

April 1, 2017

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1024

Page 1, line 2, after the first semicolon insert "to provide a contingent appropriation;"

Page 1, line 2, after the second semicolon insert "to provide for transfers; to provide a statement of legislative intent;"

Page 1, line 4, after "**APPROPRIATION**" insert "**- STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - 2015-17 BIENNIUM**"

Page 1, after line 10, insert:

"COMMISSION ON LEGAL COUNSEL FOR INDIGENTS

Commission on legal counsel for indigents	<u>\$189,000</u>
Total special funds	<u>\$189,000</u>

Subdivision 2."

Page 1, line 14, replace "2." with "3."

Page 1, replace lines 16 and 17 with:

"Grants - medical assistance	<u>\$9,000,000</u>
Total special funds	<u>\$9,000,000"</u>

Page 1, line 18, replace "3." with "4."

Page 1, replace line 23 with:

"Grand total special funds	\$9,518,500
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SECTION 2. APPROPRIATION - SPECIAL FUNDS FROM ADJUTANT GENERAL LOAN PROCEEDS - THROUGH JUNE 30, 2019. There is appropriated from special funds received from the adjutant general, the sums as hereinafter provided, or so much of the sums as may be necessary, to the agencies listed below for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019.

Subdivision 1.

ATTORNEY GENERAL

Salaries and wages	<u>\$200,000</u>
Total special funds	<u>\$200,000</u>

Subdivision 2.

STATE DEPARTMENT OF HEALTH

Operating expenses	<u>\$1,420,000</u>
Total special funds	\$1,420,000

Subdivision 3.

HIGHWAY PATROL

Field operations	<u>\$3,234,000</u>
Total special funds	\$3,234,000

Subdivision 4.

DEPARTMENT OF CORRECTIONS AND REHABILITATION

Adult services	<u>\$500,000</u>
Total special funds	\$500,000

Subdivision 5.

GAME AND FISH DEPARTMENT

Salaries and wages	\$221,795
Operating expenses	<u>201,929</u>
Total special funds	\$423,724

Subdivision 6.

PARKS AND RECREATION DEPARTMENT

Natural resources	<u>\$200,000</u>
Total special funds	\$200,000

Subdivision 7.

DEPARTMENT OF TRANSPORTATION

Salaries and wages	\$287,000
Operating expenses	<u>422,000</u>
Total special funds	\$709,000

SECTION 2 TOTAL

Grand total special funds	\$6,686,724
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SECTION 3. BORROWING AUTHORITY - APPROPRIATION - THROUGH JUNE 30, 2019 - ADJUTANT GENERAL - DEPARTMENT OF EMERGENCY SERVICES FUNDING REQUEST. The office of the adjutant general may borrow the sum of \$15,000,000, or so much of the sum as may be necessary, from the Bank of North Dakota, for law enforcement support costs that were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period beginning with the effective date of this Act, and ending June 30, 2019. The proceeds of the loan authorized in this section are appropriated to the office of the adjutant general for the purpose of defraying expenses of law enforcement support which were incurred after June 30, 2015, related to unlawful activity associated with the construction of the Dakota access pipeline, for the period

beginning with the effective date of this Act, and ending June 30, 2019. The department of emergency services shall include any amounts borrowed under this section in the request for reimbursement from federal or other nonstate sources related to the state's expenses incurred due to unlawful activity associated with the construction of the Dakota access pipeline."

Page 2, line 1, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 4, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 4, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 7, after the second "branch" insert "which were incurred after June 30, 2015,"

Page 2, line 7, remove "unlawful"

Page 2, line 8, replace "activity" with "criminal and infraction charges"

Page 2, line 8, after "pipeline" insert a comma

Page 2, line 11, after "other" insert "nonstate"

Page 2, line 13, after "**APPROPRIATION**" insert "**- THROUGH JUNE 30, 2019**"

Page 2, line 15, replace "\$859,000" with "\$1,027,000"

Page 2, line 16, after "costs" insert "that were incurred after June 30, 2015,"

Page 2, line 17, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 21, after "indigents" insert "which were incurred after June 30, 2015,"

Page 2, line 21, replace "unlawful activity" with "criminal and infraction charges"

Page 2, line 22, after "pipeline" insert a comma

Page 2, line 24, after "other" insert "nonstate"

Page 2, after line 25, insert:

"SECTION 6. APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE HISTORICAL SOCIETY - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$294,500, or so much of the sum as may be necessary, to the state historical society for the purpose of defraying litigation expenses, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section is considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 7. CONTINGENT APPROPRIATION - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - STATE TREASURER - THROUGH JUNE 30, 2019. There is appropriated out of any moneys in the strategic investment and improvements fund in the state treasury, not otherwise appropriated, the sum of \$15,200,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing any court-ordered payments to a bankruptcy estate, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided in this section may be expended only upon an order of the court pending the outcome of *PW Enterprises, Inc. v. State of North Dakota*. The funding provided in this section is

considered a one-time funding item and is not a part of the entity's base budget for the 2019-21 biennium.

SECTION 8. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND - 2015-17 BIENNIUM. The office of management and budget shall transfer the sum of \$155,000,000 from the strategic investment and improvements fund to the general fund during the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 9. LINE ITEM TRANSFERS - ATTORNEY GENERAL - 2015-17 BIENNIUM.

1. The attorney general may transfer \$75,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the litigation fees line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.
2. The attorney general may transfer \$5,000 from the amount appropriated for the continuation of contracted higher education legal services in section 6 of chapter 3 of the 2015 Session Laws to the arrest and return of fugitives line item in section 1 of chapter 37 of the 2015 Session Laws, for the period beginning with the effective date of this Act, and ending June 30, 2017.

SECTION 10. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-fifth legislative assembly that the department of emergency services seek reimbursement from the federal government or other nonstate sources for the costs of responding to unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-fifth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly, including loans of \$17,000,000 previously authorized by the emergency commission; loans in Senate Bill No. 2174, as approved by the sixty-fifth legislative assembly; and loans authorized in sections 3, 4, and 5 of this Act, which were all obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. If the department of emergency services determines reimbursements from federal or other nonstate sources are not forthcoming, the department of emergency services and other state agencies that obtain a loan shall request a deficiency appropriation from the sixty-sixth legislative assembly sufficient for the repayment of the amounts borrowed plus interest."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1024 - Summary of Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
State Treasurer				
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
Attorney General				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000

General fund	\$0	\$0	\$0	\$0
Judicial Branch				
Total all funds	\$0	\$1,500,000	\$0	\$1,500,000
Less estimated income	0	1,500,000	0	1,500,000
General fund	\$0	\$0	\$0	\$0
Commission on Legal Counsel for Indigent				
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0
State Department of Health				
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
Highway Patrol				
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0
Department of Corrections and Rehab.				
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
Adjutant General				
Total all funds	\$0	\$0	\$15,000,000	\$15,000,000
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0
State Historical Society				
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	0	0	294,500	294,500
General fund	\$0	\$0	\$0	\$0
Game and Fish Department				
Total all funds	\$0	\$0	\$423,724	\$423,724
Less estimated income	0	0	423,724	423,724
General fund	\$0	\$0	\$0	\$0
Parks and Recreation Department				
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
Department of Transportation				
Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0
Bill total				
Total all funds	\$0	\$2,359,000	\$37,349,224	\$39,708,224
Less estimated income	0	2,359,000	37,349,224	39,708,224
General fund	\$0	\$0	\$0	\$0

House Bill No. 1024 - State Treasurer - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Settlement payment			\$15,200,000	\$15,200,000
Total all funds	\$0	\$0	\$15,200,000	\$15,200,000
Less estimated income	0	0	15,200,000	15,200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

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

	Provides Contingent Funding for Settlement Payments ¹	Total Senate Changes
Settlement payment	\$15,200,000	\$15,200,000
Total all funds	\$15,200,000	\$15,200,000
Less estimated income	15,200,000	15,200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Contingent funding of \$15.2 million from the strategic investment and improvements fund is added for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota.

House Bill No. 1024 - Attorney General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 125 - Attorney General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Commission on Legal Counsel for Indigent - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Pipeline protest trials		\$859,000	\$168,000	\$1,027,000
Total all funds	\$0	\$859,000	\$168,000	\$1,027,000
Less estimated income	0	859,000	168,000	1,027,000
General fund	\$0	\$0	\$0	\$0

FTE 0.00 0.00 0.00 0.00

Department No. 188 - Commission on Legal Counsel for Indigent - Detail of Senate Changes

	Adds Funding for Pipeline Protest Trials ¹	Total Senate Changes
Pipeline protest trials	\$168,000	\$168,000
Total all funds	\$168,000	\$168,000
Less estimated income	168,000	168,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Borrowing authority and the related appropriation authority are increased by \$168,000, from \$859,000 to \$1,027,000, for additional costs related to pipeline protest trials.

House Bill No. 1024 - State Department of Health - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$1,420,000	\$1,420,000
Total all funds	\$0	\$0	\$1,420,000	\$1,420,000
Less estimated income	0	0	1,420,000	1,420,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 301 - State Department of Health - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Operating expenses	\$1,420,000	\$1,420,000
Total all funds	\$1,420,000	\$1,420,000
Less estimated income	1,420,000	1,420,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$1,420,000 is added from special funds received for the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Highway Patrol - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Field operations			\$3,234,000	\$3,234,000
Total all funds	\$0	\$0	\$3,234,000	\$3,234,000
Less estimated income	0	0	3,234,000	3,234,000
General fund	\$0	\$0	\$0	\$0

FTE 0.00 0.00 0.00 0.00

Department No. 504 - Highway Patrol - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Field operations	\$3,234,000	\$3,234,000
Total all funds	\$3,234,000	\$3,234,000
Less estimated income	3,234,000	3,234,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$3,234,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Corrections and Rehab. - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Adult services			\$500,000	\$500,000
Total all funds	\$0	\$0	\$500,000	\$500,000
Less estimated income	0	0	500,000	500,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 530 - Department of Corrections and Rehab. - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Adult services	\$500,000	\$500,000
Total all funds	\$500,000	\$500,000
Less estimated income	500,000	500,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$500,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Adjutant General - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Total all funds	\$0	\$0	\$0	\$0
Less estimated income	0	0	15,000,000	15,000,000
General fund	\$0	\$0	\$0	\$0

FTE 0.00 0.00 0.00 0.00

Department No. 540 - Adjutant General - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Total all funds	\$15,000,000	\$15,000,000
Less estimated income	<u>15,000,000</u>	<u>15,000,000</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$15,000,000 is added from the proceeds of a loan for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - State Historical Society - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Operating expenses			\$294,500	\$294,500
Total all funds	\$0	\$0	\$294,500	\$294,500
Less estimated income	<u>0</u>	<u>0</u>	<u>294,500</u>	<u>294,500</u>
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 701 - State Historical Society - Detail of Senate Changes

	Adds Funding for Litigation Expenses ¹	Total Senate Changes
Operating expenses	\$294,500	\$294,500
Total all funds	\$294,500	\$294,500
Less estimated income	<u>294,500</u>	<u>294,500</u>
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$294,500 is added from the strategic investment and improvements fund for litigation expenses.

House Bill No. 1024 - Game and Fish Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$221,795	\$221,795
Operating expenses			201,929	201,929
Total all funds	\$0	\$0	\$423,724	\$423,724
Less estimated income	<u>0</u>	<u>0</u>	<u>423,724</u>	<u>423,724</u>
General fund	\$0	\$0	\$0	\$0

FTE 0.00 0.00 0.00 0.00

Department No. 720 - Game and Fish Department - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$221,795	\$221,795
Operating expenses	201,929	201,929
Total all funds	\$423,724	\$423,724
Less estimated income	423,724	423,724
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$423,724 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Parks and Recreation Department - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Natural resources			\$200,000	\$200,000
Total all funds	\$0	\$0	\$200,000	\$200,000
Less estimated income	0	0	200,000	200,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

Department No. 750 - Parks and Recreation Department - Detail of Senate Changes

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Natural resources	\$200,000	\$200,000
Total all funds	\$200,000	\$200,000
Less estimated income	200,000	200,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$200,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Department of Transportation - Senate Action

	Base Budget	House Version	Senate Changes	Senate Version
Salaries and wages			\$287,000	\$287,000
Operating expenses			422,000	422,000

Total all funds	\$0	\$0	\$709,000	\$709,000
Less estimated income	0	0	709,000	709,000
General fund	\$0	\$0	\$0	\$0
FTE	0.00	0.00	0.00	0.00

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

	Adds Funding for Pipeline Protest Law Enforcement Support ¹	Total Senate Changes
Salaries and wages	\$287,000	\$287,000
Operating expenses	422,000	422,000
Total all funds	\$709,000	\$709,000
Less estimated income	709,000	709,000
General fund	\$0	\$0
FTE	0.00	0.00

¹ Funding of \$709,000 is added from special funds received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.

House Bill No. 1024 - Other Changes - Senate Action

This amendment provides for the following changes to agency deficiency appropriations from the strategic investment and improvements fund:

- Adds a \$189,000 appropriation to the Commission on Legal Counsel for Indigents related to costs associated with Section 25 of Article I of the Constitution of North Dakota relating to victims' rights (Marsy's Law).
- Increases the appropriation to the Department of Human Services for Medicaid grants by \$4 million, from \$5 million to \$9 million.

This amendment also:

- Adds a section to provide appropriations to various state agencies from special funds the agency received from the Adjutant General for expenses of law enforcement support related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Adds a section to provide \$15 million of borrowing authority and the related appropriation authority through June 30, 2019, to the Adjutant General for expenses related to unlawful activity associated with the construction of the Dakota Access Pipeline.
- Increases the borrowing authority for the Commission on Legal Counsel for Indigents by \$168,000, from \$859,000 to \$1,027,000.
- Clarifies the purpose of the borrowing authority and appropriations to the judicial branch and the Commission on Legal Counsel for Indigents.
- Adds a section to provide one-time funding of \$294,500 from the strategic investment and improvements fund to the State Historical Society through June 30, 2019 related to litigation expenses.
- Adds a section to provide contingent funding of \$15.2 million from the strategic investment and improvements fund for any required payments to a bankruptcy estate. The funding may be expended only upon an order of the court pending the outcome of PW Enterprises, Inc. v. State of North Dakota.
- Provides for a transfer of \$155 million from the strategic investment and improvements fund to the general fund prior to the end of the 2015-17 biennium, resulting in an increase in the July 1, 2017, estimated beginning balance of the general fund.

- Adds a section authorizing the Attorney General to transfer funds between certain line items during the 2015-17 biennium.
- Adds a section to provide legislative intent related to repayment sources for loans obtained to provide the necessary funding to respond to the unlawful activity associated with the construction of the Dakota Access Pipeline.