

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2206

That the House recede from its amendments as printed on pages 1405-1411 of the Senate Journal and pages 1607-1614 of the House Journal and that Engrossed Senate Bill No. 2206 be amended as follows:

Page 1, line 5, after the first comma insert "50-06-20.1, and"

Page 1, line 5, replace "sections 57-15-06 and" with "section"

Page 1, line 7, after the comma insert "the human service grant program,"

Page 1, line 8, after the semicolon insert "to suspend chapter 50-03 and sections 50-06-20.1 and 50-06.2-05 of the North Dakota Century Code, relating to county human services funds, the human services grant program, and county human services levy authority;"

Page 1, line 8, remove "chapter 50-03 and sections 50-06-20.1,"

Page 1, line 9, replace "50-06.2-05, and" with "section"

Page 1, line 9, remove "county human"

Page 1, remove line 10

Page 1, line 11, remove "services, and the"

Page 1, line 11, replace the second "and" with "to provide for a report to the legislative management; to provide for a legislative management study; to provide an appropriation; to provide for a transfer; to provide an exemption;"

Page 1, line 11, after "date" insert "; and to provide an expiration date"

Page 3, after line 26, insert:

"SECTION 2. AMENDMENT. Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

11-23-01. Officers required to furnish commissioners with departmental budget.

1. Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance, operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.
2. a. The departmental budget submitted by the county social service board in ~~2015~~2019 for the ~~2016~~2020 budget may not exceed an amount determined using the departmental budget submitted in ~~2014~~2016 by the county social service board as a starting point, subtracting the reduction in the county's social service funding responsibility for

~~2014~~2016 derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services, and applying to the resulting amount the percentage salary and benefits increase provided by legislative appropriations for state employees for taxable year ~~2015~~2019. For purposes of this subdivision, the reduction in the county's social service funding responsibility derived from transferring the county social service costs identified in this subdivision from the county social service board to the department of human services includes the following:

- (1) Foster care and subsidized adoption costs that would have been paid by the county after December 31, 2015;
 - (2) The county's share of grant costs for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services which would have been paid by the county after December 31, 2015;
 - (3) The county's share of the costs for service payments to the elderly and disabled which would have been paid by the county after December 15, 2015;
 - (4) The county's share of salary and benefits for family preservation services pursuant to section 50-06-05.8 which would have been paid by the county after December 31, 2015;
 - (5) The county's share of the cost of the electronic benefits transfers for the supplemental nutrition assistance program which would have been paid by the county after December 31, 2015; and
 - (6) The computer processing costs which would have been paid by the county after December 31, 2015, which exceed the county's costs of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers (all items, United States city average) after January 1, 1996.
- b. ~~The departmental budget submitted by the county social service board in 2016 for the 2017 budget may not exceed an amount determined using the 2015 departmental budget as a starting point and applying to that amount the percentage salary and benefits increase provided by legislative appropriations for state employees for 2016.~~
- c. ~~The budget must include a statement identifying the total savings to the county as shown by a reduction in the amounts that otherwise would have been paid by the county to the department of human services for the costs identified in subdivision a. The department of human services shall determine the appropriate amount of what each county's costs would have been to help identify each county's total savings.~~

The county share of the human service budget must be funded entirely from the county's property tax levy for that purpose and the county may not use funds from any other source to supplement the

human services budget, with the exception that the county may make use of the identifiable amount of other sources the county has used to supplement its human services budget for 2015 and the county may use grant funds that may be available to the county under section 50-06-20.1.

- ~~d.c.~~ The department of human services shall develop a process to review a request from a county social service board for any proposed increase in staff needed as a result of significantly increased caseloads for state-funded human services programs, if the increase in staff would result in the county exceeding the budget limitation established under this subsection. As part of its review process, the department shall review countywide caseload information and consider the option of multicounty sharing of staff. If the department approves a request for a proposed increase in staff, the county budget limitation established under subdivision b may be increased by the amount determined necessary by the department to fund the approved additional staff."

Page 5, after line 28, insert:

"SECTION 5. AMENDMENT. Section 50-06-05.8 of the North Dakota Century Code is amended and reenacted as follows:

50-06-05.8. Department to assume certain costs of certain social service programs.

Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in addition to the programs identified in section 50-06-20, the department of human services shall pay the local expenses of administration incurred by a county after December 31, ~~2015~~2019, for family preservation programs; a county's share of the cost of the electronic benefits transfers for the supplemental nutrition assistance program incurred after December 31, ~~2015~~2019; and the computer processing costs incurred by the county after December 31, ~~2015~~2019, which exceed the county's costs of operation of the technical eligibility computer system in calendar year 1995 increased by the increase in the consumer price index for all urban consumers (all items, United States city average) after January 1, 1996.

SECTION 6. AMENDMENT. Section 50-06-20.1 of the North Dakota Century Code is amended and reenacted as follows:

50-06-20.1. Human services grant program - Eligible counties - Reports.

1. ~~If the authority for counties to use emergency expenditures to address an emergency created by unusual and unanticipated demands on the counties' human services fund under chapter 50-03 is eliminated, the~~The department shall ~~establish~~administer a grant program to assist certain counties. An eligible county is one that historically has utilized the emergency expenditures process set forth in chapter 50-03 and which is adjacent to or part of an Indian reservation in this state, which contains Indian trust lands within the service area of a federally recognized Indian tribe which are occupied by enrolled members of that tribe, or which includes the state hospital created pursuant to subsection 8 of section 12 of article IX of the Constitution of North Dakota.

2. The grant program established in this section must be implemented through rulemaking under chapter 28-32. The department may ~~adopt emergency rules, without application of the grounds for emergency rulemaking otherwise required under section 28-32-03,~~ to set out the policies and procedures for the disbursement of grants and may not award more than one million nine hundred thousand dollars during the first year of a biennium, and no more than two million dollars during the second year of a biennium. The department shall notify a county of its approved funding no later than September first of each year of the biennium. The department shall issue an annual payment to counties receiving funds under this chapter in January of each year of the biennium.
3. The department shall report to the budget section annually and to the appropriations committees of the ~~sixty-fifth~~sixty-seventh legislative assembly and each succeeding legislative assembly on the funding approved under this section."

Page 7, line 6, after the first boldfaced period insert "**State-paid economic assistance and social service pilot program - Application - Report.**"

1. The department of human services shall administer a statewide pilot program for state funding of staffing and administrative costs related to the administration of economic assistance and social service programs.
2. Payments must be distributed to service areas pursuant to the formula in section 50-34-04 with the first formula payment distributions commencing in January 2018.
3. Services areas shall cooperate with the department of human service to adopt administrative and operational cost savings methodologies and determine options for consolidations.
4. The director shall appoint a committee to study the operation of the pilot program and develop a plan for the permanent implementation of the formula established in section 50-34-04.
5. Before November 1, 2018, the department of human services shall report to the legislative management on the status of the pilot program and the development of a plan for permanent implementation of the formula established in section 50-34-04. The implementation plan must include recommendations for caseloads and outcomes for social services, designated child welfare services, and economic assistance; considerations regarding the delivery of county social services to ensure appropriate and adequate levels of service continue; options for efficiencies and aggregation; analysis of the potential reduction in social service offices, organizations, and staff due to consolidations; the feasibility and desirability of, and potential timeline for, transitioning county social service staff to the department of human services; and considerations for oversight and chain of command within social services and human services. The implementation plan must be submitted to the sixty-sixth legislative assembly as part of the department of human services budget request and identify the estimated biennial cost of the plan.

50-34-02.

Page 7, line 15, remove ""Economic assistance adjusted base year gross expenditures" means an amount"

Page 7, remove lines 16 and 17

Page 7, line 18, remove "5."

Page 7, remove lines 20 through 22

Page 7, line 23, replace "50-34-02" with "50-34-03"

Page 7, line 25, replace "50-34-07" with "50-34-04"

Page 7, line 27, replace ". Beginning" with ". and for calendar year 2019 on or before"

Page 7, line 28, remove ". and on or before June first of each year thereafter, the director shall"

Page 7, line 29, remove "notify each service area of its formula payment for the subsequent calendar year"

Page 8, line 5, replace "50-34-07" with "50-34-04"

Page 8, line 7, after "less" insert "or a decrease of five percent or less"

Page 8, line 15, after "subtracting" insert "one hundred five percent of"

Page 8, line 15, replace "distributed" with "determined"

Page 8, line 15, replace "2" with "1"

Page 8, line 16, after "a" insert "and add the resulting amount to the amount distributed under subsection 2"

Page 8, line 17, after "payment" insert "as determined under this subdivision"

Page 8, after line 18, insert:

"d. If the recalculated formula payment results in a decrease of more than five percent as compared to the formula payment determined under subsection 1, the director shall calculate the remainder of each service area's formula payment by subtracting ninety-five percent of the amount determined under subsection 1 from the amount determined under subdivision a and add the resulting amount to the amount distributed under subsection 2. The director shall distribute the remainder of each service area's formula payment as determined under this subdivision, within the limits of legislative appropriation, on or before June fifteenth."

Page 8, line 21, replace "50-34-08" with "50-34-05"

Page 8, remove lines 22 through 30

Page 9, remove lines 1 through 28

Page 9, line 29, after "amounts" insert "- Calculation of formula payment"

Page 10, line 10, remove "a."

Page 10, line 13, remove "adjusted"

Page 10, remove lines 14 through 18

Page 10, line 22, remove "a."

Page 10, line 25, remove "adjusted"

Page 10, remove lines 26 through 29

Page 10, line 30, replace "twenty-two cents" with "4. The director shall calculate the total formula payment by summing the following:

- a. The product of the service area's rate per economic assistance case-month and the service area's most recently available economic assistance caseload data.
- b. The product of the service area's rate per social service case-month and the service area's most recently available social service caseload data"

Page 11, remove lines 1 through 31

Page 12, remove lines 1 through 31

Page 13, remove lines 1 through 30

Page 14, remove lines 1 though 6

Page 14, line 7, replace "50-34-08" with "50-34-05"

Page 14, line 16, replace "thirty-five percent of the annual budget for the service area in the previous year or one" with "five"

Page 14, line 17, replace ", whichever is greater" with "for a service area that had annual expenditures of two million dollars or greater in calendar year 2015 or one hundred thousand dollars for a service area that had annual expenditures of less than two million dollars in calendar year 2015"

Page 14, line 18, replace "50-34-09" with "50-34-06"

Page 14, line 20, replace "50-34-08" with "50-34-05"

Page 14, line 21, replace "50-34-08" with "50-34-05"

Page 14, line 26, remove "and on January first of each year thereafter."

Page 14, line 27, replace "50-34-08" with "50-34-05"

Page 14, line 28, replace "50-34-02" with "50-34-03"

Page 15, remove lines 1 through 30

Page 16, remove lines 1 through 11

Page 16, line 12, replace "50-34-11" with "50-34-07"

Page 16, after line 18, insert:

"50-34-08. Social services finance fund.

The social services finance fund is a special fund in the state treasury. Moneys in the fund may be used, subject to legislative appropriation, for the provision of formula payments to service areas pursuant to this chapter."

Page 17, remove lines 18 through 31

Page 18, replace lines 1 through 12 with:

"SECTION 10. AMENDMENT. Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

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. ~~If the base year is a taxable year before 2013, reduced~~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~~the base year mill rate of the school district minus sixty mills; or
 - (2) ~~Fifty~~fifty mills, if the base year is a taxable year before 2013.
 - e. ~~If the base year is a taxable year before 2016, the base year human services county levy in dollars must be reduced to the amount of the county social service board budget levy for the budget year as determined under section 11-23-01~~Increased by the highest amount received by the taxing district in a taxable year under chapter 50-34."

Page 21, line 7, replace "2018" with "2017"

Page 21, line 7, replace "2017" with "2016"

Page 21, line 18, remove "sum of the following:"

Page 21, line 19, remove "(a) The"

Page 21, line 20, replace "50-34-02" with "50-34-03"

Page 21, line 21, remove "; and"

Page 21, remove lines 22 and 23

Page 21, line 24, remove "county for the taxable year"

Page 21, after line 24, insert:

"SECTION 13. AMENDMENT. Subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota Century Code is amended and reenacted as follows:

- c. Provide information identifying the property tax savings provided by the state of North Dakota. The tax statement must include a line item that is entitled "legislative tax relief" and identifies the dollar amount of property tax savings realized by the taxpayer under chapter 50-34 for taxable years 2017 and 2018 and under chapter 15.1-27 and under section 57-20-07.2. For purposes of this subdivision, legislative tax relief under chapter 15.1-27 is determined by multiplying the taxable value for the taxable year for each parcel shown on the tax statement by the number of mills of mill levy reduction grant under chapter 57-64 for the 2012 taxable year plus the number of mills determined by subtracting from the 2012 taxable year mill rate of the school district in which the parcel is located the lesser of:
 - (1) Fifty mills; or
 - (2) The 2012 taxable year mill rate of the school district minus sixty mills."

Page 22, line 11, replace "sections 50-34-02 and" with "section"

Page 22, replace lines 15 through 17 with:

"SECTION 15. SUSPENSION. Chapter 50-03 and section 50-06-20.1 of the North Dakota Century Code are suspended.

SECTION 16. SUSPENSION. Section 50-06.2-05 of the North Dakota Century Code is suspended."

Page 22, after line 18, insert:

"SECTION 18. LEGISLATIVE MANAGEMENT STUDY - PROPERTY TAX SYSTEM. During the 2017-18 interim, the legislative management shall consider studying the property tax system, with emphasis on the feasibility and desirability of providing property tax reform and relief. The study must include consideration of all property classifications and taxing districts and evaluate historical fluctuations in property values, the transparency of the property tax system, the processes and procedures available to taxpayers to contest valuations and assessments, the manner in which property tax information is provided to taxpayers, the process of determining taxing district budgets, and taxpayer participation and input in the property tax system.

The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-sixth legislative assembly.

SECTION 19. FUNDING FOR STATE-PAID ECONOMIC ASSISTANCE AND SOCIAL SERVICES PILOT PROGRAM - APPROPRIATION - DEPARTMENT OF HUMAN SERVICES. A total of \$160,700,000 is available to the department of human services for the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019, as follows:

1. There is appropriated out of any moneys in the social services finance fund in the state treasury, not otherwise appropriated, the sum of \$134,700,000, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019.
2. The department of human services shall also use \$26,000,000 from the department of human services' general fund appropriation in House Bill No. 1012, as approved by the sixty-fifth legislative assembly, for the purpose of defraying the expenses of the state-paid economic assistance and social services pilot program for the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 20. TRANSFER - TAX RELIEF FUND TO SOCIAL SERVICES FINANCE FUND. The office of management and budget shall transfer the sum of \$134,700,000 from the tax relief fund to the social services finance fund during the biennium beginning July 1, 2017, and ending June 30, 2019.

SECTION 21. EXEMPTION - BUDGET ALLOTMENTS. The sum of \$26,000,000 appropriated from the general fund to the department of human services for the state-paid economic assistance and social services pilot program in House Bill No. 1012, as approved by the sixty-fifth legislative assembly, is not subject to the provisions of section 54-44.1-12, and the director of the office of management and budget may not include this amount in calculations used to determine transfers from the budget stabilization fund under section 54-27.2-03 for the biennium beginning July 1, 2017, and ending June 30, 2019."

Page 22, line 19, after "**DATE**" insert "**- EXPIRATION DATE**"

Page 22, line 19, remove "Sections 6, 7, 8, 9, 10, and 13 of this Act are effective for"

Page 22, remove lines 20 and 21

Page 22, replace "beginning after December 31, 2017" with "Sections 9, 11, 12, and 16 of this Act are effective for the first two taxable years beginning after December 31, 2016, and are thereafter ineffective. Sections 14 and 17 of this Act are effective for taxable years beginning after December 31, 2016. Sections 1, 3, 8, and 15 of this Act are effective August 1, 2017, through July 31, 2019, and are thereafter ineffective. Sections 4 and 7 of this Act are effective August 1, 2017, through December 31, 2019, and are thereafter ineffective. Sections 10 and 13 of this Act are effective for taxable years beginning after December 31, 2018. Sections 2 and 6 of this Act become effective on August 1, 2019. Section 5 of this Act becomes effective on January 1, 2020"

Renumber accordingly