

JOURNAL OF THE SENATE

Sixty-fifth Legislative Assembly

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Bismarck, April 21, 2017

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

The prayer was offered by Pastor Matthew Valan, Messiah Evangelical Lutheran Church, Fargo.

The roll was called and all members were present.

A quorum was declared by the President.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. J. LEE MOVED that the conference committee report on Reengrossed HB 1040 as printed on SJ pages 1590-1591 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1040: A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to an evidence-based alcohol and drug education program; to amend and reenact subsection 3 of section 5-01-08 of the North Dakota Century Code, relating to a penalty for individuals under twenty-one years of age using alcoholic beverages or entering licensed premises; to provide for a report; and to provide an appropriation to the department of human services.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 45 YEAS, 2 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Kannianen; Myrdal

Reengrossed HB 1040, as amended, passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. KANNIANEN MOVED that the conference committee report on Engrossed HB 1275 as printed on SJ page 1591 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1275: A BILL for an Act to amend and reenact section 15.1-19-03.1 of the North Dakota Century Code, relating to the recitation of prayer at activities for public and nonpublic schools.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible;

Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1275, as amended, passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1040, HB 1275.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1014.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2037.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: Your signature is respectfully requested on: SB 2010, SB 2042, SCR 4014, SCR 4015.

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

MR. PRESIDENT: Your signature is respectfully requested on: HB 1006.

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

MR. PRESIDENT: The Speaker has signed: SB 2010, SB 2042, SCR 4014, SCR 4015.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bill was delivered to the Governor for approval on April 21, 2017: SB 2166.

COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 20, 2017, I have signed the following: SB 2015, SB 2144, SB 2200, and SB 2313.

REPORT OF CONFERENCE COMMITTEE

SB 2019, as engrossed: Your conference committee (Sens. Erbele, Holmberg, Robinson and Reps. Monson, Sanford, Schatz) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1253-1254, adopt amendments as follows, and place SB 2019 on the Seventh order:

That the House recede from its amendments as printed on pages 1253 and 1254 of the Senate Journal and pages 1348-1350 of the House Journal and that Engrossed Senate Bill No. 2019 be amended as follows:

Page 1, replace lines 12 through 21 with:

"Salaries and wages	\$4,763,504	(\$63,529)	\$4,699,975
Operating expenses	1,267,340	(26,751)	1,240,589
Grants	31,240,290	1,593,066	32,833,356
Grants - postsecondary	661,113	(364,906)	296,207
Adult farm management	660,438	(80,616)	579,822
Workforce training	<u>2,803,500</u>	<u>(803,500)</u>	<u>2,000,000</u>
Total all funds	\$41,396,185	\$253,764	\$41,649,949
Less estimated income	<u>9,697,887</u>	<u>2,395,779</u>	<u>12,093,666</u>
Total general fund	\$31,698,298	(\$2,142,015)	\$29,556,283
Full-time equivalent positions	26.50	(2.00)	24.50

SECTION 2. HEALTH INSURANCE INCREASE. The salaries and wages line item in section 1 of this Act includes the sum of \$61,059 from the general fund for increases in employee health insurance premiums from \$1,130 to \$1,241 per month."

Page 2, replace lines 4 and 5 with:

"School district and area center grants	\$0	\$2,427,000
Marketplace for kids	0	300,000
Total all funds	\$0	\$2,727,000
Less estimated income	0	2,477,000
Total general fund	\$0	\$250,000"

Page 2, line 12, after the period insert "Of this amount, \$50,000 is for the marketplace for kids program."

SECTION 5. WORKFORCE TRAINING. The workforce training line item in section 1 of this Act includes \$2 million from the general fund for the purpose of providing workforce training grants for the biennium beginning July 1, 2017, and ending June 30, 2019. Of this amount, \$1 million is to be distributed equally to Bismarck state college, lake region state college, Williston state college, and the North Dakota state college of science. The department of career and technical education shall award the remaining \$1 million of workforce training grants based on job training needs throughout North Dakota and may consider applications from tribally controlled community colleges when determining these grant awards. Tribally controlled community colleges must collaborate with at least one of the four higher education institutions listed in this section when submitting applications for workforce training grants."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Senate Bill No. 2019 - Dept. of Career and Technical Education - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,763,504	\$4,864,807	(\$164,832)	\$4,699,975	\$4,699,975	
Operating expenses	1,267,340	1,240,589		1,240,589	1,240,589	
Grants	31,240,290	32,542,856	290,500	32,833,356	32,833,356	
Grants - Postsecondary	661,113	586,707	(290,500)	296,207	296,207	
Adult farm management	660,438	579,822		579,822	579,822	
Workforce training	2,803,500	2,600,000	(600,000)	2,000,000	1,600,000	400,000
Total all funds	\$41,396,185	\$42,414,781	(\$764,832)	\$41,649,949	\$41,249,949	\$400,000
Less estimated income	9,697,887	12,093,666	0	12,093,666	12,093,666	0
General fund	\$31,698,298	\$30,321,115	(\$764,832)	\$29,556,283	\$29,156,283	\$400,000
FTE	26.50	25.50	(1.00)	24.50	24.50	0.00

Department No. 270 - Dept. of Career and Technical Education - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Removes 1 FTE Position ²	Adjusts FUNDING for STEM Grants ³	Adjusts Funding for Workforce Training ⁴	Adjusts Funding for Marketplace for Kids ⁵	Total Conference Committee Changes
Salaries and wages	(\$7,632)	(\$157,200)				(\$164,832)
Operating expenses						
Grants			290,500			290,500
Grants - Postsecondary			(290,500)			(290,500)
Adult farm management						
Workforce training				(600,000)		(600,000)
Total all funds	(\$7,632)	(\$157,200)	\$0	(\$600,000)	\$0	(\$764,832)
Less estimated income	0	0	0	0	0	0
General fund	(\$7,632)	(\$157,200)	\$0	(\$600,000)	\$0	(\$764,832)
FTE	0.00	(1.00)	0.00	0.00	0.00	(1.00)

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also adjusted to reflect the revised premium rate.

² Funding is removed for 1 FTE assistant program supervisor position, to remove a total of 2

FTE positions and related funding of \$328,582 from the base level, the same as the House version. The Senate approved a reduction of 1 FTE and related funding of \$171,382.

³ Funding of \$290,500 for science, technology, engineering, and math (STEM) grants is transferred from the grants - postsecondary line item to the grants line item to provide a total of \$296,207 in the grants - postsecondary line item and \$32,833,356 in the grants line item, the same as the House version.

⁴ Funding is reduced for workforce training grants by \$600,000 from the general fund to provide a total appropriation of \$2 million, compared to the Senate version of \$2.6 million. The House approved a total appropriation of \$1.6 million from the general fund for workforce training grants. Of the \$2 million appropriated to the department for workforce training grants, \$1 million is to be distributed equally to Bismarck State College, Lake Region State College, Williston State College, and the North Dakota State College of Science. The department is to award the remaining \$1 million based on job training needs throughout North Dakota and may consider applications from tribally controlled community colleges when considering grant recipients. Tribally controlled community colleges must collaborate with at least one of the four higher education institutions listed in section 5 of the bill when submitting applications for workforce training grants.

⁵ Ongoing funding for the marketplace for kids program is reduced by \$250,000 and replaced with \$250,000 of one-time funding. An amount of \$50,000 from the foundation aid stabilization fund is also identified in Section 4 of the bill to provide a total one-time appropriation of \$300,000 for the program, the same as the House version. The Senate approved \$300,000 for the program, of which \$250,000 was ongoing funding from the general fund and \$50,000 was one-time funding from the foundation aid stabilization fund.

Engrossed SB 2019 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2206, as engrossed: Your conference committee (Sens. Bekkedahl, Cook, Dotzenrod and Reps. Headland, Dockter, Mitskog) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1405-1411, adopt amendments as follows, and place SB 2206 on the Seventh order:

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.~~
- e. ~~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 through 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

Engrossed SB 2206 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

SB 2243, as reengrossed: Your conference committee (Sens. Schaible, Rust, Oban and Reps. Owens, M. Ruby, Mock) recommends that the **SENATE ACCEDE** to the House amendments as printed on SJ page 1055 and place SB 2243 on the Seventh order.

Reengrossed SB 2243 was placed on the Seventh order of business on the calendar.

REPORT OF CONFERENCE COMMITTEE

HB 1014, as engrossed: Your conference committee (Sens. Dever, Sorvaag, Grabinger and Reps. Kading, Pollert, Holman) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1192-1193, adopt amendments as follows, and place HB 1014 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1192 and 1193 of the House Journal and pages 928 and 929 of the Senate Journal and that Engrossed House Bill No. 1014 be amended as follows:

Page 1, replace lines 12 through 16 with:

"Protection and advocacy operations	\$6,453,779	(\$6,179)	\$6,447,600
Total all funds	\$6,453,779	(\$6,179)	\$6,447,600
Less estimated income	3,432,853	55,748	3,488,601
Total general fund	\$3,020,926	(\$61,927)	\$2,958,999
Full-time equivalent positions	27.50	0.00	27.50"

Page 1, line 18, replace "\$80,140" with "\$74,334"

Page 1, line 18, replace "\$38,694" with "\$35,891"

Page 1, line 19, replace "\$1,249" with "\$1,241"

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1014 - Protection and Advocacy Project - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Protection and advocacy operations	\$6,453,779	\$6,235,931	\$211,669	\$6,447,600	\$6,470,065	(\$22,465)
Total all funds	\$6,453,779	\$6,235,931	\$211,669	\$6,447,600	\$6,470,065	(\$22,465)
Less estimated income	3,432,853	3,326,925	161,676	3,488,601	3,461,066	27,535
General fund	\$3,020,926	\$2,909,006	\$49,993	\$2,958,999	\$3,008,999	(\$50,000)
FTE	27.50	26.50	1.00	27.50	27.50	0.00

Department No. 360 - Protection and Advocacy Project - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Restores 1 FTE Position ²	Adjusts Funding for Operating Expenses ³	Total Conference Committee Changes
Protection and advocacy operations	(\$5,806)	\$179,940	\$37,535	\$211,669
Total all funds	(\$5,806)	\$179,940	\$37,535	\$211,669
Less estimated income	(3,003)	102,944	61,735	161,676
General fund	(\$2,803)	\$76,996	(\$24,200)	\$49,993
FTE	0.00	1.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month, the same as the Senate version. Section 2 is also adjusted to reflect the change.

² Funding is restored for 1 FTE position removed by the House, the same as the Senate version.

³ Funding is restored for operating expenses by \$37,535, including an increase of \$61,735 of federal funds and a reduction of \$24,200 from the general fund, resulting in a total reduction to operating expenses of \$63,243 from the general fund. The House reduced funding for operating expenses by \$100,778, of which \$39,043 is from the general fund. The Senate reduced funding for operating expenses by \$40,778, of which \$13,243 is from the general fund.

Engrossed HB 1014 was placed on the Seventh order of business on the calendar.

MOTION

SEN. KLEIN MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

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

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. BEKKEDAHL MOVED that the conference committee report on Engrossed SB 2206 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2206: A BILL for an Act to create and enact chapter 50-34 and a new section to chapter 57-20 of the North Dakota Century Code, relating to the transition of funding responsibility for county social services from the counties to the state and a credit against payments in lieu of taxes paid by centrally assessed companies; to amend and reenact sections 11-23-01, 50-01.2-03.2, 50-06-05.8, 50-06-20.1, and 50-06.2-04, subsection 3 of section 57-15-01.1, section 57-15-06.7, and subdivision c of subsection 1 of section 57-20-07.1 of the North Dakota Century Code, relating to county and multicounty social service board budgets, the human service grant program, county general fund levy limitations, and property tax statements; 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; to repeal section 57-20-07.2 of the North Dakota Century Code, relating to the state-paid property tax relief credit; 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; to provide an effective date; and to provide an expiration date.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 3 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

NAYS: Kannianen; Marcellais; Mathern

Reengrossed SB 2206 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. SCHAIBLE MOVED that the conference committee report on Reengrossed SB 2243 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2243: A BILL for an Act to provide for a legislative management study of teacher loan forgiveness programs.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 0 YEAS, 47 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

NAYS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2243 failed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. ERBELE MOVED that the conference committee report on Engrossed SB 2019 be adopted, which motion prevailed on a voice vote.

SECOND READING OF SENATE BILL

SB 2019: A BILL for an Act to provide an appropriation for defraying the expenses of the state board for career and technical education.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Reengrossed SB 2019 passed.

CONSIDERATION OF CONFERENCE COMMITTEE REPORT

SEN. DEVER MOVED that the conference committee report on Engrossed HB 1014 be adopted, which motion prevailed on a voice vote.

SECOND READING OF HOUSE BILL

HB 1014: A BILL for an Act to provide an appropriation for defraying the expenses of the committee on protection and advocacy.

ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 47 YEAS, 0 NAYS, 0 EXCUSED, 0 ABSENT AND NOT VOTING.

YEAS: Anderson; Armstrong; Bekkedahl; Bowman; Burckhard; Campbell; Casper; Clemens; Cook; Davison; Dever; Dotzenrod; Erbele; Grabinger; Heckaman; Hogue; Holmberg; Kannianen; Kilzer; Klein; Krebsbach; Kreun; Laffen; Larsen, O.; Larson, D.; Lee, G.; Lee, J.; Luick; Marcellais; Mathern; Meyer; Myrdal; Nelson; Oban; Oehlke; Osland; Piepkorn; Poolman; Robinson; Roers; Rust; Schaible; Sorvaag; Unruh; Vedaa; Wanzek; Wardner

Engrossed HB 1014, as amended, passed.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2019, SB 2206.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1014.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: SB 2243.

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

MR. PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1008.

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

MR. PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2004.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: SB 2010, SB 2042, SCR 4014, SCR 4015.

MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)

MR. SPEAKER: The President has signed: HB 1006.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following bills were delivered to the Governor for approval on April 21, 2017: SB 2010, SB 2042.

DELIVERY OF ENROLLED BILLS AND RESOLUTIONS

The following resolutions were delivered to the Secretary of State for filing on April 21, 2017: SCR 4014, SCR 4015.

MOTION

SEN. KLEIN MOVED that the Senate be on the Fourth, Fifth, and Sixteenth orders of business and at the conclusion of those orders, the Senate stand adjourned until 1:00 p.m., Monday, April 24, 2017, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

HB 1008, as engrossed: Your conference committee (Sens. Grabinger, Wanzek, G. Lee and Reps. Schmidt, Schatz, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1190-1192, adopt amendments as follows, and place HB 1008 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1190-1192 of the House Journal and pages 926-928 of the Senate Journal and that Engrossed House Bill No. 1008 be amended as follows:

Page 1, line 2, after the first semicolon insert "to amend and reenact section 57-43.2-19 of the North Dakota Century Code, relating to the special fuels excise taxes distribution of funds;"

Page 1, replace line 12 with:

"Salaries and wages	\$9,643,095	(\$445,811)	\$9,197,284"
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Page 1, replace line 14 with:

"Capital assets	26,400	(16,400)	10,000"
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Page 1, replace lines 18 through 23 with:

"Railroad safety program	523,345	41,323	564,668
Specialized legal services	<u>150,000</u>	<u>380,000</u>	<u>530,000</u>
Total all funds	\$21,140,402	(\$2,088,624)	\$19,051,778
Less estimated income	<u>13,964,575</u>	<u>(1,543,559)</u>	<u>12,421,016</u>
Total general fund	\$7,175,827	(\$545,065)	\$6,630,762
Full-time equivalent positions	46.00	(1.00)	45.00"

Page 2, line 2, replace "\$125,934" with "\$116,809"

Page 2, line 2, replace "\$76,487" with "\$70,945"

Page 2, line 3, replace "\$1,249" with "\$1,241"

Page 2, replace lines 9 through 12 with:

"Specialized legal services	<u>\$575,624</u>	<u>\$436,000</u>
Total all funds	\$575,624	\$436,000
Total special funds	<u>336,000</u>	<u>436,000</u>
Total general fund	\$239,624	\$0"

Page 2, line 27, replace "\$300,000" with "\$100,000"

Page 2, after line 29, insert:

"SECTION 6. AMENDMENT. Section 57-43.2-19 of the North Dakota Century Code is amended and reenacted as follows:

57-43.2-19. (Effective July 1, 2015, through June 30, 2019) 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 ~~seventy-five~~eighty-five thousand dollars per year must be transferred to the state treasurer who shall deposit the moneys in the rail safety fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19.

(Effective after June 30, 2019) 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 the highway tax distribution fund. The highway tax distribution fund must be distributed in the manner as prescribed by section 54-27-19."

ReNUMBER accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

House Bill No. 1008 - Public Service Commission - Conference Committee Action

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$9,643,095	\$8,980,993	\$216,291	\$9,197,284	\$9,297,284	(\$100,000)
Operating expenses	1,877,562	1,829,826		1,829,826	1,829,826	
Capital assets	26,400		10,000	10,000	10,000	
Grants	20,000	20,000		20,000	20,000	
Abandoned mined lands contractual	8,000,000	6,000,000		6,000,000	6,000,000	
Rail rate complaint case	900,000	900,000		900,000	900,000	
Railroad safety program	523,345	529,088	35,580	564,668	564,668	
Specialized legal services	150,000	730,000	(200,000)	530,000	530,000	
Total all funds	\$21,140,402	\$18,989,907	\$61,871	\$19,051,778	\$19,151,778	(\$100,000)
Less estimated income	13,964,575	12,588,603	(167,587)	12,421,016	12,421,016	0
General fund	\$7,175,827	\$6,401,304	\$229,458	\$6,630,762	\$6,730,762	(\$100,000)
FTE	46.00	44.00	1.00	45.00	45.00	0.00

Department No. 408 - Public Service Commission - Detail of Conference Committee Changes

	Adjusts Funding for Health Insurance Increases ¹	Adjusts Funding for Salaries and Wages ²	Converts Temporary Railroad Safety Inspector to FTE Position ³	Adds Funding for Capital Assets ⁴	Reduces One-Time Funding for Specialized Legal Services ⁵	Total Conference Committee Changes
Salaries and wages	(\$8,709)	\$225,000				\$216,291
Operating expenses						
Capital assets				10,000		10,000
Grants						
Abandoned mined lands contractual						
Rail rate complaint case						
Railroad safety program	(416)		35,996			35,580
Specialized legal services					(200,000)	(200,000)
Total all funds	(\$9,125)	\$225,000	\$35,996	\$10,000	(\$200,000)	\$61,871
Less estimated income	(3,583)	0	35,996	0	(200,000)	(167,587)
General fund	(\$5,542)	\$225,000	\$0	\$10,000	\$0	\$229,458
FTE	0.00	0.00	1.00	0.00	0.00	1.00

¹ Funding for employee health insurance is adjusted to reflect the updated premium amount of \$1,241 per month. Section 2 of the bill is also changed to reflect the revised amount, the same as the Senate version.

² Funding of \$225,000 is restored for salaries and wages to underfund salaries and wages by \$250,000 from the general fund. The Senate version restored \$325,000 to salaries and wages to underfund salaries and wages by \$150,000 from the general fund. The House underfunded salaries and wages by \$475,000 from the general fund.

³ Funding of \$35,966 is provided from the rail safety fund to convert a temporary railroad safety inspector to a FTE position with a total cost of \$226,727, the same as the Senate version.

⁴ Funding of \$10,000 is added from the general fund for capital assets, the same as the Senate version. The House removed all funding for capital assets.

⁵ One-time funding from the strategic investment and improvements fund is reduced by \$200,000 for specialized legal services to provide a total of \$100,000 from the strategic investment and improvements fund, the same as the Senate version. The House provided \$300,000 from the strategic investment and improvements fund.

This amendment also amends North Dakota Century Code Section 57-43.2-19 to increase the amount of special fuels excise tax collections on sales of diesel fuel to a railroad that are deposited in the rail safety fund from \$275,000 to \$285,000 per year, the same as the Senate version.

Engrossed HB 1008 was placed on the Seventh order of business on the calendar.

The Senate stood adjourned pursuant to Senator Klein's motion.

Shanda Morgan, Secretary