 of this Act includes \$3,730,000, of which \$2,930,000 is from the general fund and \$800,000 is from special funds derived from federal funds and other income for various capital projects, and subdivision 2 of section 1 of this Act includes \$125,000 from the general fund for an engineering study of the peace tower and emergency repairs at the International Peace Garden, which are declared to be an emergency measure.

Approved May 3, 2013
Filed May 3, 2013

CHAPTER 20

HOUSE BILL NO. 1020

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

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 and section 54-35-02.7 of the North Dakota Century Code as amended by Senate Bill No. 2233, as approved by the sixty-third legislative assembly, relating to the community water facility loan fund and the water-related topics overview committee; to provide for legislative management reports; to provide for a loan from the Bank of North Dakota; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the state water commission for the purpose of defraying the expenses of the state water commission, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administrative and support services	\$3,229,873	\$1,531,792	\$4,761,665
Accrued leave payments	0	325,774	325,774
Water and atmospheric resources	<u>498,413,774</u>	<u>324,194,592</u>	<u>822,608,366</u>
Total all funds	\$501,643,647	\$326,052,158	\$827,695,805
Less estimated income	<u>486,648,448</u>	<u>341,047,357</u>	<u>827,695,805</u>
Total general fund	\$14,995,199	(\$14,995,199)	\$0
Full-time equivalent positions	87.00	3.00	90.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	\$7,271,773	\$0
Ray/Tioga, Burke/Divide/Williams, Wildrose and Stanley water projects	500,000	0
Excavator	0	243,200
Office space renovation	0	45,000
Total all funds	\$7,771,773	\$288,200
Total special funds	<u>7,771,773</u>	<u>288,200</u>
Total general fund	\$0	\$0

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The state water commission shall report to the appropriations

committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. SOVEREIGN LANDS ENFORCEMENT GRANT. The administrative and support services line item in section 1 of this Act includes \$135,000 from the resources trust fund that the state water commission shall provide as a grant to the game and fish department for law enforcement activities on sovereign lands in the state, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts included in the estimated income line item in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund that become available are appropriated, subject to budget section approval, to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015.

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.

SECTION 6. GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the water and atmospheric resources line item in section 1 of this Act. However, this exclusion is only in effect for two years after June 30, 2015. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 7. FARGO FLOOD CONTROL PROJECT CONSTRUCTION - LIMITATION. Except for the construction of ring dikes and levees, construction relating to Fargo flood control project components located south of the city of Fargo's extraterritorial zoning jurisdiction may not begin until after July 1, 2014.

SECTION 8. 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 9. FARGO FLOOD CONTROL PROJECT FUNDING AGREEMENT. Prior to the state water commission expending any state cost-sharing funds, the local Fargo flood control sponsor and state water commission shall enter a cost-sharing agreement. The agreement must provide for the exclusion of state cost-sharing for components of the project identified as recreational by the United States army corps of engineers. The agreement must also provide for the exclusion of state cost-sharing relating to funds expected to be provided for the project by nonfederal entities outside

the state of North Dakota. An advance funding agreement between the United States army corps of engineers and the local Fargo flood control sponsor must precede any state funding used to advance construction work considered to be a federal responsibility.

SECTION 10. 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. It is further the intent of the sixty-third legislative assembly that the \$275,000,000 yet to be designated by the state for the Fargo flood control project be made available in equal installments over the next four bienniums.

SECTION 11. FARGO FLOOD CONTROL PROJECT FUNDING - EXEMPTION. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$100,000,000 is for Fargo flood control projects, for the biennium beginning July 1, 2013, and ending June 30, 2015. Any funds not spent by June 30, 2015, are not subject to section 54-44.1-11 and must be continued into the next or subsequent bienniums and may be expended only for Fargo flood control projects, including levees and dikes. Except as otherwise provided, these funds may be used only for land purchases and construction, including right-of-way acquisition costs and may not be used for the purchase of dwellings. No more than ten percent of these funds may be used for engineering, legal, planning, or other similar purposes. The city of Fargo, Cass County, and the Cass County joint water resource district must approve any expenditures made under this section. 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.

SECTION 12. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY. Of the funds appropriated in the water and atmospheric resources line item in section 1 of this Act, \$11,000,000 is for the Red River valley water supply project, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. LEGISLATIVE INTENT - BOND PAYMENTS. Of the funds appropriated in section 1 of this Act, \$60,000,000 in the water and atmospheric resources line item is from the resources trust fund for the purposes of paying off or defeasing outstanding bond issues. The state water commission may expend funds for this purpose only if available funding from the resources trust fund for water projects for the biennium beginning July 1, 2013, and ending June 30, 2015, has exceeded \$287,000,000.

SECTION 14. STATE WATER COMMISSION PRIORITY PROJECTS LIST - REPORTS TO THE BUDGET SECTION. The state water commission shall report to the budget section every six months during the 2013-14 interim regarding any changes made to the state water commission priority projects list presented to the sixty-third legislative assembly for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 15. FARGO FLOOD CONTROL - REPORTS TO THE BUDGET SECTION. During the 2013-14 interim, the Fargo-Moorhead area diversion authority board shall report to the budget section biannually regarding an update on congressional authorization of the diversion project and the status of the self-insured crop insurance pool; mitigation efforts, alternatives, and costs; easements; and the project budget. The MNDak upstream coalition shall report to the budget section biannually regarding an update on the impacts of the Fargo flood control project and mitigation efforts, alternatives, and costs.

SECTION 16. AMENDMENT. Section 6-09.5-03 of the North Dakota Century Code is amended and reenacted as follows:

6-09.5-03. Transfer of funds - Revolving fund.

A community water facility loan fund with an authorized ceiling of ~~tentwenty-five~~ twenty-five million dollars is hereby established from the future undivided profits of the Bank of North Dakota or other state funds. This is a revolving fund, and all moneys transferred into the fund, interest upon fund moneys, and collections of interest and principal on fund loans must be used for the purposes of this chapter.

¹¹ **SECTION 17. AMENDMENT.** Section 54-35-02.7 of the North Dakota Century Code as amended by Senate Bill No. 2233, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

54-35-02.7. Water-related topics overview committee - Duties.

The legislative management, during each interim, shall appoint a water-related topics overview committee in the same manner as the legislative management appoints other interim committees. The committee must meet quarterly and is responsible for legislative overview of water-related topics and related matters, the Garrison diversion project, and for any necessary discussions with adjacent states on water-related topics. The committee shall work collaboratively with the state water commission to develop policies to further define the state role in major flood control projects ~~and the prioritization of water projects~~. The committee shall prepare a schedule of priorities with respect to water projects. The state water commission and state engineer shall assist the committee in developing the schedule of priorities, and the committee may seek input from stakeholders within the state regarding water project priorities. The committee also shall study policies regarding the development and financing of municipal projects, including water treatment plants; pipelines, including pipeline expansion, public and industrial use of water, cost analysis of future project development, and ongoing maintenance cost of current and future projects; and technology, including the use of technology for permitting and electronic metering. During the 2013-14 interim, the committee shall review water supply routes and alternatives for the Red River valley water supply project. The committee consists of thirteen members, and the legislative management shall designate the chairman of the committee. The committee shall operate according to the statutes and procedure governing the operation of other legislative management interim committees.

SECTION 18. EMERGENCY. The water and atmospheric resources line item in section 1 of this Act and section 5 of this Act are declared to be an emergency measure.

Approved May 2, 2013
Filed May 2, 2013

¹¹ Section 54-35-02.7 was also amended by section 1 of Senate Bill No. 2049, chapter 486, and section 3 of Senate Bill No. 2233, chapter 490.

CHAPTER 21

HOUSE BILL NO. 1021

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

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance; to provide for litigation contingency and settlement funds; and to provide for information technology projects and business process analysis.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Workforce safety and insurance operations	\$58,413,293	\$2,496,164	\$60,909,457
Accrued leave payments	0	1,662,965	1,662,965
Litigation contingency	0	750,000	750,000
Total special funds	\$58,413,293	\$4,909,129	\$63,322,422
Full-time equivalent positions	247.14	3.00	250.14

SECTION 2. LITIGATION CONTINGENCY - SETTLEMENT FUNDS - USE OF FUNDS. Funding included in the litigation contingency line item in section 1 of this Act may be spent by workforce safety and insurance only for fees and other costs associated with workforce safety and insurance pursuing a civil action for damages relating to the unsuccessful advanced information management computer system project. Any remaining unused litigation funds may be used by workforce safety and insurance for the development or operation of information technology projects. Any moneys received by workforce safety and insurance resulting from a settlement or court awards relating to this project must be retained in the workforce safety and insurance fund and reported to the sixty-fourth legislative assembly.

SECTION 3. INFORMATION TECHNOLOGY PROJECTS FUNDING - BUSINESS PROCESS ANALYSIS. The workforce safety and insurance operations line item in section 1 of this Act includes the sum of \$4,725,000, which may only be spent for costs of conducting a business process analysis of up to \$500,000, as provided in section 4 of this Act and for appropriate information technology equipment, development, and operational costs of information technology projects as approved by workforce safety and insurance's executive steering board and the state information technology advisory committee.

SECTION 4. BUSINESS PROCESS ANALYSIS. During the 2013-14 interim, workforce safety and insurance shall contract with the information technology department and a private consultant to conduct a business process analysis of workforce safety and insurance. The analysis must include a review of the workforce

safety and insurance business process and its use of information technology to support the business process and related information technology services.

Approved April 29, 2013

Filed April 29, 2013

CHAPTER 22**HOUSE BILL NO. 1022**

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

AN ACT to provide an appropriation for defraying the expenses of various state retirement and investment agencies; and to provide various transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds derived from income, to the retirement and investment agencies listed in this section for the purpose of defraying their expenses, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

RETIREMENT AND INVESTMENT OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$3,203,114	\$569,390	\$3,772,504
Accrued leave payments	0	71,541	71,541
Operating expenses	947,840	25,484	973,324
Contingencies	<u>82,000</u>	<u>0</u>	<u>82,000</u>
Total special funds	\$4,232,954	\$666,415	\$4,899,369
Full-time equivalent positions	18.00	1.00	19.00

Subdivision 2.

PUBLIC EMPLOYEES RETIREMENT SYSTEM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,563,507	\$452,832	\$5,016,339
Accrued leave payments	0	103,217	103,217
Operating expenses	2,054,383	204,511	2,258,894
Contingencies	<u>250,000</u>	<u>0</u>	<u>250,000</u>
Total special funds	\$6,867,890	\$760,560	\$7,628,450
Full-time equivalent positions	33.00	0.00	33.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total special funds	\$11,100,844	\$1,426,975	\$12,527,819
Full-time equivalent positions	51.00	1.00	52.00

SECTION 2. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the respective boards, the retirement and investment office and the public employees retirement system may transfer from their respective contingencies line items in subdivisions 1 and 2 of section 1 of this Act to all other line items. The agencies shall notify the office of management and budget of each transfer made pursuant to this section.

Approved April 30, 2013

Filed April 30, 2013

CHAPTER 23**HOUSE BILL NO. 1023**

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

AN ACT to provide an appropriation for defraying the expenses of various state departments and institutions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sums as hereinafter provided or so much of the sums as may be necessary. These sums increase the general fund authority enacted by the sixty-second legislative assembly to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses, for the period beginning January 1, 2011, and ending June 30, 2013, as follows:

Subdivision 1.

ATTORNEY GENERAL

Operating expenses	<u>\$70,000</u>
Total general fund	\$70,000

Subdivision 2.

OFFICE OF THE TAX COMMISSIONER

Disabled veteran credit	<u>\$981,855</u>
Total general fund	\$981,855

Subdivision 3.

DEPARTMENT OF PUBLIC INSTRUCTION

Grants	<u>\$45,000</u>
Total general fund	\$45,000

Subdivision 4.

MINOT STATE UNIVERSITY

2010 and 2011 flood expenditures	<u>\$52,745</u>
Total general fund	\$52,745

Subdivision 5.

STATE DEPARTMENT OF HEALTH

Salaries and wages	<u>\$126,000</u>
Litigation contingency	<u>300,000</u>
Total general fund	<u>\$426,000</u>

Subdivision 6.

DEPARTMENT OF HUMAN SERVICES

Grants - medical assistance	<u>\$20,900,000</u>
Total general fund	<u>\$20,900,000</u>

Subdivision 7.

JOB SERVICE NORTH DAKOTA

Operating expenses	<u>\$5,847</u>
Total general fund	<u>\$5,847</u>

Subdivision 8.

HIGHWAY PATROL

Field operations	<u>\$300,000</u>
Total general fund	<u>\$300,000</u>

Subdivision 9.

STATE FAIR ASSOCIATION

2011 flood expenditures	<u>\$674,361</u>
Total general fund	<u>\$674,361</u>

Subdivision 10.

DEPARTMENT OF TRANSPORTATION

Capital assets	<u>\$36,138,893</u>
Total general fund	<u>\$36,138,893</u>

Subdivision 11.

BILL TOTAL

Grand total general fund	<u>\$59,594,701</u>
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SECTION 2. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 29, 2013
 Filed April 29, 2013

CHAPTER 24

HOUSE BILL NO. 1041

(Legislative Management)
(Human Services Committee)

AN ACT to provide appropriations to the office of management and budget and the supreme court for guardianship and public administrator services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - GUARDIANSHIPS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$828,600, or so much of the sum as may be necessary, to the office of management and budget for the purpose of providing grants to counties for public or private guardianship services, for the biennium beginning July 1, 2013, and ending June 30, 2015. To be eligible for funding under this section, a ward must be found to be an incapacitated adult as defined by section 30.1-26-01 and have income at or below one hundred percent of the federal poverty level or be medicaid-eligible. A ward with developmental disabilities who is receiving case management services through the department of human services is not eligible for funding under this section. A grant to a county for a ward under a guardianship before July 1, 2013, must be based on fifty percent of the established monthly rate for that guardianship. The county receiving a grant for a ward under a guardianship before July 1, 2013, shall pay fifty percent of the monthly rate for the guardianship out of grant funds, but also shall pay the other fifty percent of the monthly rate for the guardianship, limited to a maximum of one-tenth of one mill of that county's property tax, through June 30, 2015.

SECTION 2. APPROPRIATION - SUPREME COURT - GUARDIANSHIP TRAINING. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$70,000, or so much of the sum as may be necessary, to the supreme court for the purpose of developing and delivering guardianship training for guardians and public administrators, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved May 1, 2013
Filed May 1, 2013

CHAPTER 25

HOUSE BILL NO. 1135

(Representatives Keiser, Larson, Weisz)
(Senators J. Lee, Marcellais)

AN ACT to provide an appropriation to the state department of health for a mobile dental care services grant.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. 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, to the state department of health for the purpose of providing a grant to an organization to provide mobile dental care services, including dental treatment, prevention, and education services to low-income and underserved children in areas of the state with limited or unavailable dental services, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 8, 2013

Filed April 8, 2013

CHAPTER 26

HOUSE BILL NO. 1211

(Representatives Kempenich, Fehr, Heller, J. Nelson, Holman)
(Senators Armstrong, J. Lee, Mathern)

AN ACT to provide an appropriation to the department of commerce to address health care workforce needs in rural areas of the state.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing matching funds to an organization assisting in the recruitment, distribution, supply, quality, and efficiency of personnel providing health services in rural areas of the state, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce may spend the funds appropriated in this section only for the purposes authorized in this section and only to the extent the organization has secured matching funds from nonstate sources on a dollar-for-dollar basis.

Approved April 18, 2013
Filed April 18, 2013

CHAPTER 27

HOUSE BILL NO. 1261

(Representatives Monson, Hatlestad, Mock, Nathe, Rust,
Sanford, Schatz, Skarphol, Wieland)
(Senators Holmberg, O'Connell)

AN ACT to provide an appropriation for school district rapid enrollment growth grants.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - SCHOOL DISTRICT RAPID ENROLLMENT GROWTH - GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,600,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of providing a grant to any school district that can demonstrate rapid enrollment growth, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. A district is eligible to receive a grant under this section if the number of students reflected in the district's September tenth enrollment report:
 - a. Exceeds the number of students in average daily membership by at least twenty; and
 - b. Represents an increase in students equal to at least four percent.
2. In order to calculate the amount to which an eligible district is entitled, the superintendent of public instruction shall:
 - a. Determine the actual percentage increase in the number of students;
 - b. Subtract 2.0 from the percentage established under subdivision a;
 - c. Determine the number of students represented by the difference determined under subdivision b; and
 - d. Multiply the number of students determined under subdivision c by \$3,900.
3. If the amount of the appropriation provided for in this section is insufficient to meet the obligations of this section, the superintendent of public instruction shall prorate the payment based on the percentage of the total amount to which each school district is entitled.
4. The superintendent of public instruction may not expend more than \$6,800,000 in grants under this section during the first year of the biennium.
5. Any district that is precluded from receiving state aid under section 15.1-27-35.3 is not eligible to receive a grant under this section.

Approved May 2, 2013
Filed May 2, 2013

CHAPTER 28

HOUSE BILL NO. 1269

(Representatives J. Nelson, Hunskor, Larson, Pollert)
(Senators Klein, O'Connell)

AN ACT to provide an appropriation to the state water commission for water projects; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$10,350,000, or so much of the sum as may be necessary, to the state water commission for the purpose of providing grants to advance the following projects, for the period beginning with the effective date of this Act and ending June 30, 2015:

Stutsman County rural water
North central rural water consortium
McLean-Sheridan rural water

SECTION 2. APPROPRIATION. There is appropriated out of any moneys in the resources trust fund in the state treasury, not otherwise appropriated, the sum of \$21,000,000, or so much of the sum as may be necessary, to the state water commission for the purpose of advancing additional construction on the southwest pipeline project, for the period beginning with the effective date of this Act, and ending June 30, 2015.

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

Approved February 19, 2013
Filed February 19, 2013

CHAPTER 29

HOUSE BILL NO. 1289

(Representatives Thoreson, Boehning, Grande, Heilman, Kasper, Sanford, Boschee)
(Senators Flakoll, Sorvaag)

AN ACT to provide an appropriation for veterans' higher education assistance programs.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$325,000, or so much of the sum as may be necessary, to the North Dakota university system for the purpose of providing assistance to eligible veterans, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. An eligible veteran must be:
 - a. Enrolled at or in the process of enrolling at an institution of higher education located in this state; or
 - b. Enrolled at or in the process of enrolling at an institution of higher education located in an adjacent state, provided the institution participates in a course exchange agreement with an institution of higher education located in this state.
2. The department of veterans' affairs may accept and expend gifts, grants, and donations, for the purpose of providing additional assistance to eligible veterans.

Approved April 30, 2013
Filed April 30, 2013

CHAPTER 30

HOUSE BILL NO. 1405

(Representatives Trottier, Froseth, Maragos, Zaiser)
(Senators Campbell, Flakoll, Marcellais)

AN ACT to provide an appropriation for the identification of and provision of services to veterans exposed to agent orange; and to provide for a report to the budget section.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs, for the purpose of providing grants to assist in the identification of and the provision of services to North Dakota veterans who had been exposed to agent orange during the Vietnam conflict, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 2. SERVICES TO VETERANS EXPOSED TO AGENT ORANGE - BUDGET SECTION REPORT. The department of veterans' affairs shall provide a report to the budget section during the 2013-14 interim regarding any funds received to provide services to veterans exposed to agent orange; the status of the grant program, including information on the use of the grants awarded; and outcomes of the services provided.

Approved April 30, 2013
Filed April 30, 2013

CHAPTER 31**HOUSE BILL NO. 1439**

(Representatives Thoreson, Amerman, Owens, Ruby)
(Senators G. Lee, Marcellais, Wardner)

AN ACT to provide an appropriation for a transfer from the general fund to the veterans' postwar trust fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - TRANSFER - VETERANS' POSTWAR TRUST FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$250,000, which the office of management and budget shall transfer to the veterans' postwar trust fund to increase the principal balance of the fund to generate additional income for programs authorized by law to benefit and serve veterans or their dependents, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 18, 2013

Filed April 18, 2013

CHAPTER 32

SENATE BILL NO. 2001

(Appropriations Committee)
(At the request of the Legislative Management)

AN ACT providing an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications, transfers, and cancellation of unexpended appropriations; to create and enact a new section to chapter 54-35 of the North Dakota Century Code, relating to promotional expenses; to amend and reenact sections 54-03-20 and 54-35-10 of the North Dakota Century Code, relating to legislative compensation and expense reimbursement; to provide legislative intent; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the insurance regulatory trust fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of that branch, for the fiscal period beginning with the effective date of this Act and ending June 30, 2015, as follows:

Subdivision 1.

SIXTY-THIRD AND SIXTY-FOURTH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$8,524,133	\$681,626	\$9,205,759
Operating expenses	3,268,968	683,958	3,952,926
Capital assets	0	530,000	530,000
National conference of state legislatures	<u>232,110</u>	<u>1,176</u>	<u>233,286</u>
Total general fund	\$12,025,211	\$1,896,760	\$13,921,971

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$7,574,331	\$1,086,529	\$8,660,860
Accrued leave payments	0	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	\$1,786,123	\$12,682,474
Less estimated income	<u>70,000</u>	<u>(1)</u>	<u>69,999</u>
Total general fund	\$10,826,351	\$1,786,124	\$12,612,475
Full-time equivalent positions	34.00	3.00	37.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$22,851,562	\$3,682,884	\$26,534,446
Grand total special funds	<u>70,000</u>	(1)	<u>69,999</u>
Grand total all funds	\$22,921,562	\$3,682,883	\$26,604,445

SECTION 2. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Computer equipment replacement	\$510,750	\$0
Legislative wing equipment and improvements	1,300,000	500,000
Redistricting special session	272,018	0
Information technology projects	<u>159,938</u>	<u>42,000</u>
Total general fund	\$2,242,706	\$542,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The legislative assembly shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation for the legislative management and legislative council in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Computer equipment replacement	\$76,000	\$0
Information technology projects	483,807	50,000
Office equipment replacement	25,000	25,000
Office improvements	50,000	50,000
Performance review of the state auditor's office	<u>100,000</u>	<u>0</u>
Total general fund	\$734,807	\$125,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The legislative council shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget and the state treasurer shall make transfers of funds between line items of appropriations for the legislative management and legislative council as may be requested by the chairman of the legislative management or the chairman's designee upon the finding by the chairman or designee that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and legislative council's functions and duties. The director of the office of management and budget and the state treasurer shall similarly make

transfers of funds between the line items for the sixty-third and sixty-fourth legislative assemblies, upon request by the chairman of the legislative management or the chairman's designee upon the finding by the chairman or designee that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 5. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 1 of the 2011 Session Laws. The director of the office of management and budget and the state treasurer shall make transfers of funds between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the chairman's designee. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2011-13 biennium as directed by the chairman of the legislative management or the chairman's designee.

SECTION 6. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

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.
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 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.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one

- round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.
- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
 4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
 5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
 6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
 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.
 8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set

out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].

9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 7. AMENDMENT. Section 54-03-20 of the North Dakota Century Code is amended and reenacted as follows:

54-03-20. Compensation and expense reimbursement of members of the legislative assembly.

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.
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 seventy 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.
3. a. Members of the legislative assembly who receive reimbursement for lodging are also entitled to reimbursement for travel for not to exceed one round trip taken during any calendar week, or portion of a week, the legislative assembly is in session, between their residences and the place of meeting of the legislative assembly, at the rate provided for state employees with the additional limitation that reimbursement for travel by common carrier may be only at the cost of coach fare and may not exceed one and one-half times the amount the member would be entitled to receive as mileage reimbursement for travel by motor vehicle.

- b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.
4. The amount to which each legislator is entitled must be paid following the organizational session in December and following each month during a regular or special session.
5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.
6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.
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 ~~threesixty-seven~~ thirty-five 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.
8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].
9. Before each regular legislative session, the legislative management shall make recommendations and submit any necessary legislation to adjust legislative compensation amounts.

SECTION 8. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~fifty-seven~~sixty-two dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 9. AMENDMENT. Section 54-35-10 of the North Dakota Century Code is amended and reenacted as follows:

54-35-10. Compensation of members and leadership.

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~sixty-two~~sixty-seven dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.
2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 10. A new section to chapter 54-35 of the North Dakota Century Code is created and enacted as follows:

Legislative promotional expenses.

The legislative management shall establish a policy regarding promotional expenses made on behalf of the legislative assembly. Any expenditure made pursuant to this section must be reported to the legislative management. An expenditure under this section may not be construed as a gift for purposes of section 18 of article X of the Constitution of North Dakota.

SECTION 11. 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.

SECTION 12. EFFECTIVE DATE. Sections 6 and 8 of this Act become effective on July 1, 2013, and sections 7 and 9 become effective on July 1, 2014.

Approved May 2, 2013

Filed May 2, 2013

CHAPTER 33

SENATE BILL NO. 2002

(Appropriations Committee)
(At the request of the Supreme Court)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; and to amend and reenact section 27-02-02, subsection 1 of section 27-05-02.1, and section 27-05-03 of the North Dakota Century Code, relating to salaries of supreme and district court judges and disposition of vacant judgeships.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Subdivision 1.

SUPREME COURT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$9,116,651	\$2,642,404	\$11,759,055
Accrued leave payments	0	531,696	531,696
Operating expenses	2,315,118	439,136	2,754,254
Capital assets	0	15,000	15,000
Judges' retirement	138,105	(63,088)	75,017
Total general fund	\$11,569,874	\$3,565,148	\$15,135,022

Subdivision 2.

DISTRICT COURTS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$54,216,144	\$4,891,521	\$59,107,665
Accrued leave payments	0	2,399,277	2,399,277
Operating expenses	16,658,522	3,619,319	20,277,841
Capital assets	0	833,026	833,026
Judges' retirement	478,997	21,939	500,936
UND central legal research	80,000	0	80,000
Mediation	869,664	219,564	1,089,228
Total all funds	\$72,303,327	\$11,984,646	\$84,287,973
Less estimated income	1,856,775	(48,685)	1,808,090
Total general fund	\$70,446,552	\$12,033,331	\$82,479,883

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Judicial conduct commission and disciplinary board	\$889,955	\$98,632	\$988,587
Total all funds	<u>\$889,955</u>	<u>\$98,632</u>	<u>\$988,587</u>
Less estimated income	<u>325,499</u>	<u>42,000</u>	<u>367,499</u>
Total general fund	\$564,456	\$56,632	\$621,088

Subdivision 4.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$82,580,882	\$15,655,111	\$98,235,993
Grand total special funds	<u>2,182,274</u>	<u>(6,685)</u>	<u>2,175,589</u>
Grand total all funds	\$84,763,156	\$15,648,426	\$100,411,582
Full-time equivalent positions	344.00	19.00	363.00

SECTION 2. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Studies on work assessment and racial and ethnic bias in the courts	\$200,000	\$0
Office equipment and furniture	185,000	331,470
Information technology equipment	516,480	516,556
Juvenile case management system replacement study	0	90,000
Disaster recovery planning	0	95,000
Criminal justice information sharing publisher project	0	139,850
Total general fund	<u>\$901,480</u>	<u>\$1,172,876</u>

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The supreme court shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. TRANSFERS. The director of the office of management and budget and the state treasurer shall make such transfer of funds between line items of appropriation for the judicial branch of government as may be requested by the supreme court upon a finding by the court that the nature of the duties of the court

and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 5. DISTRICT JUDGES. The appropriation provided in subdivision 2 of section 1 of this Act provides for two additional district court judges in the northwest judicial district and one additional district court judge in the east central judicial district to be assigned pursuant to section 10 of article VI of the Constitution of North Dakota, and to be assigned to chambers by the supreme court. Within thirty days after the effective date of this Act, the judgeship vacancies created by this section must be filled in accordance with section 13 of article VI of the Constitution of North Dakota. In accordance with sections 9 and 13 of article VI of the Constitution of North Dakota, each judge appointed to fill a vacancy created by this section continues in the office until the next general election immediately following two years of service after the appointment. The individual then elected holds office for the remainder of the term and until a successor is elected and duly qualified.

SECTION 6. AMENDMENT. Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

27-02-02. Salaries of justices of supreme court.

The annual salary of each justice of the supreme court is one hundred ~~thirty-four~~thirty-three thousand one hundred ~~thirty-five~~six hundred ~~eighty-five~~eighty-five dollars through June 30, ~~2012~~2014, and one hundred ~~thirty-eight~~thirty-eight thousand ~~one~~one hundred ~~fifty-nine~~ninety-six dollars thereafter. The chief justice of the supreme court is entitled to receive an additional ~~three~~four thousand ~~eight~~one hundred ~~fifty-two~~twenty-seven dollars per annum through June 30, ~~2012~~2014, and ~~three~~four thousand ~~ninety~~two hundred ~~sixty-eight~~sixty dollars per annum thereafter.

SECTION 7. AMENDMENT. Subsection 1 of section 27-05-02.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Notwithstanding section 44-02-03, when a vacancy occurs in the office of district court judge, the supreme court shall determine, within ninety days of receiving notice of the vacancy from the governor and in consultation with the judges and attorneys in the affected judicial district, whether that office is necessary for effective judicial administration or whether the district judgeship may be transferred to another location to fulfill a need for judicial services. The supreme court may, consistent with that determination, order that:
 - a. The vacancy be filled in the manner provided pursuant to chapter 27-25; or
 - b. The vacant office be transferred to a judicial district in which an additional judge is necessary for effective judicial administration, and that the vacancy be filled in the manner provided pursuant to chapter 27-25 with respect to that judicial district; or
 - c. The vacant office be abolished with or without transfer of a district judgeship as provided in subsection 3.

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

27-05-03. Salaries and expenses of district judges.

The annual salary of each district judge is one hundred ~~twenty-two~~thirty-one thousand ~~ninesix hundred tensixty-one~~ dollars through June 30, ~~2012~~2014, and one hundred ~~twenty-six~~thirty-five thousand ~~fivesix~~ hundred ~~ninety-seven~~eleven dollars thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional three thousand ~~five~~eight hundred ~~fifty~~three dollars per annum through June 30, ~~2012~~2014, and three thousand ~~six hundred fifty-seven~~nine hundred seventeen dollars thereafter.

Approved April 30, 2013

Filed April 30, 2013

CHAPTER 34

SENATE BILL NO. 2003

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

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to provide contingent appropriations; to create and enact six new sections to chapter 15-10 of the North Dakota Century Code, relating to provisions of matching grants for the advancement of postsecondary academics; to amend and reenact sections 15-10-47, 15-52-01, 15-52-03, 15-52-04, 15-52-05, 15-52-09, 15-52-31, and 15-62.2-02, subsection 2 of section 15-70-04, and section 54-44.1-11 of the North Dakota Century Code, relating to construction project variance reports, the state medical center, student financial assistance grants, tribally controlled community college grants, and the cancellation of unexpended appropriations; to repeal section section 5 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, relating to a contingent appropriation; to provide an exemption; to provide for transfer of funds; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for budget section reports; to provide loan authorization for the university of North Dakota school of medicine and health sciences facility project; to provide for legislative management reports; to provide for a legislative management study; and to provide an expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income to the North Dakota university system office and to the various entities and institutions under the supervision of the state board of higher education for the purpose of defraying the expenses of the North Dakota university system office and to the various entities for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets - bond payments	\$12,204,769	(\$1,768,724)	\$10,436,045
Competitive research program	7,050,000	0	7,050,000
System governance	7,349,806	5,316,696	12,666,502
Title II	1,006,472	0	1,006,472
System information technology services	36,006,667	2,655,884	38,662,551
Professional liability insurance	800,000	(800,000)	0
Student financial assistance grants	19,025,594	2,220,085	21,245,679
Professional student exchange program	3,321,438	953,577	4,275,015

Academic and technical education scholarships	10,000,000	0	10,000,000
Two-year campus marketing	800,000	0	800,000
Scholars program	2,113,584	0	2,113,584
Native American scholarships	574,267	75,000	649,267
Tribally controlled community college grants	1,000,000	0	1,000,000
Education incentive programs	3,176,344	172,656	3,349,000
Deferred maintenance pool	0	10,000,000	10,000,000
Master plan and space utilization study	0	1,000,000	1,000,000
Student mental health	0	282,520	282,520
Education challenge fund	0	29,000,000	29,000,000
Performance funding pool	0	5,000,000	5,000,000
Capital projects contingency pool	0	5,483,413	5,483,413
Total all funds	\$104,428,941	\$59,591,107	\$164,020,048
Less estimated income	3,056,229	(756,317)	2,299,912
Total general fund	\$101,372,712	\$60,347,424	\$161,720,136
Full-time equivalent positions	100.31	12.60	112.91

Subdivision 2.

BISMARCK STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$27,628,314	\$5,025,340	\$32,653,654
Capital assets	417,673	19,300,000	19,717,673
Total all funds	\$28,045,987	\$24,325,340	\$52,371,327
Less estimated income	0	6,665,000	6,665,000
Total general fund	\$28,045,987	\$17,660,340	\$45,706,327
Full-time equivalent positions	126.96	0.00	126.96

Subdivision 3.

LAKE REGION STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$9,003,614	\$3,425,483	\$12,429,097
Capital assets	155,367	5,650,184	5,805,551
Total all funds	\$9,158,981	\$9,075,667	\$18,234,648
Less estimated income	0	0	0
Total general fund	\$9,158,981	\$9,075,667	\$18,234,648
Full-time equivalent positions	40.22	0.00	40.22

Subdivision 4.

WILLISTON STATE COLLEGE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$8,849,685	\$3,933,821	\$12,783,506
Capital assets	197,801	13,340,354	13,538,155
Total all funds	\$9,047,486	\$17,274,175	\$26,321,661
Less estimated income	0	0	0

Total general fund	\$9,047,486	\$17,274,175	\$26,321,661
Full-time equivalent positions	44.15	0.00	44.15

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$140,457,484	\$12,897,283	\$153,354,767
Capital assets	4,411,566	169,277,262	173,688,828
Total all funds	\$144,869,050	\$182,174,545	\$327,043,595
Less estimated income	0	96,487,262	96,487,262
Total general fund	\$144,869,050	\$85,687,283	\$230,556,333
Full-time equivalent positions	642.20	(8.60)	633.60

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$125,015,305	\$15,326,235	\$140,341,540
Capital assets	2,732,244	67,939,356	70,671,600
Total all funds	\$127,747,549	\$83,265,591	\$211,013,140
Less estimated income	0	39,819,356	39,819,356
Total general fund	\$127,747,549	\$43,446,235	\$171,193,784
Full-time equivalent positions	495.21	(4.00)	491.21

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$34,186,542	\$3,994,914	\$38,181,456
Capital assets	1,012,379	9,435,879	10,448,258
Total all funds	\$35,198,921	\$13,430,793	\$48,629,714
Less estimated income	0	1,350,000	1,350,000
Total general fund	\$35,198,921	\$12,080,793	\$47,279,714
Full-time equivalent positions	171.87	0.00	171.87

Subdivision 8.

DICKINSON STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$22,383,539	\$4,715,688	\$27,099,227
Capital assets	409,078	0	409,078
Total all funds	\$22,792,617	\$4,715,688	\$27,508,305
Less estimated income	0	0	0
Total general fund	\$22,792,617	\$4,715,688	\$27,508,305
Full-time equivalent positions	100.32	0.00	100.32

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$12,775,788	\$1,588,636	\$14,364,424
Capital assets	<u>358,992</u>	<u>7,663,650</u>	<u>8,022,642</u>
Total all funds	\$13,134,780	\$9,252,286	\$22,387,066
Less estimated income	<u>0</u>	<u>0</u>	<u>0</u>
Total general fund	\$13,134,780	\$9,252,286	\$22,387,066
Full-time equivalent positions	62.78	0.00	62.78

Subdivision 10.

MINOT STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$37,838,974	\$8,471,237	\$46,310,211
Capital assets	<u>899,620</u>	<u>13,532,595</u>	<u>14,432,215</u>
Total all funds	\$38,738,594	\$22,003,832	\$60,742,426
Less estimated income	<u>0</u>	<u>11,801,785</u>	<u>11,801,785</u>
Total general fund	\$38,738,594	\$10,202,047	\$48,940,641
Full-time equivalent positions	201.76	0.00	201.76

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$17,694,741	\$2,996,394	\$20,691,135
Capital assets	<u>408,319</u>	<u>8,991,990</u>	<u>9,400,309</u>
Total all funds	\$18,103,060	\$11,988,384	\$30,091,444
Less estimated income	<u>0</u>	<u>4,806,837</u>	<u>4,806,837</u>
Total general fund	\$18,103,060	\$7,181,547	\$25,284,607
Full-time equivalent positions	97.29	0.00	97.29

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$6,489,750	\$1,430,793	\$7,920,543
Capital assets	<u>115,507</u>	<u>8,744,609</u>	<u>8,860,116</u>
Total all funds	\$6,605,257	\$10,175,402	\$16,780,659
Less estimated income	<u>0</u>	<u>7,600,789</u>	<u>7,600,789</u>
Total general fund	\$6,605,257	\$2,574,613	\$9,179,870
Full-time equivalent positions	36.12	0.00	36.12

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF
MEDICINE AND HEALTH SCIENCES

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$47,747,971	\$8,757,663	\$56,505,634
Total all funds	\$47,747,971	\$8,757,663	\$56,505,634
Less estimated income	0	0	0
Total general fund	\$47,747,971	\$8,757,663	\$56,505,634
Full-time equivalent positions	156.55	0.00	156.55

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Operations	\$5,514,681	\$735,298	\$6,249,979
Capital assets	97,791	788,419	886,210
Total all funds	\$5,612,472	\$1,523,717	\$7,136,189
Less estimated income	1,650,000	0	1,650,000
Total general fund	\$3,962,472	\$1,523,717	\$5,486,189
Full-time equivalent positions	28.00	1.00	29.00

Subdivision 15.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total all funds	\$611,231,666	\$457,554,190	\$1,068,785,856
Grand total special funds	4,706,229	167,774,712	172,480,941
Grand total general fund	\$606,525,437	\$289,779,478	\$896,304,915

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Capital projects - general fund	\$47,136,000	\$155,691,350
Capital projects - other funds	105,065,555	168,531,029
Capital projects contingency pool	0	5,483,413
Campus deferred maintenance projects	0	440,000
Performance funding pool	0	5,000,000
Dickinson state university operating funds	900,000	800,000
Minot state university flood recovery funds	0	2,500,000
Dakota college at Bottineau - campus software updates	0	28,500
Special assessments payments	819,357	0
Mayville state university drainage study	55,000	0
UND school of medicine space utilization study	100,000	0
Williston state college operating funds	2,000,000	0
Emerald ash borer program	250,000	0
Deferred maintenance pool	0	10,000,000

Education challenge fund	0	29,000,000
Health care workforce initiative	0	7,414,806
Master plan and space utilization study	0	1,000,000
Total all funds	\$156,325,912	\$385,889,098
Total other funds	105,065,555	168,531,029
Total general fund	\$51,260,357	\$217,358,069

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The North Dakota university system shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. CONTINGENT APPROPRIATIONS - DICKINSON STATE UNIVERSITY - DEPARTMENT OF PUBLIC INSTRUCTION. 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, to Dickinson state university for the purpose of awarding a grant as provided under this section, and out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$5,000,000, or so much of the sum as may be necessary, to the department of public instruction for the purpose of awarding a grant as provided under this section, for the biennium beginning July 1, 2013, and ending June 30, 2015.

The funding appropriated to Dickinson state university under this section is for the purpose of awarding a grant to the Theodore Roosevelt center or the Theodore Roosevelt presidential library for the construction of a Theodore Roosevelt presidential library, for the biennium beginning July 1, 2013, and ending June 30, 2015. Dickinson state university may not use any of the funds appropriated in this section for administrative costs and may not award any of the funds until the grant recipient has raised at least \$3,000,000 from nonstate sources for the project. A grant awarded under this section may be used only for construction costs of the Theodore Roosevelt presidential library. The facility constructed may be used only to house the Theodore Roosevelt presidential library.

The funding appropriated to the department of public instruction under this section is for the purpose of awarding a grant to a state agency or nonprofit organization to construct a children's science center in the city where the state capitol is located for providing informal science education to children and others.

The funding provided under this section is available only if the sum of actual general fund revenues and the amount by which the July 1, 2013, unobligated general fund balance is more than the legislative estimate made at the close of the 2013 regular legislative session exceeds three and one-half percent of the estimated general fund revenues for the period from July 1, 2013, through June 30, 2014, as determined by the office of management and budget. For purposes of this section, "actual general fund revenues" and "estimated general fund revenues" exclude the estimated July 1, 2013, unobligated general fund balance and transfers into the general fund from the strategic investment and improvements fund, the mill and elevator, the lottery, and the gas tax administration. The funding provided in this section is considered a one-time funding item.

SECTION 4. AMENDMENT. Section 15-10-47 of the North Dakota Century Code is amended and reenacted as follows:

15-10-47. Construction projects at institutions of higher education - Variance reports.

1. Whenever any new construction, renovation, or repair, valued at more than two hundred fifty thousand dollars is underway on the campus of an institution of higher education under the control of the state board of higher education, the board shall provide ~~monthly~~semiannual project variance reports to the director of the office of management and budget. Each report must include:
 - a. The name or a description of the project;
 - b. The expenditure authorized by the legislative assembly;
 - c. The amount of the original contract;
 - d. The amount of any change orders;
 - e. The amount of any potential or anticipated change orders;
 - f. The sum of subdivisions c through e and the amount by which that sum varies from the expenditure authorized by the legislative assembly;
 - g. The total expended for the project to date; and
 - h. The scheduled date of completion as noted in the original contract and the latest available scheduled date of completion.
2. The state board of higher education also shall provide to the director of the office of management and budget, at the same time as the project variance report required by subsection 1:
 - a. A brief description of each change order included in subdivision d of subsection 1; and
 - b. A list of each public and nonpublic entity that has a contractually reflected financial obligation with respect to the project.
3. The office of management and budget shall review the information received under this section and provide reports to the budget section of the legislative management upon request.

SECTION 5. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1.
 - a. During the period beginning July 1, 2013, and ending December 31, 2014, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and North Dakota state university for projects dedicated exclusively to the advancement of academics.
 - b. To be eligible for a matching grant, an institution must demonstrate that:

- (1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 8 of this Act.
- c. The board may award up to ten million dollars in matching grants to each institution.
- 2. a. If any available dollars have not been awarded by the board before January 1, 2015, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.
- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

SECTION 6. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

- 1. a. During the period beginning July 1, 2013, and ending December 31, 2014, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.
- b. To be eligible for a matching grant, an institution must demonstrate that:
 - (1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and
 - (2) The project has been approved by the grant review committee established in section 8 of this Act.
- c. The board may award up to one million dollars in matching grants to each institution.
- 2. a. If any available dollars have not been awarded by the board before January 1, 2015, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.
- b. An application submitted under this subsection must meet the same criteria as an original application.

- c. The board shall consider each application submitted under this subsection in chronological order.
- d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

SECTION 7. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Liability for pledged amount.

If the state board of higher education provides grant funds under this Act to an institution on the basis of a monetary pledge and if the amount forthcoming is less than the amount pledged, the institutional foundation is liable to the institution for any shortfall.

SECTION 8. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Grant review committee.

1. There is created a grant review committee consisting of:
 - a. The governor, or the governor's designee, who shall serve as the chairman;
 - b. Two members of the house of representatives appropriations committee, selected by the majority leader of the house of representatives;
 - c. Two members of the senate appropriations committee, selected by the majority leader of the senate;
 - d. Two members appointed by the governor, with the consent of the legislative management; and
 - e. Two members appointed by the state board of higher education, with the consent of the legislative management.
2. The gubernatorial appointees must have an understanding of higher education's role in advancing agriculture, the arts, commerce and finance, manufacturing, mineral extraction, natural resources, and the professions.
3. The grant review committee shall establish its rules of operation and procedure and shall develop and publish the criteria upon which all requests for matching grants will be reviewed.
4. A request for a matching grant must be presented to the committee by the president of the institution. The president may be accompanied by other individuals having an expertise with respect to the project.

SECTION 9. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Grant review committee - Compensation.

Each member of the grant review committee is entitled to receive compensation in the amount of one hundred thirty-five dollars per day plus reimbursement for expenses as provided by law for state officers if the member is attending meetings or performing duties directed by the committee. The compensation provided for in this section may not be paid to any member of the committee who receives a salary or other compensation as an employee or official of this state if the individual is serving on the committee by virtue of the individual's state office or state employment.

SECTION 10. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Definition.

For purposes of this Act, projects dedicated to the advancement of enhanced academics include investments in research, scholarships, technology, endowed chairs, and investments in educational infrastructure, including new capital construction projects that conform with the university system campus master plan and space utilization study.

SECTION 11. AMENDMENT. Section 15-52-01 of the North Dakota Century Code is amended and reenacted as follows:

15-52-01. School of medicine and health sciences.

The primary purpose of the university of North Dakota school of medicine and health sciences is to educate physicians and other health professionals for subsequent service in North Dakota and to enhance the quality of life in North Dakota of its people. Other purposes include the discovery of knowledge that benefits the people of this state and enhances the quality of their lives.

SECTION 12. AMENDMENT. Section 15-52-03 of the North Dakota Century Code is amended and reenacted as follows:

15-52-03. School of medicine and health sciences advisory council - Members, terms, meetings.

1. To assure the proper coordination of the university of North Dakota school of medicine and health sciences with all other health activities of the state, a permanent school of medicine and health sciences advisory council is established to perform the duties in section 15-52-04.
2. The council consists of fifteen members:
 - a. (1) Two members of the senate, one of whom must be from the majority party and one of whom must be from the minority party, selected by the chairman of the legislative management; and
 - (2) Two members of the house of representatives, one of whom must be from the majority party and one of whom must be from the minority party, to be selected by the chairman of the legislative management;
 - b. One member selected by each of the following:
 - (1) The department of human services;

- (2) The state board of higher education;
 - (3) The state department of health;
 - (4) The North Dakota medical association;
 - (5) The North Dakota hospital association;
 - (6) The veterans administration hospital in Fargo; and
 - (7) The university of North Dakota center for rural health; and
- c. Four members selected by the dean of the university of North Dakota school of medicine and health sciences, one from each of the four campuses of the school of medicine and health sciences with headquarters in Bismarck, Fargo, Grand Forks, and Minot.
3. The representatives named by the state agencies and boards must be selected to serve as members of the advisory council for periods of at least one year, but may not serve longer than their term of office on the public agency. The representatives from the North Dakota state medical association and the North Dakota hospital association shall serve a term of three years or until their successors are named and qualified.
 4. The council shall name its own chairman and the dean of the university of North Dakota school of medicine and health sciences shall serve as executive secretary of the council. The executive secretary does not have voting privileges. The council shall meet not less than twice each year, and, from time to time, on its own motion or upon request of the university administration.

SECTION 13. AMENDMENT. Section 15-52-04 of the North Dakota Century Code is amended and reenacted as follows:

15-52-04. Duties of council.

1. The advisory council, in consultation with the school of medicine and health sciences and the other agencies, associations, and institutions represented on the advisory council, shall study and make recommendations regarding the strategic plan, programs, and facilities of the school of medicine and health sciences in support of its purpose as defined in section 15-52-01.
2. Biennially, the advisory council shall submit a report, together with its recommendations, to the agencies, associations, and institutions represented on the advisory council, to the university of North Dakota, and to the legislative council.
3. a. The report must describe the advisory council's recommendations regarding the strategic plan, programs, and facilities of the school of medicine and health sciences as developed under subsection 1. The recommendations for implementing strategies through the school of medicine and health sciences or other agencies and institutions must:
 - (1) Address the health care needs of the people of the state; and

- (2) Provide information regarding the state's health care workforce needs; and
 - (3) Provide information that specifies the contributions that the university of North Dakota school of medicine and health sciences and the residency training programs in the state are making to meet the health care provider workforce needs of the state. Such information must include data regarding:
 - (a) The effectiveness of activities conducted throughout the state relating to the recruitment and progression of students into medical school and into the health care provider workforce;
 - (b) Class characteristics of the medical school matriculants, specifically to include a description of their geographic background;
 - (c) Residency choices of medical school graduates;
 - (d) Practice location choices of graduates of North Dakota residencies; and
 - (e) Any other relevant information that the university of North Dakota school of medicine and health sciences advisory council determines to be important and useful in assessing the degree of success of the university of North Dakota school of medicine and health sciences in meeting the health care workforce needs of the state as specified in section 15-52-01.
- b. The recommendations required under subdivision a may address:
- (1) Medical education and training;
 - (2) The recruitment and retention of physicians and other health care professionals;
 - (3) Factors influencing the practice environment for physicians and other health care professionals;
 - (4) Access to health care;
 - (5) Patient safety;
 - (6) The quality of health care and the efficiency of its delivery; and
 - (7) Financial challenges in the delivery of health care.
4. The council may consult with any individual or entity in performing its duties under this section.

SECTION 14. AMENDMENT. Section 15-52-05 of the North Dakota Century Code is amended and reenacted as follows:

15-52-05. Facilities.

The university authorities shall make the facilities of the university of North Dakota school of medicine and health sciences available to all agencies of the state, federal,

and local governments engaged in health and welfare activities to the fullest extent possible within the limits of a complete and coordinated program for the use thereof on terms commensurate with the cost of services rendered and facilities furnished. The work of the school of medicine and health sciences must be coordinated with the work of the other departments of the university of North Dakota. Means must be provided whereby regularly enrolled students in other schools or departments of the university of North Dakota may, upon approval of the dean of such other school or department, enroll in elective courses in the medical school and receive credit therefor in the school or department in which they are regularly enrolled, subject to such policy and procedures as may be established by the university of North Dakota and the state board of higher education. Medical students may enroll in other departments and schools. Such action must be taken as may serve to make both the school of medicine and health sciences and the other departments and schools of the university of North Dakota more efficient and responsive to needs of the people through the mutual interchange of facilities, and service, wherever possible.

SECTION 15. AMENDMENT. Section 15-52-09 of the North Dakota Century Code is amended and reenacted as follows:

15-52-09. Expenditure of proceeds of one-mill levy authorized - Limitation.

The proceeds of the one-mill tax levy established by section 10 of article X of the Constitution of North Dakota, together with any other funds that may be received by the state treasurer, from time to time, for the benefit of the ~~North Dakota state medical center~~university of North Dakota school of medicine and health sciences, must be expended to establish, develop, and maintain the university of North Dakota school of medicine and health sciences, as provided in this chapter, by the issuance of state warrants drawn on such funds by the director of the office of management and budget.

SECTION 16. AMENDMENT. Section 15-52-31 of the North Dakota Century Code is amended and reenacted as follows:

15-52-31. Admission of students - Qualifications.

The faculty of the school of medicine and health sciences at the university of North Dakota may, with the advice of the school of medicine and health sciences advisory council and with the approval of the state board of higher education and in accordance with applicable accreditation requirements as specified by the liaison committee on medical education, adopt such rules and regulations governing the education and residency qualifications of applicants for admission to the school of medicine and health sciences as it deems necessary and proper to carry out its purpose as provided in section 15-52-01.

SECTION 17. AMENDMENT. Section 15-62.2-02 of the North Dakota Century Code is amended and reenacted as follows:

15-62.2-02. State board of higher education - Powers and duties.

The state board of higher education shall:

1. Administer the North Dakota student financial assistance program and the North Dakota scholars program and adopt functional rules regarding the eligibility and selection of grant and scholarship recipients.

2. Determine the amount of individual grants, which may not exceed one thousand ~~five~~six hundred ~~fifty~~ dollars per recipient per academic year, under the North Dakota student financial assistance program.
3. For the North Dakota student financial assistance program, adopt criteria for substantial need, based upon the ability of the parents or guardian to contribute toward the applicant's educational expenses.
4. Establish the appropriate procedures for fiscal control, fund accounting, and necessary reports.
5. Apply for, receive, expend, and administer granted moneys from federal or private sources.

SECTION 18. AMENDMENT. Subsection 2 of section 15-70-04 of the North Dakota Century Code is amended and reenacted as follows:

2. If an application is approved, the state board of higher education shall distribute to the tribally controlled community college, during each year of the biennium, an amount equivalent to the most recent per student payment provided in accordance with the Tribally Controlled Colleges and Universities Assistance Act of 1978 [25 U.S.C. 20] for each nonbeneficiary student who is a resident of the state. If the amount appropriated is insufficient to meet the requirements of this section, the board shall prorate the amount to be distributed. The board may distribute no more than one-half of the biennial legislative appropriation provided for grants under this section during the first year of the biennium.

SECTION 19. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. (Effective through July 31, ~~2013~~2015) Office of management and budget to cancel unexpended appropriations - When they may continue.

Except as otherwise provided by law, the office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. Unexpended appropriations for the North Dakota university system are not subject to this section and the North Dakota university system shall report on the amounts and uses of funds carried over from one biennium to the next to subsequent appropriations committees of the legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.

3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

(Effective after July 31, 2013-2015) Office of management and budget to cancel unexpended appropriations - When they may continue. The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.
2. Major repair or improvement projects.
3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.
4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.
5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.
6. Authorized ongoing information technology projects.

SECTION 20. REPEAL. Section 5 of Senate Bill No. 2018, as approved by the sixty-third legislative assembly, is repealed.

SECTION 21. SYSTEMWIDE FUNDING POOLS - TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. The following line items contained in subdivision 1 of section 1 of this Act include funding that may be transferred in full or in part for the period beginning with the effective date of this Act and ending June 30, 2015, by the state board of higher education to the institutions and entities under its control based on the recommendations of the commissioner of higher education as follows:

1. The deferred maintenance funding pool line item includes funding that must be used to address deferred maintenance and other infrastructure needs at institutions based on the university system master plan and space utilization study. However, the state board of higher education may distribute up to one-half of the funds in the pool to institutions prior to the completion of the master plan and space utilization study.
2. The education incentive programs line item includes funding that may be allocated to education incentive programs based on program eligibility criteria and the reduction or elimination of specific programs as determined by the board.
3. The performance funding pool line item includes funding that may be allocated to institutions based on the institution meeting specified goals or other performance measures as determined by the board. The funding in the performance funding pool may not be used for the operations or any function of the university system office. The state board of higher education shall consider any allocations from the oil and gas impact grant fund to higher education institutions when determining allocations to institutions from the performance funding pool. During the 2013-14 interim, the state board of higher education shall provide a report to the legislative management regarding the distribution of funds from the performance funding pool.

SECTION 22. SYSTEM INFORMATION TECHNOLOGY SERVICES - OFFICE CONSOLIDATION - LEGISLATIVE MANAGEMENT REPORTS - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. Upon the completion of the joint information technology building project on the campus of the university of North Dakota, as approved by the sixty-second legislative assembly, the state board of higher education shall require system information technology services staff offices of newly hired employees to be located in the building unless the position is specifically assigned to an institution or the university system office. During the 2013-14 interim, the state board of higher education shall provide annual reports to the budget section and information technology committee regarding the status of the consolidation of university system information technology services, including the location of staff members providing those services. The university system shall provide a report to the appropriations committees of the sixty-fourth legislative assembly regarding the consolidation of university system information technology services and shall provide a comprehensive report of the budget for all university system information technology services, including services provided by institutions.

SECTION 23. UNIVERSITY OF NORTH DAKOTA - RESEARCH ENTERPRISE AND COMMERCIALIZATION BUILDING PURCHASE - BUDGET SECTION REPORT. During the period beginning with the effective date of this Act and ending June 30, 2015, the state board of higher education may enter a purchase and financing agreement or agreements with a private entity and do all things necessary and proper to authorize the purchase of the research enterprise and commercialization building on the campus of the university of North Dakota using donations, gifts, or other funds. The state board of higher education shall provide a report to the budget section if the research enterprise and commercialization building is purchased as provided under this section.

SECTION 24. CAPITAL PROJECTS CONTINGENCY POOL - TRANSFER AUTHORITY - BUDGET SECTION REPORT. The capital projects contingency pool line item contained in subdivision 1 of section 1 of this Act includes funding that may be transferred to institutions for capital projects as provided under this section. The state board of higher education may transfer funds from the capital projects

contingency pool to an institution if the lowest acceptable bid received for a capital project exceeds the legislative appropriation provided for the project. The board shall provide a prorated amount to institutions from the pool if the amount of funding required for eligible projects exceeds available funding. An institution may only receive funding from the pool for capital projects that receive a general fund appropriation and are authorized under this Act. For purposes of this section, the "legislative appropriation provided for a project" does not include funds appropriated from private donations and other local funds to enhance a project. During the 2013-14 interim, the state board of higher education shall provide periodic reports to the budget section regarding funds distributed from the capital projects contingency pool.

SECTION 25. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT.

During the biennium beginning July 1, 2013, and ending June 30, 2015, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the university system office for project management oversight of a capital project.

SECTION 26. BISMARCK STATE COLLEGE COMMUNICATIONS AND CREATIVE ARTS CENTER.

The capital assets line item in subdivision 2 of section 1 of this Act includes the sum of \$12,635,000 from the general fund and \$665,000 from special funds derived from donations and other income for the Bismarck state college communications and creative arts center project. The capital assets line item in subdivision 2 of section 1 of this Act also includes the sum of \$6,000,000 from special funds derived from donations and other income which may be used to construct a theater as part of the communications and creative arts center project. Up to \$600,000 of the general fund appropriation for the project may be used to develop programming at the communications and creative arts center that includes written and spoken communications, visual and performing arts, social sciences, history, law, economics, philosophy, and current events. Funding may be used for items including curriculum development, student activities, faculty enhancement, public programming, and the development and publication of appropriate media to promote these activities.

SECTION 27. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES BISMARCK FAMILY PRACTICE CENTER SKYWALK PROJECT.

The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$750,000 from the general fund for the university of North Dakota school of medicine and health sciences Bismarck family practice center skywalk project. The university of North Dakota shall provide \$1 of nonstate funding for the project for every \$1 of funding used from the general fund appropriation.

SECTION 28. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES FACILITY PROJECT - LOAN AUTHORIZATION.

The legislative assembly authorizes the construction of the university of North Dakota school of medicine and health sciences facility project to be funded in two phases as provided under this section. The capital assets line item in subdivision 5 of section 1 of this Act includes the sum of \$60,450,000, or so much of the sum as may be necessary, for phase 1 of the project. The university of North Dakota may also seek funding from the capital projects contingency pool in accordance with section 24 of this Act for costs associated with phase 1 of the project. During the biennium beginning July 1, 2013, and ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017, the state board of higher education may borrow the sum of \$62,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota for completion of phase 2 of the school of medicine and health sciences facility project. The state board of higher education

shall seek funding from the sixty-fourth legislative assembly to repay the loan authorized under this section.

SECTION 29. DICKINSON STATE UNIVERSITY - THEODORE ROOSEVELT CENTER - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY. The operations line item in subdivision 8 of section 1 of this Act includes the sum of \$800,000 for the Theodore Roosevelt center. Of this amount, up to \$200,000 may be used for the planning and design of a facility to house the Theodore Roosevelt presidential library.

SECTION 30. MINOT STATE UNIVERSITY - FLOOD RECOVERY FUNDING. The sum of \$5,000,000 included in the operations line item in subdivision 10 of section 1 of this Act must be used by Minot state university to address housing, budget, and other needs relating to the 2011 flood, including capital, as determined by the university.

SECTION 31. NORTH DAKOTA STATE UNIVERSITY - MINARD HALL - BUDGET SECTION REPORT. North Dakota state university may use unspent funding from the \$5,000,000 appropriation received during the biennium beginning July 1, 2007, and ending June 30, 2009, and unspent funding from the \$13,000,000 appropriation received during the biennium beginning July 1, 2009, and ending June 30, 2011, for the Minard hall project, for the biennium beginning July 1, 2013, and ending June 30, 2015. North Dakota state university shall report to the budget section regarding the status of the Minard hall project and may request increased spending authorization from the budget section for the project.

SECTION 32. STUDENT LOAN TRUST FUND. Subdivision 1 of section 1 of this Act includes the sum of \$1,004,744, or so much of the sum as may be necessary, from the student loan trust fund of which \$465,307 is for the professional student exchange program and \$539,437 is for connectND campus solution positions, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 33. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2013, and ending June 30, 2015. A minimum of twenty-five percent of the allocation must be transferred by the state board of higher education to the university of North Dakota school of medicine and health sciences based on the recommendation of the commissioner of higher education.

SECTION 34. FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the institutions and entities under the control of the state board of higher education are appropriated to those institutions and entities, for the biennium beginning July 1, 2013, and ending June 30, 2015. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2013, and ending June 30, 2015, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 35. TRANSFER AUTHORITY. If, during the biennium beginning July 1, 2013, and ending June 30, 2015, the state board of higher education determines that funds allocated to operations in section 1 of this Act are needed for capital assets, the board may transfer funds from operations to capital assets. The board shall report any transfer of funds under this section to the office of management and budget.

SECTION 36. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS.

Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2013, and ending June 30, 2015. The North Dakota university system shall report any adjustments to the office of management and budget before the submission of the 2015-17 biennium budget request.

SECTION 37. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2015. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

University of North Dakota - Student housing facility	\$19,187,262
University of North Dakota - Wilkerson hall dining center	29,000,000
University of North Dakota - Resident apartment building	<u>8,300,000</u>
Total special funds	\$56,487,262

SECTION 38. LEGISLATIVE MANAGEMENT REPORT - POSTSECONDARY ACADEMIC MATCHING GRANTS. Before October 1, 2014, the state board of higher education shall provide a report to the legislative management regarding the number of matching grants that were sought, the number that were awarded, and the manner in which the grants were used as provided in sections 5 through 10 of this Act.

SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY LEGAL SERVICES. During the 2013-14 interim, the legislative management shall consider studying legal services provided by attorneys in executive branch state agencies. The study, if conducted, must review the services provided by attorneys in each agency, supervision of the attorneys in each agency, and whether the attorneys are classified as assistant or special assistant attorneys general. The study must also review the use of contracted legal services by each agency. The legislative management shall report its findings and recommendations, together with any legislation needed to implement the recommendations, to the sixty-fourth legislative assembly.

SECTION 40. EXPIRATION DATE. Sections 5 through 10 of this Act are effective through June 30, 2015, and after that date are ineffective.

Approved May 20, 2013
Filed May 22, 2013

CHAPTER 35

SENATE BILL NO. 2004

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

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact section 14-02.1-01 of the North Dakota Century Code as amended in section 1 of Senate Bill No. 2368, as approved by the sixty-third legislative assembly, and the new section to chapter 14-02.1 of the North Dakota Century Code as created by section 3 of Senate Bill No. 2368, as approved by the sixty-third legislative assembly, relating to the state's compelling interest in the unborn human life from the time the unborn child is capable of feeling pain; to repeal chapter 23-17.5 and section 23-46-05 of the North Dakota Century Code, relating to health care provider cooperative agreements and state financial assistance for emergency medical services; to provide legislative intent; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	\$49,351,659	\$5,260,119	\$54,611,778
Accrued leave payments	0	2,223,289	2,223,289
Operating expenses	50,272,030	(12,299,016)	37,973,014
Capital assets	1,998,073	226,215	2,224,288
Grants	57,928,038	(1,297,309)	56,630,729
Tobacco prevention	6,162,396	(618,145)	5,544,251
WIC food payments	24,158,109	501,752	24,659,861
Federal stimulus funds	0	155,000	155,000
Total all funds	\$189,870,305	(\$5,848,095)	\$184,022,210
Less estimated income	156,956,525	(17,388,091)	139,568,434
Total general fund	\$32,913,780	\$11,539,996	\$44,453,776
Full-time equivalent positions	344.00	9.00	353.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2011-13	2013-15
Federal fiscal stimulus	\$3,492,228	\$155,000
EPA lawsuit contingency	1,000,000	500,000
Funding to contract for autopsies	0	480,000

ST-elevated myocardial infarction (STEMI)	600,000	0
Food and lodging licensing management system	0	<u>110,000</u>
Total all funds	\$5,092,228	\$1,245,000
Less estimated income	<u>3,992,228</u>	<u>265,000</u>
Total general fund	\$1,100,000	\$980,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The state department of health shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. FAMILY VIOLENCE GRANTS - CONTINGENT FUNDING. The grants line item in section 1 of this Act includes \$80,000 from the general fund for family violence services and prevention grants. This funding is contingent on the state department of health certifying to the director of the office of management and budget that federal funds available to the department for family violence grants have been reduced due to federal sequestration. The department may spend these funds to the extent that federal funds are reduced.

SECTION 4. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes \$272,310, or so much of the sum as may be necessary, to be made available to the state department of health from the environment and rangeland protection fund, for the biennium beginning July 1, 2013, and ending June 30, 2015. This amount includes \$50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 5. INTENT - INDIRECT COST RECOVERIES. Notwithstanding section 54-44.1-15, the state department of health may deposit indirect cost recoveries in its operating account.

SECTION 6. FOLLOWUP COLORECTAL SCREENING GUIDELINES. The grants line item included in section 1 of this Act includes \$160,200 from the general fund for recommended followup colorectal screenings. These funds may be spent for the cost of recommended followup colorectal screenings of up to \$1,800 per screening for the biennium beginning July 1, 2013, and ending June 30, 2015.

¹² **SECTION 7. AMENDMENT.** Section 14-02.1-01 of the North Dakota Century Code as amended in section 1 of Senate Bill No. 2368, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

14-02.1-01. Purpose.

~~The purpose of this section is to protect the state's compelling interest in the unborn human life from the time the unborn child is capable of feeling pain. The purpose of this chapter is to protect unborn human life and maternal health within present constitutional limits. It reaffirms the tradition of the state of North Dakota to protect every human life whether unborn or aged, healthy or sick.~~

SECTION 8. AMENDMENT. The new section to chapter 14-02.1 of the North Dakota Century Code as created by section 3 of Senate Bill No. 2368, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

¹² Section 14-02.1-01 was also amended by section 1 of Senate Bill No. 2368, chapter 116.

Determination of postfertilization age - Abortion of unborn child of twenty or more weeks postfertilization age prohibited.

1. The purpose of this section is to protect the state's compelling interest in the unborn human life from the time the unborn child is capable of feeling pain.
2. Except in the case of a medical emergency, an abortion may not be performed or induced or be attempted to be performed or induced unless the physician performing or inducing the abortion has first made a determination of the probable postfertilization age of the unborn child or relied upon such a determination made by another physician. In making the determination, the physician shall make those inquiries of the woman and perform or cause to be performed the medical examinations and tests as a reasonably prudent physician, knowledgeable about the case and the medical conditions involved, would consider necessary to perform in making an accurate diagnosis with respect to postfertilization age.
- ~~2-3.~~ Except in the case of a medical emergency, a person may not perform or induce or attempt to perform or induce an abortion upon a woman when it has been determined, by the physician performing or inducing or attempting to perform or induce the abortion or by another physician upon whose determination that physician relies, that the probable postfertilization age of the woman's unborn child is twenty or more weeks.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY. The legislative management shall consider studying, during the 2013-14 interim, funding provided by the state for autopsies and state and county responsibility for the cost of autopsies, including the feasibility and desirability of counties sharing in the cost of autopsies performed by the state department of health and the university of North Dakota school of medicine and health sciences. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

¹³ **SECTION 10. REPEAL.** Chapter 23-17.5 and section 23-46-05 of the North Dakota Century Code are repealed.

Approved May 2, 2013
Filed May 2, 2013

¹³ Section 23-46-05 was amended by section 3 of House Bill No. 1145, chapter 178.

CHAPTER 36

SENATE BILL NO. 2005

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

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$601,373	\$251,496	\$852,869
Accrued leave payments	0	8,421	8,421
Operating expenses	<u>221,505</u>	<u>(55,237)</u>	<u>166,268</u>
Total general fund	\$822,878	\$204,680	\$1,027,558
Full-time equivalent positions	4.00	1.00	5.00

SECTION 2. REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The Indian affairs commission shall report to the appropriations committees of the sixty-fourth legislative assembly regarding the activities of the Native American health system program administrator.

Approved April 30, 2013
Filed April 30, 2013

CHAPTER 37

SENATE BILL NO. 2006

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds are provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$1,005,639	\$129,967	\$1,135,606
Accrued leave payments	0	10,772	10,772
Operating expenses	2,258,049	(281,000)	1,977,049
Capital assets	780,000	(390,000)	390,000
Grants	<u>9,040,000</u>	<u>6,460,000</u>	<u>15,500,000</u>
Total all funds	\$13,083,688	\$5,929,739	\$19,013,427
Less estimated income	<u>12,533,688</u>	<u>(70,261)</u>	<u>12,463,427</u>
Total general fund	\$550,000	\$6,000,000	\$6,550,000
Full-time equivalent positions	6.00	0.00	6.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Anemometer tower database	\$4,500	\$0
Grants to airports	0	6,000,000
Total general fund	\$4,500	\$6,000,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The aeronautics commission shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 29, 2013
Filed April 29, 2013

CHAPTER 38**SENATE BILL NO. 2007**

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

AN ACT to provide an appropriation for defraying the expenses of the veterans' home and department of veterans' affairs; to provide legislative intent; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home and department of veterans' affairs for the purpose of defraying the expenses of the veterans' home and department of veterans' affairs, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

VETERANS' HOME

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$13,916,861	\$1,958,006	\$15,874,867
Accrued leave payments	0	458,196	458,196
Operating expenses	5,942,285	(533,435)	5,408,850
Capital assets	705,500	916,540	1,622,040
Shop addition	0	788,200	788,200
New veterans' home	<u>332,000</u>	<u>(332,000)</u>	<u>0</u>
Total all funds	\$20,896,646	\$3,255,507	\$24,152,153
Less estimated income	<u>15,343,323</u>	<u>1,086,477</u>	<u>16,429,800</u>
Total general fund	\$5,553,323	\$2,169,030	\$7,722,353
Full-time equivalent positions	120.72	0.00	120.72

Subdivision 2.

VETERANS' AFFAIRS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Veterans' affairs	\$1,099,626	\$225,954	\$1,325,580
Transport vans	0	30,000	30,000
Accrued leave payments	<u>0</u>	<u>10,123</u>	<u>10,123</u>
Total general fund	\$1,099,626	\$266,077	\$1,365,703
Full-time equivalent positions	7.00	1.00	8.00

Subdivision 3.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$6,652,949	\$2,435,107	\$9,088,056
Grand total special funds	<u>15,343,323</u>	<u>1,086,477</u>	<u>16,429,800</u>
Grand total all funds	\$21,996,272	\$3,521,584	\$25,517,856
Full-time equivalent positions	127.72	1.00	128.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Veterans' home		
Demolition of old veterans' home	\$0	\$1,121,000
Shop addition	0	788,200
Department of veterans' affairs		
Website	15,593	15,000
Discharge project	22,000	0
In lieu of postwar trust fund income	210,000	0
Vans	50,000	30,000
Stand down events	<u>20,000</u>	<u>0</u>
Total all funds	\$317,593	\$1,954,200
Less estimated income	0	<u>1,348,700</u>
Total general fund	\$317,593	\$605,500

The 2013-15 one-time funding amounts are not a part of the agencies' base budget for the 2015-17 biennium. The veterans' home and department of veterans' affairs shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. EXEMPTION - VETERANS' HOME ELECTRONIC HEALTH RECORD SYSTEM PROJECT FUNDING. The unexpended amount remaining from the appropriation for a veterans' home electronic health record system in chapter 35 of the 2009 Session Laws which was continued into the 2011-13 biennium under section 54-44.1-11 is not subject to the provisions of section 54-44.1-11 at the end of the 2011-13 biennium and may be continued into the 2013-15 biennium for paying expenses of the veterans' home electronic health record system project.

SECTION 4. EXEMPTION - VETERANS' HOME CONSTRUCTION PROJECT FUNDING. The unexpended amount remaining from the appropriation for the veterans' home construction project in chapter 53 of the 2009 Session Laws which was continued into the 2011-13 biennium under section 54-44.1-11 is not subject to the provisions of section 54-44.1-11 at the end of the 2011-13 biennium and may be continued into the 2013-15 biennium for paying expenses of the veterans' home construction project.

SECTION 5. FUNDING TRANSFER - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the veterans' home may transfer up to \$170,000 from the operating expenses line item to the salaries and wages line item, for the biennium beginning July 1, 2011, and ending June 30, 2013. The veterans' home

shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 6. SHOP ADDITION PROJECT - MELVIN NORGARD MEMORIAL FUND. The funds appropriated in the shop addition line item in section 1 of this Act are from the Melvin Norgard memorial fund. The veterans' home may begin construction of the shop addition when the balance in the Melvin Norgard memorial fund is sufficient to provide for all costs of the project during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 7. LEGISLATIVE INTENT - 2015-17 DEPARTMENT OF VETERANS' AFFAIRS APPROPRIATION BILL. It is the intent of the sixty-third legislative assembly that the governor include the recommended funding for the department of veterans' affairs in a separate draft appropriations act for introduction to the sixty-fourth legislative assembly.

SECTION 8. LEGISLATIVE INTENT - TRANSPORT VAN REPLACEMENT PLAN. It is the intent of the sixty-third legislative assembly that the department of veterans' affairs prepare and provide a transport van replacement plan to the sixty-fourth legislative assembly and introduce legislation seeking state funding for the replacement of transport vans based on the plan.

SECTION 9. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 39

SENATE BILL NO. 2008

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$5,356,855	\$518,134	\$5,874,989
Accrued leave payments	0	120,783	120,783
Operating expenses	1,459,463	(31,018)	1,428,445
Contingency	<u>20,000</u>	<u>136,000</u>	<u>156,000</u>
Total special funds	\$6,836,318	\$743,899	\$7,580,217
Full-time equivalent positions	29.00	0.00	29.00

Approved April 29, 2013
Filed April 29, 2013

CHAPTER 40**SENATE BILL NO. 2009**

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

AN ACT to provide an appropriation for defraying the expenses of the state fair association; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Capital assets	\$210,000	\$2,540,000	\$2,750,000
Premiums	<u>520,000</u>	<u>26,000</u>	<u>546,000</u>
Total general fund	\$730,000	\$2,566,000	\$3,296,000

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Repair flood damage	\$0	\$2,750,000
Total general fund	\$0	\$2,750,000

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The state fair association shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. EMERGENCY. The capital assets line item in section 1 of this Act is declared to be an emergency measure.

Approved April 30, 2013
Filed April 30, 2013

CHAPTER 41

SENATE BILL NO. 2010

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

AN ACT to provide an appropriation for defraying the expenses of the council on the arts; and to provide a matching requirement.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$741,580	\$49,176	\$790,756
Accrued leave payments	0	7,933	7,933
Operating expenses	275,575	72,448	348,023
Grants	<u>2,201,307</u>	<u>(99,000)</u>	<u>2,102,307</u>
Total all funds	\$3,218,462	\$30,557	\$3,249,019
Less estimated income	<u>1,854,860</u>	<u>(109,943)</u>	<u>1,744,917</u>
Total general fund	\$1,363,602	\$140,500	\$1,504,102
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Update cultural guide	\$0	\$10,000
Total general fund	\$0	\$10,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The council on the arts shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. APPROPRIATION. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. MATCHING REQUIREMENT - INSTITUTIONAL SERVICES GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$50,000 from the general fund for increased funding from the general fund to replace an anticipated reduction in federal funding for the institutional services grant program,

for the biennium beginning July 1, 2013, and ending June 30, 2015. The council on the arts may not award grants from the funds appropriated from the general fund referred to in this section unless grant recipients provide matching funds from nonstate sources on a dollar-for-dollar basis.

Approved May 1, 2013

Filed May 1, 2013

CHAPTER 42

SENATE BILL NO. 2011

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

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Administration	\$3,159,842	\$306,271	\$3,466,113
Field operations	40,651,139	8,969,638	49,620,777
Law enforcement training academy	1,602,488	5,200,555	6,803,043
Accrued leave payments	<u>0</u>	<u>1,110,651</u>	<u>1,110,651</u>
Total all funds	\$45,413,469	\$15,587,115	\$61,000,584
Less estimated income	<u>11,364,325</u>	<u>2,028,217</u>	<u>13,392,542</u>
Total general fund	\$34,049,144	\$13,558,898	\$47,608,042
Full-time equivalent positions	198.00	15.00	213.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Digital radio equipment upgrade	\$1,237,000	\$0
Emergency vehicle operations course and weapons training range	0	5,000,000
Emergency lighting equipment	0	672,000
Taser equipment	0	202,000
Trailer scale systems	0	150,000
Law enforcement training academy extraordinary repairs	<u>0</u>	<u>121,000</u>
Total all funds	\$1,237,000	\$6,145,000
Total special funds	<u>161,000</u>	<u>798,000</u>
Total general fund	\$1,076,000	\$5,347,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The highway patrol shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. SPECIAL FUNDS TRANSFER. The less estimated income line item in section 1 of this Act includes the sum of \$6,841,066, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed \$200 per month for the biennium beginning July 1, 2013, and ending June 30, 2015. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at their respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

Approved May 6, 2013
Filed May 7, 2013

CHAPTER 43

SENATE BILL NO. 2012

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

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to provide appropriations to the state treasurer for transportation funding distributions; to provide an appropriation to the department of corrections and rehabilitation for costs related to a general license plate issue; to amend and reenact sections 39-02-03, 39-04-09, and 57-43.2-19 of the North Dakota Century Code and section 27 of chapter 579 of the 2011 Session Laws, relating to department of transportation motor vehicle branch offices, the issuance of license plates, deposits of special fuels excise taxes, and transportation funding distributions to non-oil-producing political subdivisions; to provide for transfers and contingent transfers; to provide exemptions; to provide for budget section reports; to provide for legislative management studies; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$165,966,396	\$21,511,189	\$187,477,585
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
Grants	<u>67,767,407</u>	<u>22,020,623</u>	<u>89,788,030</u>
Total all funds	\$1,146,903,884	\$783,875,550	\$1,930,779,434
Less estimated income	<u>1,146,903,884</u>	<u>773,875,550</u>	<u>1,920,779,434</u>
Total general fund	\$0	\$10,000,000	\$10,000,000
Full-time equivalent positions	1,063.50	16.00	1,079.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	\$24,119,575	\$0
Devils Lake area highway project	5,850,000	0
Extraordinary state highway maintenance	228,600,000	0
County and township road reconstruction program	142,000,000	0
Emergency relief program borrowing authority	200,000,000	0

Road grade raising grants	6,000,000	0
Highway-rail grade crossing safety grants	1,431,000	0
Enhanced state highway investments	0	541,600,000
Federal TIGER III grant match	0	<u>10,000,000</u>
Total all funds	\$608,000,575	\$551,600,000
Total special funds	<u>602,150,575</u>	<u>541,600,000</u>
Total general fund	\$5,850,000	\$10,000,000

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. The department of transportation shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. LINE ITEM TRANSFERS. The director of the department of transportation may transfer between the salaries and wages, operating, capital assets, and grants line items in section 1 of this Act when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the office of management and budget of any transfers made pursuant to this section.

SECTION 4. HIGHWAY-RAIL GRADE CROSSING SAFETY PROJECTS FUND - PILOT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$640,000 from the highway-rail grade crossing safety projects fund which may be used by the department of transportation to continue highway-rail grade crossing safety projects approved by the department and for which funding was obligated prior to January 1, 2013.

The grants line item in section 1 of this Act includes the sum of \$500,000 from the highway-rail grade crossing safety projects fund for a highway-rail grade crossing safety pilot program during the biennium beginning July 1, 2013, and ending June 30, 2015. The director of the department of transportation shall develop guidelines for the distribution of program funds for rail safety projects the director deems necessary for public safety. An eligible project may be located on a paved or unpaved roadway and a local match of 10 percent of total project costs must be provided for any approved project that is not located on the state highway system.

On June 30, 2015, the state treasurer shall transfer any unexpended and unobligated balance in the highway-rail grade crossing safety projects fund to the highway tax distribution fund.

SECTION 5. APPROPRIATION - CONTINGENT TRANSFERS - GENERAL FUND TO PUBLIC TRANSPORTATION FUND. 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, which the office of management and budget shall transfer to the public transportation fund pursuant to this section during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2013, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2012, and ending June 30, 2013. The office of management and budget shall transfer the sum of \$550,000 on July 1, 2014, if deposits in the public transportation fund from the highway tax distribution fund are \$5,000,000 or less during the period beginning July 1, 2013, and ending June 30, 2014.

SECTION 6. 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 \$720,000, 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.

SECTION 7. APPROPRIATION - STATE TREASURER - TOWNSHIP TRANSPORTATION FUNDING DISTRIBUTIONS CORRECTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$385,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing transportation funding distribution to counties and townships in accordance with this section, for the period beginning with the effective date of this Act and ending June 30, 2015. The state treasurer shall use the funding provided under this section to ensure that all eligible counties and townships receive a distribution in accordance with subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly. Any funds that remain after the distributions to eligible counties and townships must be distributed by the state treasurer pursuant to the method provided in subsection 3 of section 2 of Senate Bill No. 2176 as approved by the sixty-third legislative assembly.

SECTION 8. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - GENERAL LICENSE PLATE ISSUE - BUDGET SECTION APPROVAL - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$6,820,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of defraying the expenses for a general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of transportation may not use embossed printed license plates for the general license plate issue. 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. The one-time general fund appropriation provided under this section is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 9. APPROPRIATION - DEPARTMENT OF CORRECTIONS AND REHABILITATION - GENERAL LICENSE PLATE ISSUE. There is appropriated from special funds and other income received, the sum of \$4,900,000, or so much of the sum as may be necessary, to the department of corrections and rehabilitation for expenses incurred by roughrider industries related to the general license plate issue, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 10. APPROPRIATION - TRANSFER - GENERAL FUND TO HIGHWAY FUND. There is appropriated out of any moneys in the general fund in the state

treasury, not otherwise appropriated, the sum of \$541,600,000, or so much of the sum as may be necessary, which the office of management and budget shall transfer to the highway fund during the biennium beginning July 1, 2013, and ending June 30, 2015. The office of management and budget shall transfer the funds provided under this section to the state highway fund at the request of the director of the department of transportation. The funding provided in this section is considered a one-time funding item.

SECTION 11. ENHANCED STATE HIGHWAY INVESTMENTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding of \$541,600,000 in the capital assets line item relating to enhanced state highway investments in section 1 of this Act. Any funds not spent by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and ending June 30, 2017, and may be expended only for enhanced state highway investments.

SECTION 12. EXEMPTION - STATE DISASTER RELIEF FUND - ROAD GRADE RAISING GRANTS. The amount appropriated to the department of transportation from the state disaster relief fund for road grade raising grants, as contained in section 14 of chapter 579 of the 2011 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the department to provide road grade raising grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. AMENDMENT. Section 39-02-03 of the North Dakota Century Code is amended and reenacted as follows:

39-02-03. Powers and duties of director and department.

The director, subject to the approval of the governor, may adopt and enforce such administrative rules and designate such agencies and establish such branch offices as may be necessary to carry out the laws applicable to the director's office and department. The director shall provide suitable forms for applications, registration cards, license number plates, and all other forms requisite for the operation of the director's office and department, and shall prepay all transportation charges thereon. ~~In addition, the~~ The director ~~shall~~ may provide for a ~~uniform~~ maximum fee schedule for the various services provided by the branch offices, not to exceed ten dollars for each service provided. Any branch office may establish a different fee schedule if the schedule does not contain a fee that exceeds a maximum fee established by the director and is approved by the director. All branch office managers must be bonded. The department may lease or provide office space or other ~~overhead~~ costs as necessary to independent motor vehicle branch managers. All rents collected under this section must be deposited in the state highway fund. The department and the officers thereof shall enforce the provisions of all laws pertaining to the director and the department.

SECTION 14. AMENDMENT. Section 39-04-09 of the North Dakota Century Code is amended and reenacted as follows:

39-04-09. Director may design and issue number plates.

The director may design and issue plates of distinctly different color for each classification of motor vehicle, and there must at all times be a marked contrast between the background color of the plates and that of the numerals and letters ~~thereon on the plates~~. License plates must be acquired from the North Dakota state penitentiary if the penitentiary has the facilities to manufacture license plates. The director shall make a general issue during the biennium beginning July 1, 2013, and

ending June 30, 2015, and continuing into the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 15. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. Transfer, deposit, and distribution of funds.

All taxes, license fees, penalties, and interest collected under this chapter must be transferred to the state treasurer who shall deposit moneys in a highway tax distribution fund, except all special fuels excise taxes collected on sales of diesel fuel to a railroad under section 57-43.2-03 of up to two hundred fifty thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the highway-rail grade crossing safety projects fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

SECTION 16. AMENDMENT. Section 27 of chapter 579 of the 2011 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 17. 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 18. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION COSTS AND FUNDING. During the 2013-14 interim, the legislative management shall consider studying 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 19. 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.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - MOTOR VEHICLE BRANCH OFFICES. During the 2013-14 interim, the legislative management shall consider studying the use of branch offices by the department of transportation. The study must include a review of the structure of agreements with operators of branch offices, the number of motor vehicles registered at each office, the current locations of offices, the quality of data provided by the offices, the staffing needs of the offices, and the fees received by offices for services provided. The study must also include a review of the future use of branch offices, including office locations, alternative uses for facilities, and other changes that may promote efficiencies. 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 21. EFFECTIVE DATE - EXPIRATION DATE. Section 15 of this Act is effective for taxable events occurring after June 30, 2013, and before July 1, 2015, and is thereafter ineffective.

SECTION 22. EMERGENCY. Sections 6, 7, and 16 of this Act and funding of \$10,000,000 in the grants line item in section 1 of this Act to match a federal TIGER III grant for railroad improvements are declared to be an emergency measure.

Approved May 14, 2013
Filed May 15, 2013

CHAPTER 44

SENATE BILL NO. 2013

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

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; and to amend and reenact section 57-62-04 of the North Dakota Century Code, relating to the energy infrastructure and impact office.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury, to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,145,824	\$1,011,191	\$5,157,015
Accrued leave payments	0	108,541	108,541
Operating expenses	1,431,096	544,767	1,975,863
Capital assets	0	65,550	65,550
Grants	99,778,269	(99,778,269)	0
Energy infrastructure and impact office	0	700,826	700,826
Contingencies	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
Total special funds	\$105,455,189	(\$97,247,394)	\$8,207,795
Full-time equivalent positions	24.75	6.25	31.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Contingent energy impact grants	\$30,000,000	\$0
Contingent energy impact grants - new development counties	5,000,000	0
Capital assets	10,000	65,550
Private lands study	0	50,000
Flood impact grants	30,000,000	0
Total all funds	\$65,010,000	\$115,550
Less estimated income	<u>35,010,000</u>	<u>115,550</u>
Total general fund	\$30,000,000	\$0

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department shall report to the appropriations committees

of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. OIL AND GAS IMPACT GRANTS - EXEMPTION. Section 54-44.1-11 does not apply to appropriations made for oil and gas impact grants in House Bill No. 1358, as approved by the sixty-third legislative assembly, or to the energy infrastructure and impact office line item in section 1 of this Act.

SECTION 4. OIL AND GAS IMPACT GRANTS - FLOOD-IMPACTED POLITICAL SUBDIVISION INFRASTRUCTURE DEVELOPMENT GRANTS - 2011-13 - EXEMPTION. Section 54-44.1-11 does not apply to appropriations made by the sixty-second legislative assembly for oil and gas impact grants and flood-impacted political subdivision infrastructure development grants pursuant to chapter 579 of the 2011 Session Laws.

SECTION 5. APPROPRIATION LINE ITEM TRANSFERS. Upon approval of the board of university and school lands, the commissioner of university and school lands may transfer between the various line items in section 1 of this Act, including transfers from the contingencies line item to all other line items. The commissioner shall notify the office of management and budget of each transfer made pursuant to this section.

SECTION 6. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to section 1 of article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2013, and ending June 30, 2015, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common schools	\$130,326,000
North Dakota state university	2,066,000
University of North Dakota	1,814,000
Youth correctional center	810,000
School for the deaf	720,000
State college of science	731,428
State hospital	803,428
Veterans' home	325,428
Valley City state university	372,000
North Dakota vision services - school for the blind	331,428
Mayville state university	236,000
Dakota college at Bottineau	49,428
Dickinson state university	49,428
Minot state university	49,428
Total	\$138,683,996

SECTION 7. PRIVATE LAND STUDY - EMERGENCY COMMISSION APPROVAL FOR ADDITIONAL FUNDS. The operating expenses line item in section 1 of this Act includes the sum of \$50,000 from the strategic investment and improvements fund for a study provided for in House Bill No. 1338, as approved by the sixty-third legislative assembly, of private lands owned adjacent to lands under control of the United States army corps of engineers. If the \$50,000 provided for the study is insufficient, the department of trust lands may seek emergency commission approval for additional funding from the state contingencies appropriation of up to \$50,000 for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. AMENDMENT. Section 57-62-04 of the North Dakota Century Code is amended and reenacted as follows:

57-62-04. Energy infrastructure and impact office - Appointment of director.

There is hereby created an energy infrastructure and impact office, to be a division within the office of the commissioner of the board of university and school lands, the director of which must be appointed by and serve at the pleasure of the board of university and school lands. The director shall have knowledge of state and local government and shall have experience or training in the fields of taxation and accounting. The salary of the director must be set by the commissioner of university and school lands within the limits of legislative appropriations. The director may employ such other persons as may be necessary and may fix their compensation within the appropriation made for such purpose. The board of university and school lands shall fill any vacancy in the position of director in the same manner as listed above and, ~~in addition, shall serve as an appeals board under rules promulgated by the board of university and school lands to reconsider grant applications for aid under this chapter which have been denied by the director.~~ All action by the board of university and school lands, including appointment of a director, must be by majority vote.

SECTION 9. OIL AND GAS IMPACT GRANT DISTRIBUTION - DUST CONTROL. If the dust control pilot project provided for in House Bill No. 1358, as approved by the sixty-third legislative assembly, is deemed effective by the director of the energy infrastructure and impact office, the board of university and school lands may approve up to \$3,000,000 of additional oil and gas impact grants to counties for dust control.

SECTION 10. OIL AND GAS IMPACT GRANT DISTRIBUTION - NEW COUNTIES - OTHER USES. Notwithstanding any other provisions of this Act, the director of the energy infrastructure and impact office may include within recommendations to the board of university and school lands for oil and gas impact grants up to \$5,000,000 of the funds designated for counties experiencing oil and gas development in House Bill No. 1358, as approved by the sixty-third legislative assembly, to any eligible political subdivision if, by January 1, 2015, the funds have not been committed to counties meeting the eligibility requirements for this funding, under provisions of House Bill No. 1358, as approved by the sixty-third legislative assembly.

Approved May 6, 2013
Filed May 7, 2013

CHAPTER 45

SENATE BILL NO. 2014

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

AN ACT to provide an appropriation for defraying the expenses of the state industrial commission and the agencies under the management of the industrial commission; to provide legislative intent; to provide an appropriation; to provide a continuing appropriation; to provide a contingent appropriation; to authorize transfers; to create and enact a new section to chapter 6-09.15, a new subsection to section 6-09.15-01, a new section to chapter 54-44.5, and a new subsection to section 57-35.3-05 of the North Dakota Century Code, relating to a loan guarantee for child care facilities, housing incentive fund tax credits, and the energy conservation fund; to amend and reenact subsection 1 of section 6-09.15-01, subsection 2 of section 54-17-40, subsection 1 of section 54-17.6-05, subsection 17 of section 54-44.3-20, and sections 57-38-01.32, 57-51.1-07, and 57-51.1-07.3 of the North Dakota Century Code, relating to the beginning entrepreneur loan guarantee program, the resources trust fund, the oil and gas research council membership, the oil and gas research fund, the housing incentive fund, housing incentive fund credits, and classified employees; to provide for a value-added market opportunities for renewable energy resources and oil and gas study; to provide for a report to the legislative management; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state industrial commission and agencies under its control for the purpose of defraying the expenses of the state industrial commission and agencies under its control, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$12,059,220	\$5,814,656	\$17,873,876
Accrued leave payments	0	347,696	347,696
Operating expenses	3,378,744	2,551,832	5,930,576
Capital assets	0	5,800	5,800
Grants - lignite research and development	19,971,300	(471,300)	19,500,000
Grants - bond payments	25,389,733	(5,579,764)	19,809,969
Mineral resources contingency	<u>743,972</u>	<u>(743,972)</u>	<u>0</u>
Total all funds	\$61,542,969	\$1,924,948	\$63,467,917
Less estimated income	<u>46,766,756</u>	<u>(5,792,964)</u>	<u>40,973,792</u>

Total general fund	\$14,776,213	\$7,717,912	\$22,494,125
Full-time equivalent positions	76.06	22.69	98.75

Subdivision 2.

BANK OF NORTH DAKOTA - OPERATIONS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Bank of North Dakota operations	\$45,587,155	\$5,936,761	\$51,523,916
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	\$6,296,992	\$53,150,147
Full-time equivalent positions	176.50	3.00	179.50

Subdivision 3.

BANK OF NORTH DAKOTA - ECONOMIC DEVELOPMENT

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Partnership in assisting community expansion fund	\$6,000,000	(\$6,000,000)	\$0
Agriculture partnership in assisting community expansion fund	1,000,000	(1,000,000)	0
Beginning farmer revolving loan fund	1,400,000	(1,400,000)	0
Biofuels partnership in assisting community expansion fund	<u>1,000,000</u>	<u>(1,000,000)</u>	<u>0</u>
Total general fund	\$9,400,000	(\$9,400,000)	\$0

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$26,018,008	\$3,123,742	\$29,141,750
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	\$5,051,680	\$52,123,557
Full-time equivalent positions	131.00	4.00	135.00

Subdivision 5.

HOUSING FINANCE AGENCY

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$6,516,277	\$918,600	\$7,434,877
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	\$2,417,445	\$41,007,491
Full-time equivalent positions	46.00	0.00	46.00

Subdivision 6.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	\$24,176,213	\$18,831,159	\$43,007,372
Grand total special funds	179,281,834	7,973,153	187,254,987
Grand total all funds	\$203,458,047	\$26,804,312	\$230,262,359

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the grand total appropriation in section 1 of this Act:

One-Time Funding Description	2011-13	2013-15
Renewable energy development program	\$1,500,000	\$0
Temporary employees - core library	90,000	0
Carbon dioxide storage facility administrative fund	532,000	0
Coalbed methane/shallow gas studies	25,000	0
Fracturing sand and proppant studies	50,000	0
Oil-bearing rock study	40,000	80,000
Paleontologic preparatory work	62,400	0
Western area water supply loan	35,000,000	0
Possible environmental protection agency litigation	1,000,000	0
Housing incentive fund	0	15,400,000
Possible federal agency litigation	0	1,000,000
Core library - architect services	0	25,000
Temperature profiles study	0	50,000
Wide-bed plotter	0	5,800
Total all funds	\$38,299,400	\$16,560,800
Total special funds	10,000,000	0
Total general fund	\$28,299,400	\$16,560,800

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The industrial commission shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. LEGISLATIVE INTENT - BOND PAYMENTS. The amount of \$19,809,969 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2013, and ending June 30, 2015:

North Dakota university system	\$10,436,045
North Dakota university system - energy conservation projects	491,397
Department of corrections and rehabilitation	1,289,450
State department of health	642,688
Job service North Dakota	540,376
Adjutant general	28,586
Information technology department - ConnectND	2,504,100
Office of management and budget	665,272
Office of attorney general	765,851
State historical society	1,392,337
Parks and recreation department	73,627

Research and extension service	571,400
Veterans' home	<u>408,840</u>
Total	\$19,809,969

SECTION 4. APPROPRIATION. In addition to the amount appropriated to the housing finance agency in subdivision 5 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. APPROPRIATION - EMERGENCY COMMISSION APPROVAL. In addition to the amount appropriated to the state industrial commission in subdivision 1 of section 1 of this Act, there is appropriated, with the approval of the emergency commission, funds that may become available to the commission from bonds authorized by law to be issued by the state industrial commission for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. TRANSFER. The sum of \$647,547, or so much of the sum as may be necessary, included in the special funds appropriation line item in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the state industrial commission to the industrial commission fund for administrative services rendered by the commission. Transfers shall be made during the biennium beginning July 1, 2013, and ending June 30, 2015, upon order of the commission. Transfers from the student loan trust must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$28,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 8. TRANSFER - BANK OF NORTH DAKOTA - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of \$2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 10. TRANSFER - BANK OF NORTH DAKOTA - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of \$6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 11. 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 \$15,400,000, 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 a one-time funding item.

SECTION 12. 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 \$500,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of conducting a study to evaluate value-added market opportunities for renewable energy resources and oil and gas under section 13 of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 13. 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 \$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.

SECTION 14. 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 \$2,600,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants to child care facilities, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department 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 \$187,500.

SECTION 15. APPROPRIATION - STATE TREASURER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,247, or so much of the sum as may be necessary, to the state treasurer for the purpose of defraying additional information technology development costs relating to changes in oil revenue distributions and other changes, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 16. VALUE-ADDED MARKET OPPORTUNITIES FOR RENEWABLE ENERGY RESOURCES AND OIL AND GAS STUDY - REPORT TO THE LEGISLATIVE MANAGEMENT.

1. During the 2013-14 interim, the department of commerce shall conduct a study to evaluate value-added market opportunities related to renewable energy resources and oil and gas.
2. The department of commerce shall cooperate with the energy policy commission in conducting this study.
3. The department of commerce shall report its findings and recommendations to the legislative management before September 1, 2014.

SECTION 17. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of \$4,500,000, or so much of the amount as may be necessary, included in the grants and special funds appropriation line item in subdivision 1 of section 1 of this Act, is from the lignite research fund for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those

focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section may also be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys not needed for the purposes stated in this section are available to the commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 18. 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.

SECTION 19. DEPARTMENT OF MINERAL RESOURCES FUNDING - TRIGGER. Of the funds appropriated in subdivision 1 of section 1 of this Act, \$430,518 in the salaries and wages line and \$155,712 in the operating line are from the general fund. If funds are required due to the total number of wells capable of production or injection in the state exceeding 15,000, the oil and gas division may spend up to \$586,230 and hire three full-time equivalent positions, upon notification to the office of management and budget.

¹⁴ **SECTION 20. 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.

¹⁵ **SECTION 21.** A new subsection to section 6-09.15-01 of the North Dakota Century Code is created and enacted as follows:

¹⁴ Section 6-09.15-01 was also amended by section 21 of Senate Bill No. 2014, chapter 45.

¹⁵ Section 6-09.15-01 was also amended by section 20 of Senate Bill No. 2014, chapter 45.

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

SECTION 22. 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.

¹⁶ **SECTION 23. AMENDMENT.** Subsection 2 of section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

2. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least twenty-five percent of the fund must be used to assist developing communities ~~with a population of not more than ten thousand individuals~~ to address an unmet housing need or alleviate a housing shortage. ~~At least fifty percent~~A portion of the fund as determined by the housing finance agency in the annual allocation plan must be used to benefit ~~households with incomes at not more than fifty percent of the area median~~individuals and families of low or moderate income. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients.

SECTION 24. AMENDMENT. Subsection 1 of section 54-17.6-05 of the North Dakota Century Code is amended and reenacted as follows:

1. The oil and gas research council is composed of ~~eight~~seven members, four of whom must currently be engaged in and have at least five years of active experience in the oil and natural gas exploration and production industry. The council consists of:
 - a. Four members appointed by the governor from a list provided by the North Dakota petroleum council. The governor may reject the list and request the council to submit a new list until the appointments are made.
 - b. One member appointed by the governor from a list provided by the North Dakota association of oil and gas producing counties. The governor may reject the list and request the association to submit a new list until the appointment is made.
 - c. The executive director of the North Dakota petroleum council or the executive director's designee.
 - d. ~~The president of the northern alliance of independent producers or the president's designee.~~
 - e. A county commissioner from an oil producing county appointed by the governor.
 - f.e. The director of the oil and gas division and the state geologist shall serve on the council as advisory nonvoting members.

¹⁶ Section 54-17-40 was also amended by section 2 of House Bill No. 1029, chapter 406.

SECTION 25. 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.

SECTION 26. A new section to chapter 54-44.5 of the North Dakota Century Code is created and enacted as follows:

Energy conservation grant fund - Continuing appropriation.

The energy conservation grant fund is a special fund in the state treasury. All funds in the energy conservation grant fund are appropriated to the department on a continuing basis for the purpose of providing grants to political subdivisions for energy conservation projects in nonfederal public buildings. The department shall develop guidelines to qualify for a grant under this section which must include a requirement that projects have a combined payback period of ten years or less, a matching requirement of one dollar of matching funds for every dollar of grant funds, and a maximum grant amount of one hundred thousand dollars. Interest earned by the fund must be credited to the fund.

SECTION 27. 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 purpose of the credit allowed in this subsection, subsections 2 through 8 of section 57-38-01.32 apply.

SECTION 28. 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.

¹⁷ Section 57-38-01.32 was also amended by section 5 of House Bill No. 1029, chapter 406, section 24 of House Bill No. 1106, chapter 443, and section 10 of Senate Bill No. 2325, chapter 449.

5. The aggregate amount of tax credits allowed to all eligible contributors is limited to ~~fifteen~~twenty 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.

SECTION 29. AMENDMENT. Section 57-51.1-07 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07. Allocation of moneys in oil extraction tax development fund.

Moneys deposited in the oil extraction tax development fund must be transferred monthly by the state treasurer as follows:

1. Twenty percent must be allocated and credited to the sinking fund established for payment of the state of North Dakota water development bonds, southwest pipeline series, and any moneys in excess of the sum necessary to maintain the accounts within the sinking fund and for the payment of principal and interest on the bonds must be credited to a special trust fund, to be known as the resources trust fund. The resources trust fund must be established in the state treasury and the funds therein must be deposited and invested as are other state funds to earn the maximum amount permitted by law which income must be deposited in the resources trust fund. Five percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the renewable energy development fund, not to exceed three million dollars per biennium. One-half of one percent of the amount credited to the resources trust fund must be transferred no less than quarterly into the energy conservation grant fund not to exceed one million two hundred thousand

dollars per biennium. The principal and income of the resources trust fund may be expended only pursuant to legislative appropriation and are available to:

- a. The state water commission for planning for and construction of water-related projects, including rural water systems. These water-related projects must be those which the state water commission has the authority to undertake and construct pursuant to chapter 61-02; and
 - b. The industrial commission for the funding of programs for development of ~~energy conservation~~ and renewable energy sources; for studies for development of cogeneration systems that increase the capacity of a system to produce more than one kind of energy from the same fuel; for studies for development of waste products utilization; and for the making of grants and loans in connection therewith.
 - c. The department of commerce for the funding of programs for development of energy conservation and for the making of grants and loans relating to energy conservation.
2. Twenty percent must be allocated to the common schools trust fund and foundation aid stabilization fund as provided in section 24 of article X of the Constitution of North Dakota.
 3. Thirty percent must be allocated to the legacy fund as provided in section 26 of article X of the Constitution of North Dakota.
 4. Thirty percent must be allocated and credited to the state's general fund.

SECTION 30. AMENDMENT. Section 57-51.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

57-51.1-07.3. Oil and gas research fund - Deposits - Continuing appropriation.

There is established a special fund in the state treasury to be known as the oil and gas research fund. Before depositing oil and gas gross production tax and oil extraction tax revenues in the general fund, property tax relief sustainability, strategic investment and improvements fund, or the state disaster relief fund, two percent of the revenues must be deposited monthly into the oil and gas research fund, up to ~~fourteen~~ fourteen million dollars per biennium. All moneys deposited in the oil and gas research fund and interest on all such moneys are appropriated as a continuing appropriation to the council to be used for purposes stated in chapter 54-17.6.

SECTION 31. EMERGENCY COMMISSION - MILL AND ELEVATOR ASSOCIATION. The salaries and wages line item in subdivision 4 of section 1 of this Act includes \$232,681 for overtime pay. Notwithstanding chapter 54-16, the mill and elevator association may request additional appropriation authority from the emergency commission if the funds provided for overtime pay are not sufficient for the beginning July 1, 2013, and ending June 30, 2015 biennium.

SECTION 32. MILL AND ELEVATOR PROFITS - TRANSFER TO THE GENERAL FUND. Notwithstanding any other provision of law, the industrial commission shall transfer to the state general fund 50 percent of the annual earnings and undivided profits of the North Dakota mill and elevator association after any transfers to other state agricultural-related programs or the sum of \$6,817,200,

whichever is less, during the biennium beginning July 1, 2013, and ending June 30, 2015. The moneys must be transferred on an annual basis in the amounts and at the times requested by the director of the office of management and budget.

SECTION 33. LEGISLATIVE INTENT - OIL AND GAS RESEARCH FUND. It is the intent of the legislative assembly that the industrial commission give special emphasis to value-added processing of oil and gas projects in the awarding of funds from the oil and gas research fund during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 34. LEGISLATIVE INTENT - ADMINISTRATIVE RULES - RESERVE PITS. It is the intent of the sixty-third legislative assembly that the industrial commission's department of mineral resources oil and gas division include in its next administrative rules review and revision process, the effect of provisions included in North Dakota Administrative Code section 43-02-03-19.5 relating to reserve pits for drilling mud and drill cuttings from shallow wells drilled and completed outside of the Bakken and Three Forks formations for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 35. EFFECTIVE DATE - EXPIRATION DATE. Sections 27 and 28 of this Act are effective for the first two taxable years beginning after December 31, 2012, and are thereafter ineffective.

SECTION 36. EMERGENCY. The amount of \$61,751 and five full-time equivalent positions included in subdivision 1 of section 1 and sections 7 through 10 of this Act are declared to be an emergency measure.

Approved May 3, 2013

Filed May 7, 2013

CHAPTER 46

SENATE BILL NO. 2015

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

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to provide for refusal of admission of inmates; to provide for a legislative management study; to provide for a report to legislative management; to provide an exemption; and to amend and reenact subsection 2 of section 12.1-32-07 of the North Dakota Century Code, relating to supervision fees.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Adult services	\$160,825,768	\$17,819,891	\$178,645,659
Youth services	27,221,743	1,643,380	28,865,123
Accrued leave payments	0	4,639,529	4,639,529
Total all funds	\$188,047,511	\$24,102,800	\$212,150,311
Less estimated income	<u>30,145,650</u>	<u>1,089,272</u>	<u>31,234,922</u>
Total general fund	\$157,901,861	\$23,013,528	\$180,915,389
Full-time equivalent positions	794.29	20.00	814.29

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Equipment	\$665,100	\$552,900
Capital projects	1,717,968	349,950
Information technology upgrades	0	652,900
Missouri River correctional center study	0	200,000
Extraordinary repairs	741,490	1,683,296
Total all funds	\$3,124,558	\$3,439,046
Less estimated income	<u>1,460,500</u>	<u>298,000</u>
Total general fund	\$1,664,058	\$3,141,046

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of

this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. EXEMPTION. Appropriation authority continued for the biennium beginning July 1, 2011, and ending June 30, 2013, pursuant to section 54-44.1-11, relating to the penitentiary expansion project, is not subject to cancellation pursuant to section 54-44.1-11 and may be continued until June 30, 2014.

SECTION 4. DEPARTMENT OF CORRECTIONS AND REHABILITATION - REPORT TO LEGISLATIVE MANAGEMENT. Section 1 of this Act includes the sum of \$200,000, or so much of the sum as may be necessary, that the department of corrections and rehabilitation, in conjunction with the office of management and budget, shall use to develop options for the feasibility and desirability of relocating the Missouri River correctional center and for a land use study, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department may use up to \$50,000 to contract for a land use study of the Missouri River correctional center site. The study must review options to develop all or a portion of the current site into a day park and options to continue agriculture activities on the current site. The study may not include options to develop the land for residential, commercial, or industrial purposes. The department may use up to \$150,000 for the development of options for relocating the Missouri River correctional center including the determination of facilities, services, and activities that may be shared by the Missouri River correctional center and the youth correctional center; to develop a plan to move the Missouri River correctional center to a site adjacent to the youth correctional center; and to provide cost estimates for construction necessary to relocate the Missouri River correctional center during the 2015-17 biennium, pending approval and funding by the sixty-fourth legislative assembly. During the 2013-14 interim, the office of management and budget shall provide a report to the budget section regarding options for the possible relocation of the Missouri River correctional center and results of the study. The department shall present its plan to move the Missouri River correctional center to a site adjacent to the youth correctional center to the legislative management by July 1, 2014.

SECTION 5. LEGISLATIVE MANAGEMENT STUDY OF JAMES RIVER CORRECTIONAL CENTER AND STATE HOSPITAL PROPERTY. During the 2013-14 interim, the legislative management shall consider studying the use of the structures and property of the James River correctional center and the state hospital to determine the best and most efficient use of the properties. 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 6. REFUSAL OF ADMISSION OF INMATES - REPORT TO LEGISLATIVE MANAGEMENT. The department of corrections and rehabilitation may refuse to admit inmates sentenced to the physical custody of the department when the admission of inmates will exceed the maximum operational capacity of the penitentiary and its affiliated facilities and result in the department exceeding its authorized legislative appropriation for contracting for housing inmates in other correctional facilities. For purposes of this section, maximum operational capacity of the department means the total number of inmates that may be imprisoned at the same time in the penitentiary and its affiliated facilities. The department shall develop a prison population management plan to prioritize admissions based on sentences and the availability of space in the penitentiary and its affiliated facilities. The department shall report annually to the budget section of the legislative management on the prison population management plan and inmate admissions and the number of inmates the department has not admitted after sentencing.

¹⁸ **SECTION 7. AMENDMENT.** Subsection 2 of section 12.1-32-07 of the North Dakota Century Code is amended and reenacted as follows:

2. The conditions of probation must be such as the court in its discretion deems reasonably necessary to ensure that the defendant will lead a law-abiding life or to assist the defendant to do so. The court shall provide as an explicit condition of every probation that the defendant not commit another offense during the period for which the probation remains subject to revocation. The court shall order supervision costs and fees of not less than ~~forty-five~~fifty-five dollars per month unless the court makes a specific finding on record that the imposition of fees will result in an undue hardship. If the offender has not paid the full amount of supervision fees and costs before completion or termination of probation, the court may issue an order, after opportunity for hearing, to determine the amount of supervision fees and costs that are unpaid. The order may be filed, transcribed, and enforced by the department of corrections and rehabilitation in the same manner as civil judgments rendered by a district court of this state.

Approved May 3, 2013
Filed May 7, 2013

¹⁸ Section 12.1-32-07 was also amended by section 1 of Senate Bill No. 2141, chapter 112, and section 1 of Senate Bill No. 2181, chapter 111.

CHAPTER 47**SENATE BILL NO. 2016**

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

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$35,270,584	\$953,694	\$36,224,278
Accrued leave payments	0	1,479,868	1,479,868
Operating expenses	13,698,670	4,989,030	18,687,700
Capital assets	20,000	0	20,000
Grants	7,576,284	1,274,213	8,850,497
Workforce 20/20	1,531,160	10,764	1,541,924
Reed Act - Unemployment insurance computer modernization	12,400,000	7,000	12,407,000
Federal stimulus funds	0	496,496	496,496
Total all funds	\$70,496,698	\$9,211,065	\$79,707,763
Less estimated income	<u>68,616,806</u>	<u>9,180,722</u>	<u>77,797,528</u>
Total general fund	\$1,879,892	\$30,343	\$1,910,235
Full-time equivalent positions	261.76	(11.00)	250.76

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Federal stimulus funds	<u>\$1,500,000</u>	<u>\$496,496</u>
Total special funds	\$1,500,000	\$496,496

The 2013-15 one-time funding amounts are not part of the entity's base budget for the 2015-17 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of the one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. APPROPRIATION - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The special appropriation of \$12,407,000 in section 1 of this Act is from federal Reed Act funds made available to

the state by the federal Reed Act distributions made in federal fiscal years 1957, 1958, 1999, and 2002, pursuant to section 903 of the Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 29, 2013

Filed April 29, 2013

CHAPTER 48

SENATE BILL NO. 2017

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

AN ACT to provide an appropriation for defraying the expenses of the office of administrative hearings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$978,182	\$80,993	\$1,059,175
Accrued leave payments	0	10,698	10,698
Operating expenses	<u>849,017</u>	<u>900,006</u>	<u>1,749,023</u>
Total special funds	\$1,827,199	\$991,697	\$2,818,896
Full-time equivalent positions	5.00	0.00	5.00

Approved April 29, 2013

Filed April 29, 2013

CHAPTER 49

SENATE BILL NO. 2018

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

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to provide an appropriation to the department of human services for early childhood service provider grants; to provide an appropriation to Dickinson state university; to create and enact a new section to chapter 10-30.5, two new sections to chapter 54-60, and three new sections to chapter 54-65 of the North Dakota Century Code, relating to the research North Dakota venture program, an unmanned aircraft systems program, and the research North Dakota program; to amend and reenact sections 4-14.1-02, 4-14.1-03, 4-44-03, 17-02-05, and 54-18-21, subdivision d of subsection 5 of section 54-44.7-03, and sections 57-43.1-03, 57-43.1-03.1, 57-43.1-03.3, and 57-43.1-08 of the North Dakota Century Code and section 1 of Senate Bill No. 2218, as approved by the sixty-third legislative assembly, relating to the agricultural fuel tax fund, the ethanol production incentive fund, the agricultural research fund, and workforce development grants to tribally controlled community colleges; to provide exemptions; to provide for transfers; to provide continuing appropriations; to provide statements of legislative intent; and to provide for legislative management studies.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$10,858,251	\$1,502,863	\$12,361,114
Accrued leave payments	0	243,767	243,767
Operating expenses	13,876,650	2,059,099	15,935,749
Capital assets	70,018	(60,018)	10,000
Grants	59,977,994	(3,605,044)	56,372,950
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	12,000,000	12,000,000
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
Visual North Dakota	0	250,000	250,000

Total all funds	\$93,273,052	\$34,047,030	\$127,320,082
Less estimated income	<u>69,666,470</u>	<u>3,696,552</u>	<u>73,363,022</u>
Total general fund	\$23,606,582	\$30,350,478	\$53,957,060
Full-time equivalent positions	68.25	1.00	69.25

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Workforce enhancement fund	\$375,000	\$2,000,000
Electronic portfolio pilot project	150,000	0
2020 and beyond	50,000	0
American Indian business office	50,000	0
Flood impact grants/loans	235,000,000	18,358,866
Centers of research excellence	12,000,000	0
Research North Dakota	0	12,000,000
Unmanned aircraft system	0	5,000,000
Base retention grants	0	1,500,000
Tourism large infrastructure grants	0	750,000
Visual North Dakota	0	250,000
Innovation grants	0	300,000
Federal fiscal stimulus	24,496,750	796,770
Enhanced use lease grant	0	<u>2,500,000</u>
Total all funds	\$272,121,750	\$43,455,636
Less estimated income	<u>259,496,750</u>	<u>21,655,636</u>
Total general fund	\$12,625,000	\$21,800,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The department of commerce shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES - EARLY CHILDHOOD SERVICE PROVIDER GRANTS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$400,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing grants to licensed early childhood services providers that provide care for children with disabilities or developmental delays pursuant to section 50-11.1-18, for the biennium beginning July 1, 2013, and ending June 30, 2015. The grants may be used for equipment, renovation of facilities used to provide the services, and staff. The funding provided in this section is considered a one-time funding item.

SECTION 4. APPROPRIATION - DICKINSON STATE UNIVERSITY - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY. 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, to Dickinson state university for the purpose of awarding a grant to the Theodore Roosevelt center or the Theodore Roosevelt presidential library for the construction of a Theodore Roosevelt presidential library, for the biennium beginning July 1, 2013, and ending June 30, 2015. Dickinson state university may not use any of the funds appropriated in this section for administrative costs and may not award any of the funds until the grant recipient has raised at least \$3,000,000 from nonstate sources for the project. A

grant awarded under this section may be used only for construction costs of the Theodore Roosevelt presidential library. The facility constructed may be used only to house the Theodore Roosevelt presidential library. The funding provided in this section is considered a one-time funding item.

SECTION 5. CONTINGENT APPROPRIATION - DICKINSON STATE UNIVERSITY - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY. 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, to Dickinson state university for the purpose of awarding a grant to the Theodore Roosevelt center or the Theodore Roosevelt presidential library for the construction of a Theodore Roosevelt presidential library, for the biennium beginning July 1, 2013, and ending June 30, 2015. The funding provided under this section is available to Dickinson state university only if actual general fund revenues, excluding transfers into the general fund from the strategic investment and improvements fund, the mill and elevator, the lottery, and the gas tax administration, for the period July 1, 2013, through June 30, 2014, exceed estimated general fund revenues, excluding transfers into the general fund from the strategic investment and improvements fund, the mill and elevator, the lottery, and the gas tax administration, for that period by at least five percent, as determined by the office of management and budget, based on the legislative estimates made at the close of the 2013 regular legislative session. Dickinson state university may not use any of the funds appropriated in this section for administrative costs and may not award any of the funds until the grant recipient has raised at least \$3,000,000 from nonstate sources for the project. A grant awarded under this section may be used only for construction costs of the Theodore Roosevelt presidential library. The facility constructed may be used only to house the Theodore Roosevelt presidential library. The funding provided in this section is considered a one-time funding item.

SECTION 6. AMENDMENT. Section 4-14.1-02 of the North Dakota Century Code is amended and reenacted as follows:

4-14.1-02. Agricultural ~~fuel tax~~products utilization fund - Purposes.

There is created in the state treasury a fund known as the agricultural ~~fuel tax~~products utilization fund which must be used to fund programs for the enhancement of agricultural research, development, processing, technology, and marketing. The fund must be used to defray the expenses of the North Dakota agricultural products utilization commission necessary to implement the purposes of this chapter. Interest earned on moneys in the fund must be credited to the fund.

SECTION 7. AMENDMENT. Section 4-14.1-03 of the North Dakota Century Code is amended and reenacted as follows:

4-14.1-03. Agricultural products utilization commission - Composition - Appointment.

The agricultural ~~fuel tax~~products utilization fund must be administered by the agricultural products utilization commission. The commission consists of nine members, five of whom must be appointed by the governor for terms of two years each, arranged so that two terms expire in odd-numbered years and three terms expire in even-numbered years. Three members appointed by the governor must be actively engaged in farming in this state and two members appointed by the governor must be actively engaged in business in this state. The agriculture commissioner shall appoint one member for a term of two years which expires in odd-numbered years. The member appointed by the commissioner must be actively engaged in farming in

this state. Commission members may be reappointed to the commission. Terms of commissioners shall run from the first day of July. The commissioner of commerce, the president of North Dakota state university, and the agriculture commissioner, or their designees, are members of the commission. The commission shall elect one of its members as chairman.

SECTION 8. AMENDMENT. Section 4-44-03 of the North Dakota Century Code is amended and reenacted as follows:

4-44-03. (Effective through June 30, 2015) Crop insurance development board - Duties.

1. The crop insurance development board shall assess the feasibility and desirability of proposals submitted by individuals and by public and nonpublic entities pertaining to the development and implementation of crop insurance instruments. The board may authorize the awarding of grants to assist with future actuarial and development costs.
2. Grants may be awarded for up to seventy-five percent of the first fifty thousand dollars and up to fifty percent of the costs thereafter.
3. The board shall establish conditions pertaining to the receipt of grants, including the repayment of some or all of the grants with moneys received by the applicant from the federal crop insurance corporation for continued development of the proposal. The board shall forward any moneys received as repayments under this section to the state treasurer for deposit in the agricultural ~~fuel-tax~~products utilization fund.

SECTION 9. A new section to chapter 10-30.5 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota venture investment program.

1. The corporation shall administer a research North Dakota venture investment program that provides investments to startup or spinoff businesses that utilize technology developed at a research university, as defined in section 54-65-01, or jointly developed by a research university and the private sector.
2. A qualified applicant for a research North Dakota venture investment:
 - a. Must be a business operating in North Dakota that is in the startup or spinoff state;
 - b. Must be utilizing technology that is licensed from a research university or a nonprofit foundation affiliated with a research university; and
 - c. Must meet underwriting guidelines established by the corporation.
3. An investment under this section may not exceed two hundred fifty thousand dollars. A recipient business may not receive more than one award under this section.
4. An investment under this section is not a business incentive under chapter 54-60.1.

SECTION 10. AMENDMENT. Section 17-02-05 of the North Dakota Century Code is amended and reenacted as follows:

17-02-05. Ethanol production incentive fund - Continuing appropriation.

There is created in the state treasury a special fund known as the ethanol production incentive fund. The fund consists of transfers made in accordance with section 39-04-39 and ~~deposits made in accordance with section 57-43.1-03.1.~~ All moneys in the fund are appropriated on a continuing basis to the office of renewable energy and energy efficiency for use in paying ethanol production incentives under this chapter.

SECTION 11. AMENDMENT. Section 54-18-21 of the North Dakota Century Code is amended and reenacted as follows:

54-18-21. Annual transfer.

Within thirty days after the conclusion of each fiscal year, the industrial commission shall transfer five percent of the net income earned by the state mill and elevator association during that fiscal year to the agricultural fuel-taxproducts utilization fund.

SECTION 12. AMENDMENT. Subdivision d of subsection 5 of section 54-44.7-03 of the North Dakota Century Code is amended and reenacted as follows:

- d. Location, with higher priority given to firms headquartered in North Dakota.

SECTION 13. 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 14. 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.

SECTION 15. A new section to chapter 54-65 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota grants.

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

SECTION 16. A new section to chapter 54-65 of the North Dakota Century Code is created and enacted as follows:

Research North Dakota venture grants.

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

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

Research North Dakota fund - Continuing appropriation.

The research North Dakota fund is a special fund in the state treasury. All moneys in the research North Dakota fund are appropriated to the department of commerce on a continuing basis for the purpose of implementing and administering the research North Dakota grant program and the research North Dakota venture grant program. Interest earned on moneys in the fund must be credited to the fund.

SECTION 18. AMENDMENT. Section 57-43.1-03 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03. Refund of tax for fuel used for an industrial purpose - Reduction for agricultural fuel-taxproducts utilization fund.

Any consumer who buys or uses any motor vehicle fuel for an industrial purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund provided for in this section must be reduced by one-half cent per gallon [3.79 liters], except for

those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users, and the one-half cent per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax products utilization fund.

SECTION 19. AMENDMENT. Section 57-43.1-03.1 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.1. Refund of tax for fuel used for agricultural purposes - Reductions.

Any consumer who buys or uses any motor vehicle fuel for an agricultural purpose on which the motor vehicle fuel tax has been paid may file a claim with the commissioner for a refund under this chapter. The amount of the tax refund under this section must be reduced by seven cents per gallon [3.79 liters] except for those fuels used in aircraft or with respect to refunds claimed by aircraft fuel users. ~~Two cents per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural fuel tax fund, one cent per gallon [3.79 liters] withheld from the refund must be deposited in the ethanol production incentive fund, and four cents~~The amount per gallon [3.79 liters] withheld from the refund must be deposited in the agricultural research fund.

SECTION 20. AMENDMENT. Section 57-43.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-03.3. Refund to emergency medical services operation.

Upon application to the commissioner, the operator of an emergency medical services operation licensed under chapter 23-27 is entitled to a refund of taxes paid under this chapter for motor vehicle fuel purchased and used by the emergency medical services operation. The refund provided for in this section is not subject to reduction for deposit in the agricultural fuel tax products utilization fund, ~~the ethanol production incentive fund,~~ or the agricultural research fund.

SECTION 21. AMENDMENT. Section 57-43.1-08 of the North Dakota Century Code is amended and reenacted as follows:

57-43.1-08. Refund to state or political subdivision.

When any construction, reconstruction, or maintenance of a public road, highway, street, or airport is undertaken by the state or any political subdivision in the state and public funds of the United States, state, or any political subdivision are directly used for the purchasing of motor vehicle fuel to be used in publicly owned vehicles for such construction, reconstruction, or maintenance, such motor vehicle fuel is subject to a refund of the tax paid on the fuel as provided for in this chapter and under the same terms and conditions. The refund provided for in this section may not be reduced for deposit to the agricultural fuel tax products utilization fund.

¹⁹ **SECTION 22. AMENDMENT.** Section 1 of Senate Bill No. 2218, as approved by the sixty-third legislative assembly, is amended and reenacted as follows:

¹⁹ Section 54-60.2-01 was created by section 1 of Senate Bill No. 2218, chapter 437.

Establishment of workforce development grant for tribally controlled community colleges.

There is established within the division of workforce development of the department of commerce a program to provide workforce development grants to tribally controlled community colleges in North Dakota. A tribally controlled community college in this state may apply to the department of commerce for a job training grant in such manner as the department of commerce prescribes. ~~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.

SECTION 23. EXEMPTION. The amount appropriated for the agricultural products utilization commission in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item for grants are available for grants during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 24. EXEMPTION. The amount appropriated for the discretionary funds line item in section 1 of chapter 50 of the 2011 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 25. EXEMPTION. Of the \$1,000,000 appropriated for the technology-based entrepreneurship grant program contained in the grants line item in section 1 of chapter 50 of the 2011 Session Laws, \$700,000 is not subject to section 54-44.1-11 and any unexpended funds from this line item are available 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 use up to \$300,000 for a grant to a nonprofit organization assisting individuals with business ideas. The department of commerce shall use any remaining amount for the technology-based entrepreneurship grant program.

SECTION 26. EXEMPTION. Any amount carried over pursuant to section 22 of chapter 50 of the 2011 Session Laws that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11 and is available for promotion and marketing of the USS North Dakota during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 27. EXEMPTION. Any amount carried over pursuant to section 18 of chapter 50 of the 2011 Session Laws, relating to the antiballistic missile site acquisition grant and base realignment grant, that is unexpended as of June 30, 2013, is not subject to section 54-44.1-11 and is available 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 a grant to assist in the acquisition of the antiballistic missile site at the Stanley R. Mickelson safeguard complex in Nekoma. The department of commerce shall award a direct grant and not a cost reimbursement grant for a base realignment grant to enhance economic development and employment opportunities associated with the Minot air force base resulting from action by the federal defense base closure and realignment commission.

SECTION 28. TRANSFER - WORKFORCE ENHANCEMENT FUND. The office of management and budget shall transfer the amount appropriated in the workforce enhancement fund line item in section 1 of this Act to the workforce enhancement fund for the purpose of implementing and administering sections 54-60-21 and 54-60-22, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 29. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer \$1,500,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the period beginning with the effective date of this Act and ending June 30, 2015.

SECTION 30. TRANSFER - RESEARCH NORTH DAKOTA FUND. The office of management and budget shall transfer the amount appropriated in the research North Dakota line item in section 1 of this Act to the research North Dakota fund for the purpose of implementing and administering the research North Dakota grant program and the research North Dakota venture grant program, for the biennium beginning July 1, 2013, and ending June 30, 2015. The department of commerce may use up to \$2,000,000 of the funds transferred to the research North Dakota fund for venture grants. The department of commerce shall use \$4,000,000 of the funds transferred to the research North Dakota fund for research North Dakota grants to conduct research on and develop and commercialize vaccines and antibodies for the prevention of, treatment of, or cure for cancer; virally infectious diseases; or other pathogens, including bacteria, mycobacteria, fungi, and parasites.

SECTION 31. TRADE OFFICE - MATCHING FUND REQUIREMENT. The total North Dakota trade office special line item and the general fund appropriation in section 1 of this Act include \$2,613,400 of funding relating to the North Dakota trade office. The department of commerce may spend seventy percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent that the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2013, and ending June 30, 2015. Matching funds may include money spent by businesses or organizations to pay salaries to export assistant, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 32. BASE RETENTION GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$1,500,000 from the general fund for a base retention grant program to be developed by the department of commerce, for the biennium beginning July 1, 2013, and ending June 30, 2015. The grant program must award direct grants and not cost reimbursement grants. The department may award grants of up to \$500,000 to each community with an air force base or air national guard facilities.

SECTION 33. UNMANNED AIRCRAFT SYSTEMS PROGRAM. The grants line item in section 1 of this Act includes the sum of \$1,000,000 from the general fund for costs related to pursuing federal aviation administration designation as an unmanned aircraft systems test site. The grants line item in section 1 of this Act includes the sum of \$4,000,000 from the general fund for operations of the test site, contingent upon receiving official designation by the federal aviation administration as a national test site.

SECTION 34. INNOVATION GRANT PROGRAM. The grants line item in section 1 of this Act includes the sum of \$300,000 from the general fund for grants to entrepreneurial centers associated with a research university. The department shall

develop guidelines to qualify for a grant under this section, including the requirements that an entrepreneurial center submit a detailed proposal on how the grant funds will be used to further innovation and entrepreneurship in the state and that an entrepreneurial center provide a detailed report of the results. Grants awarded under this section must be divided equally among eligible entrepreneurial centers.

SECTION 35. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ENHANCED USE LEASE GRANT PROGRAM. The grants line item in section 2 of this Act includes the sum of \$2,500,000 from the strategic investment and improvements fund for an enhanced use lease grant program to be developed by the department of commerce, for the biennium beginning July 1, 2013, and ending June 30, 2015. Grants are available for constructing infrastructure required for an enhanced use lease private sector business development project located on or adjacent to the Grand Forks air force base, contingent upon certification from the department of commerce verifying both a signed enhanced use lease agreement and a commitment by a private sector business to locate in the development.

SECTION 36. NORTH DAKOTA ECONOMIC DEVELOPMENT FOUNDATION - 2020 AND BEYOND INITIATIVE - REPORT TO THE LEGISLATIVE MANAGEMENT. Before September 1, 2014, the North Dakota economic development foundation shall provide a report to the legislative management regarding progress made toward the recommendations provided as part of the 2020 and beyond initiative and any recommendations for future legislation.

SECTION 37. EXPERIMENTAL PROGRAM TO STIMULATE COMPETITIVE RESEARCH - RESEARCH NORTH DAKOTA - REPORT TO BUDGET SECTION. Before June 1, 2014, the department of commerce shall provide a progress report on the experimental program to stimulate competitive research and research North Dakota, including the research North Dakota venture investment program to the budget section of the legislative management.

SECTION 38. LEGISLATIVE MANAGEMENT STUDY - CHILD CARE SERVICES. During the 2013-14 interim, the legislative management shall consider studying child care services. The study must include consideration of the current and potential needs for child care services and the current and potential workforce needs related to child care. The study must include consideration of the current quality of child care services. 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 39. 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 study must include consideration of the best practices related to intellectual property, the federal Bayh-Dole Act, and the federal Patent Reform Act of 2011. 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 40. LEGISLATIVE MANAGEMENT STUDY - CHILDREN'S SCIENCE CENTER. During the 2013-14 interim, the legislative management shall consider studying the development of a children's science center in the city where the state capitol is located. The study must include consideration of the feasibility and desirability of providing state assistance to develop a children's science center. 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 41. LEGISLATIVE MANAGEMENT STUDY - ENERGY CORRIDOR.

During the 2013-14 interim, the legislative management shall consider studying the feasibility and desirability of the establishment of an energy corridor in the western portion of the state, including an examination of rights of way and state highway and county road easements necessary for the further development of energy resources in the state, and including the existing and necessary easements required to make United States highway 85 a four-lane highway corridor to complement the development of energy transportation resources. 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 42. LEGISLATIVE INTENT - RESEARCH NORTH DAKOTA VENTURE INVESTMENT PROGRAM. It is the intent of the sixty-third legislative assembly that the North Dakota development fund, incorporated, use funding transferred to the North Dakota development fund, incorporated, in section 18 of chapter 50 of the 2011 Session Laws for investments under the research North Dakota venture investment program.

SECTION 43. LEGISLATIVE INTENT - THEODORE ROOSEVELT PRESIDENTIAL LIBRARY. It is the intent of the sixty-third legislative assembly that the Theodore Roosevelt center become an independent nonprofit organization and be renamed the Theodore Roosevelt presidential library.

Approved May 3, 2013

Filed May 7, 2013

CHAPTER 50**SENATE BILL NO. 2019**

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

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education; to provide for a report to the budget section; and to provide borrowing authority to Williston state college.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$4,362,974	\$306,969	\$4,669,943
Accrued leave payments	0	96,477	96,477
Operating expenses	1,253,339	0	1,253,339
Grants	29,025,000	1,878,698	30,903,698
Grants - postsecondary	357,452	490,000	847,452
Adult farm management	749,802	0	749,802
Workforce training	<u>3,000,000</u>	<u>1,000,000</u>	<u>4,000,000</u>
Total all funds	\$38,748,567	\$3,772,144	\$42,520,711
Less estimated income	<u>10,766,888</u>	<u>(479,093)</u>	<u>10,287,795</u>
Total general fund appropriation	\$27,981,679	\$4,251,237	\$32,232,916
Full-time equivalent positions	27.50	(0.50)	27.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Workforce training	\$0	\$1,000,000
Total general fund	\$0	\$1,000,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The state board for career and technical education shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. REPORT TO BUDGET SECTION. The department of career and technical education shall report performance measures of the science, technology,

engineering, and mathematics program to the budget section during the 2013-14 interim, including the increase of science, technology, engineering, and mathematics programs available to students; the increase in enrollment in science, technology, engineering, and mathematics programming at the secondary and postsecondary level; and the business partnerships created by the expansion of the science, technology, engineering, and mathematics programs.

SECTION 4. SCIENCE, TECHNOLOGY, ENGINEERING, AND MATHEMATICS PROGRAM GRANTS - MATCHING REQUIREMENT. The grants - postsecondary line item in section 1 of this Act includes the sum of \$150,000 from the general fund for science, technology, engineering, and mathematics grants. Prior to awarding a grant from these funds, the state board for career and technical education shall verify that the grant recipient has available matching funds from private industry grants equal to the state grant award, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. WORKFORCE TRAINING GRANTS - MATCHING REQUIREMENT. The workforce training line item in section 1 of this Act includes the sum of \$1,000,000 from the general fund for workforce training grants to the trainND program for the purchase of appropriate equipment specific to each of the four quadrant's workforce training needs. Prior to awarding a grant from these funds, the state board for career and technical education shall verify that the grant recipient has available matching funds from private industry equal to the state grant award, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. BORROWING AUTHORITY - APPROPRIATION - WILLISTON STATE COLLEGE - WORKFORCE TRAINING PROJECT. Williston state college may borrow the sum of \$2,500,000, or so much of the sum as may be necessary, from the Bank of North Dakota, under the terms and conditions as determined by the Bank of North Dakota, for the workforce training facility project, for the biennium beginning July 1, 2013, and ending June 30, 2015. The proceeds of the loan authorized in this section are appropriated to Williston state college for the purpose of constructing a workforce training facility for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved May 2, 2013
Filed May 2, 2013

CHAPTER 51

SENATE BILL NO. 2020

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

AN ACT to provide an appropriation for defraying the expenses of the extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for transfers; to provide an exemption; to provide for a state water commission study; to provide for a legislative management report; to amend and reenact subsection 6 of section 4-05.1-19 of the North Dakota Century Code, relating to the duties of the state board of agricultural research and education; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Extension service	\$47,026,654	\$3,876,331	\$50,902,985
Soil conservation committee	987,800	150,000	1,137,800
Accrued leave payments	0	<u>1,716,289</u>	<u>1,716,289</u>
Total all funds	\$48,014,454	\$5,742,620	\$53,757,074
Less estimated income	<u>23,128,810</u>	<u>1,718,999</u>	<u>24,847,809</u>
Total general fund	\$24,885,644	\$4,023,621	\$28,909,265
Full-time equivalent positions	256.26	2.00	258.26

Subdivision 2.

NORTHERN CROPS INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Northern crops institute	\$3,347,307	\$472,520	\$3,819,827
Accrued leave payments	0	42,195	42,195
Total all funds	\$3,347,307	\$514,715	\$3,862,022
Less estimated income	<u>1,654,725</u>	<u>142,436</u>	<u>1,797,161</u>

Total general fund	\$1,692,582	\$372,279	\$2,064,861
Full-time equivalent positions	12.00	0.00	12.00

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Upper great plains transportation institute	\$24,069,961	\$2,218,199	\$26,288,160
Accrued leave payments	0	241,627	241,627
Total all funds	\$24,069,961	\$2,459,826	\$26,529,787
Less estimated income	<u>22,150,333</u>	<u>302,630</u>	<u>22,452,963</u>
Total general fund	\$1,919,628	\$2,157,196	\$4,076,824
Full-time equivalent positions	51.75	2.00	53.75

Subdivision 4.

MAIN RESEARCH CENTER

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Main research center	\$89,012,990	\$20,085,853	\$109,098,843
Accrued leave payments	0	2,561,394	2,561,394
Total all funds	\$89,012,990	\$22,647,247	\$111,660,237
Less estimated income	<u>41,630,644</u>	<u>11,423,072</u>	<u>53,053,716</u>
Total general fund	\$47,382,346	\$11,224,175	\$58,606,521
Full-time equivalent positions	349.01	2.48	351.49

Subdivision 5.

RESEARCH CENTERS

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Dickinson research center	\$5,588,562	\$528,059	\$6,116,621
Central grasslands research center	2,865,847	364,020	3,229,867
Hettinger research center	3,373,175	1,288,554	4,661,729
Langdon research center	2,378,807	453,688	2,832,495
North central research center	4,399,821	182,856	4,582,677
Williston research center	3,410,089	356,897	3,766,986
Carrington research center	7,126,488	766,006	7,892,494
Accrued leave payments	0	503,916	503,916
Total all funds	\$29,142,789	\$4,443,996	\$33,586,785
Less estimated income	<u>14,997,581</u>	<u>1,003,502</u>	<u>16,001,083</u>
Total general fund	\$14,145,208	\$3,440,494	\$17,585,702
Full-time equivalent positions	103.04	4.00	107.04

Subdivision 6.

AGRONOMY SEED FARM

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Agronomy seed farm	\$1,435,168	\$30,850	\$1,466,018
Accrued leave payments	0	5,741	5,741

Total special funds	\$1,435,168	\$36,591	\$1,471,759
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Grand total general fund	\$90,025,408	\$21,217,765	\$111,243,173
Grand total special funds	<u>104,997,261</u>	<u>14,627,230</u>	<u>119,624,491</u>
Grand total all funds	\$195,022,669	\$35,844,995	\$230,867,664

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Main research center greenhouse project	\$9,494,581	\$0
Main research center special assessments	82,402	0
Dickinson research center operations pool	800,000	0
Upper great plains transportation institute transportation study	350,000	0
Agronomy laboratories	0	5,925,000
Extension 4-H camp renovation	0	1,900,000
Oil impact assistance	0	100,000
Feed mill equipment	0	100,000
Video conference equipment	0	110,000
Upper great plains transportation institute state match for federal funds	0	1,250,000
Diagnostic equipment	0	<u>400,000</u>
Total all funds	\$10,726,983	\$9,785,000
Total other funds	<u>2,852,931</u>	<u>950,000</u>
Total general fund	\$7,874,052	\$8,835,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The main research center shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total special funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 4. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to \$755,000 of revenues received during the 2013-15 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in

excess of \$755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Williston research extension center must retain all revenues received during the 2013-15 biennium from mineral royalties, leases, or easements in the Williston research extension center fund and shall report to the sixty-fourth legislative assembly on the amounts received for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 6. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors, the director of the main research center may transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act. Any amounts transferred must be reported to the director of the office of management and budget.

SECTION 7. NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE - NEW TECHNICAL SUPPORT FULL-TIME EQUIVALENT POSITION. The North Dakota state university extension service may utilize the new full-time equivalent technical support position recommended in the 2013-15 executive recommendation and included in subdivision 1 of section 1 of this Act, in either the weed science or potato program for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 8. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. The board shall report any adjustments to the office of management and budget prior to the submission of the 2015-17 budget request.

SECTION 9. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2015, and ending June 30, 2017.

SECTION 10. EXEMPTION. The amounts appropriated for the research greenhouse complex project, as contained in subdivision 4 of section 3 of chapter 48 of the 2005 Session Laws and subdivision 4 of section 1 of chapter 19 of the 2011 Session Laws, are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or related revenues are available and may be expended during the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 11. INTERNSHIP. The extension service line item in subdivision 1 of section 1 of this Act includes \$250,000 from the general fund for an extension service internship program and agents-in-training program, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 12. AMENDMENT. Subsection 6 of section 4-05.1-19 of the North Dakota Century Code is amended and reenacted as follows:

6. Develop a biennial budget request based on its prioritized needs list and submit that request to the president of North Dakota state university and the state board of higher education, and forward its prioritized needs list and request without modification to the office of management and budget and the appropriations committees of the legislative assembly;

SECTION 13. STATE WATER COMMISSION STUDY - MOUSE RIVER AND TRIBUTARIES - LEGISLATIVE MANAGEMENT REPORT. During the 2013-14 interim, the state water commission shall conduct a study of the Mouse River and its tributaries, including the causes of flooding and measures that could be taken to improve waterflows and reduce flooding and the amount of time flooded land is affected. The state water commission shall report its findings to the legislative management.

SECTION 14. EMERGENCY. The appropriation for capital projects of \$5,925,000 in subdivision 4 of section 1 of this Act; \$1,900,000 in subdivision 1 of section 1 of this Act; and \$82,000 relating to a flooded lands study in subdivision 4 of section 1 of this Act are declared to be an emergency measure.

Approved May 3, 2013
Filed May 7, 2013

CHAPTER 52

SENATE BILL NO. 2021

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

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to create and enact a new section to chapter 54-59; to amend and reenact sections 54-59-15 and 54-59-22 of the North Dakota Century Code, relating to acceptance of funds and to agencies exempted from certain services of the information technology department; to provide for studies; to provide for a report to the budget section; to provide an appropriation for the office of management and budget; and to provide for various transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Salaries and wages	\$47,383,177	\$4,170,074	\$51,553,251
Accrued leave payments	0	2,626,084	2,626,084
Operating expenses	69,218,477	(4,383,834)	64,834,643
Capital assets	15,035,666	(2,535,066)	12,500,600
Center for distance education	6,649,238	(780,847)	5,868,391
Statewide longitudinal data system	1,869,243	1,511	1,870,754
Educational technology council	1,075,403	739,206	1,814,609
EduTech	7,926,447	125,647	8,052,094
K-12 wide area network	5,206,992	(278,815)	4,928,177
Geographic information system	1,112,065	348,229	1,460,294
Health information technology office	13,959,238	(9,208,515)	4,750,723
Criminal justice information sharing	2,781,394	1,087,967	3,869,361
Federal stimulus funds	0	<u>6,800,000</u>	<u>6,800,000</u>
Total all funds	\$172,217,340	(\$1,288,359)	\$170,928,981
Less estimated income	<u>153,165,136</u>	<u>(3,490,583)</u>	<u>149,674,553</u>
Total general fund	\$19,052,204	\$2,202,224	\$21,254,428
Full-time equivalent positions	336.30	4.00	340.30

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-FOURTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

<u>One-Time Funding Description</u>	<u>2011-13</u>	<u>2013-15</u>
Criminal justice information sharing projects	\$200,000	\$800,000
Statewide longitudinal data system	1,757,624	0

Eligibility system	1,500,000	0
Federal fiscal stimulus	8,000,000	0
Educational technology council grants	0	200,000
Archiving study	0	100,000
Geographic information system projects	0	215,000
Total all funds	\$11,457,624	\$1,315,000
Less estimated income	<u>11,257,624</u>	0
Total general fund	\$200,000	\$1,315,000

The 2013-15 one-time funding amounts are not a part of the entity's base budget for the 2015-17 biennium. The information technology department shall report to the appropriations committees of the sixty-fourth legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 3. TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects.

SECTION 4. DEPARTMENT OF PUBLIC INSTRUCTION - STATEWIDE LONGITUDINAL DATA SYSTEM EXPENDITURES - APPROVAL. The department of public instruction may spend only the federal funds for costs associated with the statewide longitudinal data system upon approval of the expenditures by the information technology department, for the biennium beginning July 1, 2013, and ending June 30, 2015.

SECTION 5. A new section to chapter 54-59 of the North Dakota Century Code is created and enacted as follows:

Information technology project planning.

Each executive branch state agency, excluding entities under the control of the state board of higher education, considering the development of an information technology project with an estimated cost of one hundred thousand dollars or more shall involve the information technology department in the planning and study of the project. A state agency must receive a recommendation from the information technology department prior to proceeding with any study relating to the project.

SECTION 6. AMENDMENT. Section 54-59-15 of the North Dakota Century Code is amended and reenacted as follows:

54-59-15. Acceptance of funds.

The department may accept federal or other funds, which must be deposited in the information technology operating account or other accounts specified by the office of management and budget and which may be spent subject to legislative appropriation. The department may apply for any public or private grants available for the improvement of information technology.

SECTION 7. AMENDMENT. Section 54-59-22 of the North Dakota Century Code is amended and reenacted as follows:

54-59-22. Required use of electronic mail, file and print server administration, database administration, application server, and hosting services.

Each state agency and institution, excluding the legislative and judicial branches, the institutions under the control of the state board of higher education, ~~the public employees retirement system, the retirement and investment office, the attorney general, and any entity exempted by the office of management and budget after advisement by the information technology department,~~ shall obtain electronic mail, file and print server administration, database administration, storage, application server, and hosting services through a delivery system established by the information technology department in conjunction with the office of management and budget. The office of management and budget, after receiving advice from the information technology department, shall establish policies and guidelines for the delivery of services, including the transition from existing systems to functional consolidation, with consideration given to the creation of efficiencies, cost-savings, and improved quality of service.

SECTION 8. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - INFORMATION TECHNOLOGY HARDWARE RELOCATION AND CONSOLIDATION STUDY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$200,000, or so much of the sum as may be necessary, to the office of management and budget for the purpose of contracting with a private consultant to conduct an information technology relocation and consolidation study of information technology equipment operated by the attorney general and by agencies that have been exempted by the office of management and budget under section 54-59-22, for the biennium beginning July 1, 2013, and ending in June 30, 2015.

1. The study:
 - a. Must include input from the attorney general and representatives from the exempted agencies and a review of the feasibility and the desirability of relocating and consolidating information technology hardware of the attorney general and the agencies exempted by the office of management and budget to the information technology department's secure data center.
 - b. Must address the issues of cost, physical security, cybersecurity, redundancy, staffing, impact on service to stakeholders, and impact on contractual relationships for software and hardware with federal partnerships.
 - c. Must be completed before December 31, 2013.
2. The office of management and budget shall report its findings and recommendations to the budget section and the legislative management's information technology committee by March 31, 2014, and submit any proposed legislation necessary to implement the consolidation or relocation to the legislative management's information technology committee by July 1, 2014. If the findings of the study indicate that a partial or full consolidation of information technology services or relocation of information technology hardware, are feasible and desirable, the office of management and budget and the information technology department shall assist any affected agency in developing an implementation plan as a part of the agency's 2015-17 budget request.

SECTION 9. INFORMATION TECHNOLOGY DESKTOP SUPPORT STUDY - REPORT TO BUDGET SECTION. Prior to January 1, 2014, the information technology department shall conduct a study of all state agencies' information technology desktop support to determine the feasibility and desirability of centralization of desktop support services through the information technology department for all state agencies. The study must include a review of the support staff, associated costs to the respective agency, use of third-party information technology contractors, and a cost-benefit comparison of current state agencies' desktop support self services and desktop support services provided by the information technology department. The information technology department shall report its findings and recommendations to the office of management and budget, the budget section, and the interim information technology committee prior to January 1, 2014. The office of management and budget shall provide a report to the budget section regarding the findings, recommendations, and any legislation required to implement the recommendations of the study.

Approved May 3, 2013
Filed May 7, 2013

CHAPTER 53

SENATE BILL NO. 2022

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

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents; to amend and reenact subsection 1 of section 29-07-01.1 of the North Dakota Century Code, relating to the application fee for indigent defense services; and to provide legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Commission on legal counsel for indigents	\$11,779,282	\$2,525,122	\$14,304,404
Accrued leave payments	<u>0</u>	<u>116,872</u>	<u>116,872</u>
Total all funds	\$11,779,282	\$2,641,994	\$14,421,276
Less special funds	<u>1,970,852</u>	<u>527,014</u>	<u>2,497,866</u>
Total general fund	\$9,808,430	\$2,114,980	\$11,923,410
Full-time equivalent positions	30.00	3.00	33.00

SECTION 2. AMENDMENT. Subsection 1 of section 29-07-01.1 of the North Dakota Century Code is amended and reenacted as follows:

1. Lawyers provided to represent indigent persons must be compensated at a reasonable rate to be determined by the commission on legal counsel for indigents. Expenses necessary for the adequate defense of an indigent person prosecuted in district court, other than for a violation of a home rule county's ordinance, when approved by the commission, must be paid by the state. Expenses necessary for the adequate defense of an indigent person prosecuted for violation of a home rule county's ordinance must be paid by the home rule county. Expenses necessary for the adequate defense of an indigent person prosecuted in municipal court, when approved by the judge, must be paid by the city in which the alleged offense took place. The city shall also pay the expenses in any matter transferred to district court pursuant to section 40-18-06.2 or 40-18-15.1, in any appeal taken to district court from a judgment of conviction in municipal court pursuant to section 40-18-19, and in an appeal or postconviction matter seeking relief from a conviction resulting from violation of a municipal ordinance. A defendant requesting representation by counsel at public expense, or for whom counsel provided at public expense without a request is considered appropriate by the court, shall submit an application for indigent defense services. For an application for indigent defense services in the district court, a nonrefundable application fee of

~~twenty-five~~ ~~thirty-five~~ dollars must be paid at the time the application is submitted. The district court may extend the time for payment of the fee or may waive or reduce the fee if the court determines the defendant is financially unable to pay all or part of the fee. If the application fee is not paid before disposition of the case, the fee amount must be added to the amount to be reimbursed under this section. Application fees collected under this subsection must be forwarded for deposit in the indigent defense administration fund established under subsection 4.

SECTION 3. LEGISLATIVE INTENT - REIMBURSEMENT OF ATTORNEY FEES. It is the intent of the sixty-third legislative assembly that a defendant who has been charged with a felony and for whom counsel is provided by the commission on legal counsel for indigents pay \$575 for reimbursement of attorney's fees.

Approved April 29, 2013
Filed April 29, 2013

CHAPTER 54

SENATE BILL NO. 2023

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

AN ACT to provide an appropriation for defraying the expenses of the North Dakota racing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Racing commission	\$447,501	\$104,361	\$551,862
Accrued leave payments	0	3,789	3,789
Total all funds	\$447,501	108,150	\$555,651
Less estimated income	130,000	36,407	166,407
Total general fund	\$317,501	\$71,743	\$389,244
Full-time equivalent positions	2.00	0.00	2.00

Approved April 29, 2013
 Filed April 29, 2013

CHAPTER 55

SENATE BILL NO. 2024

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

AN ACT to provide an appropriation for defraying the expenses of the comprehensive tobacco control advisory committee; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the tobacco prevention and control trust fund, not otherwise appropriated, to the comprehensive tobacco control advisory committee for the purpose of defraying the expenses of the committee, for the biennium beginning July 1, 2013, and ending June 30, 2015, as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
Comprehensive tobacco control	\$12,922,614	\$2,884,823	\$15,807,437
Accrued leave	<u>0</u>	<u>8,391</u>	<u>8,391</u>
Total special funds	\$12,922,614	\$2,893,214	\$15,815,828
Full-time equivalent positions	5.00	3.00	8.00

SECTION 2. LEGISLATIVE MANAGEMENT STUDY - COMPREHENSIVE STATEWIDE TOBACCO PREVENTION AND CONTROL PLAN.

1. During the 2013-14 interim, the legislative management shall consider studying the comprehensive statewide tobacco prevention and control plan used in this state.
2. As part of the study, the tobacco prevention and control executive committee and state department of health shall work together to create a single assessment of programs in both agencies including funding sources for the programs, service providers, areas and populations served by the programs, and effectiveness of the programs on improving the health and policy environment in the state. The tobacco prevention and control executive committee and state department of health shall present this assessment to the legislative management.
3. The study may include:
 - a. A review of the service delivery system for the comprehensive statewide tobacco prevention and control programs provided by the two agencies, whether the delivery system is fiscally efficient, and how the delivery system is consistent with the centers for disease control's best practices for comprehensive tobacco control programs;

- b. A review of the effectiveness of the comprehensive statewide tobacco prevention and control programs provided in the state and ways to improve the health and policy outcomes of the programs; and
 - c. A review of how the comprehensive statewide tobacco prevention and control programs provided by the two agencies address the Native American population on the Indian reservations.
4. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Approved May 1, 2013
Filed May 1, 2013

CHAPTER 56

SENATE BILL NO. 2176

(Senators Holmberg, Wardner, G. Lee)
(Representatives Carlson, Delzer, Thoreson)

AN ACT to provide an appropriation to the department of transportation for the construction and maintenance of state highways; to provide an appropriation to the state treasurer for transportation funding distributions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - DEPARTMENT OF TRANSPORTATION - STATE HIGHWAY CONSTRUCTION AND MAINTENANCE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$620,000,000, or so much of the sum as may be necessary, to the department of transportation for the construction and maintenance of state highways, for the period beginning with the effective date of this Act and ending June 30, 2015. The funding provided in this section is considered a one-time funding item.

SECTION 2. APPROPRIATION - STATE TREASURER - TRANSPORTATION FUNDING DISTRIBUTIONS. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000,000, 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, 2015. The funding provided in this section is considered a one-time funding item. The state treasurer shall distribute the funds provided under this section as soon as possible as follows:

1. Sixty-four million dollars to non-oil-producing counties and cities pursuant to subsection 4 of section 54-27-19.
2. Sixteen million 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. Twenty million dollars to counties and townships in non-oil-producing counties through a distribution of \$15,000 to each organized township and a distribution of \$15,000 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 and shall distribute twenty percent of the remaining funds to counties and townships pursuant to the method provided in subsection 2.

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 2012. 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 3. EMERGENCY. This Act is declared to be an emergency measure.

Approved February 4, 2013
Filed February 4, 2013

CHAPTER 57**SENATE BILL NO. 2205**

(Senators J. Lee, Dever, Warner)
(Representatives Hofstad, Hogan, Strinden)

AN ACT to provide an appropriation to the department of human services for providing a grant for administering 2-1-1 services.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$285,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing a grant to an organization for administering statewide 2-1-1 services that include suicide prevention services, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved May 2, 2013
Filed May 2, 2013

CHAPTER 58

SENATE BILL NO. 2238

(Senators Carlisle, Wardner, Schneider)
(Representatives Nathe, Porter, Glassheim)

AN ACT to reimburse school districts and nonpublic schools for expenses incurred in providing cardiopulmonary resuscitation training to students; and to provide an appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$450,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of reimbursing school districts and nonpublic schools for costs incurred in providing cardiopulmonary resuscitation training to students, for the biennium beginning July 1, 2013, and ending June 30, 2015. The superintendent of public instruction may not spend the funds appropriated in this section for any other purpose and any funds remaining unspent at the end of the biennium must be canceled in accordance with provisions of section 54-44.1-11.

1. A school district may be eligible for reimbursement under this section if the school district utilizes one high school class period in a required course of the district's choosing, for the purpose of providing instruction in cardiopulmonary resuscitation to as many students as possible and provides in-kind or cash match for the reimbursement requested. A nonpublic school may be eligible for reimbursement under this section if the nonpublic school utilizes one high school class period in a required course of the school's choosing, for the purpose of providing instruction in cardiopulmonary resuscitation to as many students as possible and provides in-kind or cash match for the reimbursement requested. Total in-kind or cash match must equal or exceed twenty-five percent of the cost of the program during the first year of the biennium and fifty percent of the cost of the program during the second year of the biennium. The training must:
 - a. Conform to the most recent national evidence-based American heart association guidelines for cardiopulmonary resuscitation and emergency cardiovascular care;
 - b. Be conducted according to guidelines established by the American heart association, the American red cross, or some other nationally recognized nonprofit organization;
 - c. Include the practice of chest compressions; and
 - d. Include instruction in the use of an automated external defibrillator.
2. a. Upon completion of the training, each school district and nonpublic school may submit to the superintendent of public instruction documentation verifying the training, any expenses incurred in providing the training, and evidence of appropriate in-kind or cash match.

- b. For purposes of this section, "reimbursable expenses" include costs for instructors, training staff as instructors, instructional materials, and training manikins.
 - c. A school district's reimbursement may not exceed the equivalent of \$22.50 multiplied by the number of district students undergoing the training during the first year of the biennium and \$15 multiplied by the number of district students undergoing the training during the second year of the biennium, based on the number of hours and level of certification offered. A nonpublic school's reimbursement may not exceed the equivalent of \$22.50 multiplied by the number of the school's students undergoing the training during the first year of the biennium and \$15 multiplied by the number of the school's students undergoing the training during the second year of the biennium, based on the number of hours and level of certification offered.
3. School districts and nonpublic schools may combine with other school districts and nonpublic schools to provide the training or direct that a regional education association provide or facilitate the training.
 4. The superintendent of public instruction shall provide the reimbursements to school districts and nonpublic schools in accordance with the order in which completed requests are received.

Approved April 17, 2013
Filed April 17, 2013

CHAPTER 59

SENATE BILL NO. 2267

(Senators Laffen, Flakoll, Poolman, Robinson)
(Representatives Beadle, Trottier)

AN ACT to provide an appropriation for school district safety grants.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION - SCHOOL DISTRICT SAFETY GRANTS.

1. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000,000, or so much of the sum as may be necessary, to the superintendent of public instruction for the purpose of awarding to eligible school districts safety grants, in accordance with the provisions of this section, for the biennium beginning July 1, 2013, and ending June 30, 2015.
2. The superintendent of public instruction shall forward to each eligible school district:
 - a. Ten thousand dollars; plus
 - b. The school district's pro rata share of the remaining appropriation, calculated by using the latest available average daily membership of each school district.
3.
 - a. Each school district accepting funds under this section shall expend the funds for projects that improve safety.
 - b. By June 30, 2016, each school district shall submit to the superintendent of public instruction documentation indicating the appropriate expenditure of the funds.
 - c. Authorized expenditures for safety include the purchase, installation, and maintenance of alarms, cameras, electronic door locks, emergency response call buttons, intercom systems, key or pass cards, metal detectors, and other similar equipment designed to minimize the potential for a life-threatening crisis and to maximize the safety of school district students and staff in the event of a life-threatening crisis. Authorized expenditures for safety do not include personnel costs or contracts for the provision of security services.
4. For purposes of this section, an eligible school district is a school district that:
 - a. Is not precluded from receiving state aid by section 15.1-27-35.3;
 - b. Provides an equal monetary match for any amount received under this section; and

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- c. As of June 30, 2013, has an ending general fund balance that does not exceed twenty-five percent of the district's total general fund expenditures.

Approved April 29, 2013
Filed April 29, 2013

CHAPTER 60

SENATE BILL NO. 2344

(Senators Sorvaag, Miller, Unruh)
(Representatives Brabandt, Hatlestad, Owens)

AN ACT to provide an appropriation for training service dogs; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$50,000, or so much of the sum as may be necessary, to the department of veterans' affairs for the purpose of training service dogs to assist North Dakota veterans having posttraumatic stress disorder, for the biennium beginning July 1, 2013, and ending June 30, 2015.

1. A payment under this section may be made by the department of veterans' affairs only upon the completion of a service dog's training.
2. Payment may not exceed \$12,500 per service dog.

SECTION 2. VETERANS SERVICE DOG TRAINING - LEGISLATIVE MANAGEMENT REPORT. The department of veterans' affairs shall provide a report to the legislative management during the 2013-14 interim regarding the status of the service dog training program, including benefits to veterans, number of applicants, and number of service dogs provided.

SECTION 3. LEGISLATIVE MANAGEMENT STUDY. The legislative management shall consider studying statutory changes that would benefit North Dakota veterans and include therein possible changes to state income taxes and property taxes, the provision of veteran-focused incentives, assistance with obtaining and maintaining benefits, and assistance with obtaining and maintaining various life-enhancing services. The legislative management shall consider studying current state and federal benefits available to North Dakota veterans. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

Approved April 24, 2013
Filed April 24, 2013

CHAPTER 61**SENATE BILL NO. 2354**

(Senators Poolman, J. Lee, Schneider)
(Representatives Delmore, Dockter, Meier)

AN ACT to provide an appropriation to the state department of health for a loan repayment program for dentists in public health and nonpublic dental clinics.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$180,000, or so much of the sum as may be necessary, to the state department of health for the purpose of defraying the expenses of a loan repayment program for dentists who practice in a public health setting or nonprofit dental clinic using a sliding fee schedule to bill patients, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 29, 2013
Filed April 29, 2013

CHAPTER 62

SENATE BILL NO. 2356

(Senators Dever, Heckaman, J. Lee, Poolman)
(Representatives Delmore, Hawken)

AN ACT to provide an appropriation to the department of human services for grants to children's advocacy centers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$300,000, or so much of the sum as may be necessary, to the department of human services for the purpose of providing grants to children's advocacy centers, for the biennium beginning July 1, 2013, and ending June 30, 2015.

Approved April 16, 2013

Filed April 16, 2013