APPROPRIATIONS

CHAPTER 1

HOUSE BILL NO. 1001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the legislative branch of state government; to provide for applications, transfers, and cancellation of unexpended appropriations; to amend and reenact sections 54-03-20 and 54-35-10 of the North Dakota Century Code, relating to legislative compensation; to provide for a report; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the insurance regulatory trust fund and the capitol building fund, not otherwise appropriated, to the legislative branch of state government for the purpose of defraying the expenses of the legislative branch of state government, for the fiscal period beginning with the effective date of this Act and ending June 30, 2021, as follows:

Subdivision 1.

SIXTY-SIXTH AND SIXTY-SEVENTH LEGISLATIVE ASSEMBLIES AND BIENNIUM

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$10,233,424	$957,420	$11,190,844
Operating expenses	3,694,591	710,647	4,405,238
Capital assets	6,000	100,000	106,000
National conference of state legislatures	225,155	38,278	263,433
Total all funds	$14,159,170	$1,806,345	$15,965,515
Less estimated income	0	140,000	140,000
Total general fund	$14,159,170	$1,666,345	$15,825,515

Subdivision 2.

LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$9,049,530	$916,187	$9,965,717
Operating expenses	2,911,608	231,749	3,143,357
Capital assets	0	6,000	6,000
Total all funds	$11,961,138	$1,153,936	$13,115,074

Less estimated income	70,000	0	70,000
Total general fund	$11,891,138	$1,153,936	$13,045,074
Full-time equivalent positions	36.00	0.00	36.00

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$26,050,308	$2,820,281	$28,870,589
Grand total special funds	70,000	140,000	210,000
Grand total all funds	$26,120,308	$2,960,281	$29,080,589

SECTION 2. LEGISLATIVE ASSEMBLY ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the 2019-21 biennium one-time funding items included in the appropriation for the legislative assembly in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Digital signage replacement	$0	$40,000
Voting system upgrades	0	100,000
Computer and iPad replacement	0	517,760
Total all funds	$0	$657,760
Less estimated income	0	140,000
Total general fund	$0	$517,760

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2021-23 biennium. The legislative assembly shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LEGISLATIVE MANAGEMENT AND LEGISLATIVE COUNCIL ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the 2019-21 biennium one-time funding items included in the appropriation for the legislative management and legislative council in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Redistricting equipment	$0	$22,400
Computer replacement	0	124,856
Council of state governments conference	0	7,500
Total general fund	$0	$154,756

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2021-23 biennium. The legislative council shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - CAPITOL BUILDING FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes $140,000 from the capitol building fund for digital signage replacement and voting system upgrades for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFERS. Notwithstanding section 54-16-05, the director of the office of management and budget shall transfer appropriation authority between line items of the legislative management and legislative council as may be requested by

the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or the director that the nature of studies and duties assigned to the legislative management or legislative council requires the transfers in properly carrying on the legislative management's and legislative council's functions and duties. The director of the office of management and budget shall similarly make transfers of appropriation authority between the line items for the sixty-sixth and sixty-seventh legislative assemblies, upon request by the chairman of the legislative management or the director of the legislative council upon the finding by the chairman or director that the transfers are required for the legislative assembly to carry on its functions and duties.

SECTION 6. APPLICATION, TRANSFER AUTHORITY, AND CANCELLATION OF UNEXPENDED APPROPRIATIONS. Sections 54-16-04 and 54-44.1-11 do not apply to chapter 26 of the 2017 Session Laws. The director of the office of management and budget shall make transfers of appropriation authority between the line items and the agencies of the legislative branch within section 1 of that chapter as requested by the chairman of the legislative management or the director of the legislative council. The office of management and budget shall cancel unexpended appropriations for the legislative assembly and legislative council enacted prior to the 2017-19 biennium as directed by the chairman of the legislative management or the director of the legislative council.

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

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

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~seventy-seven~~eighty-one dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

   b. Notwithstanding subdivision a:

      (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.

      (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which

two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.

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

   b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.

4. The amount to which each legislator is entitled must be paid following the organizational session in December and each month upon submission of a voucher and appropriate documentation during a regular or special session, consistent with section 26 of article XI of the constitution of North Dakota.

5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.

6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of ~~four~~five hundred ~~ninety-five~~five dollars a month, paid monthly.

   b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.

   c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority

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

8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].

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

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

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

1. Each member of the legislative assembly is entitled to receive as compensation for services the sum of one hundred ~~eighty-one~~eighty-six dollars for each calendar day during any organizational, special, or regular legislative session and for each day that member attends a meeting of a legislative committee between the organizational session and the regular session as authorized by legislative rule.

2. a. Each member of the legislative assembly is entitled to receive reimbursement for lodging, which may not exceed per calendar month the amount established under this subdivision by the director of the office of management and budget for lodging in state and which may not exceed the rate provided in section 44-08-04 for each calendar day during the period of any organizational, special, or regular session. On August first of each even-numbered year, the director of the office of management and budget shall set the maximum monthly reimbursement for the subsequent two-year period at an amount equal to thirty times seventy percent of the daily lodging reimbursement in effect on that date as provided under subdivision d of subsection 2 of section 44-08-04.

   b. Notwithstanding subdivision a:

      (1) A member of the legislative assembly may elect to be reimbursed for less than the amount to which the legislator is entitled under this subsection by claiming the lesser amount on a voucher submitted with the receipt required by section 44-08-04.

      (2) The legislative management may establish guidelines that may result in a reduced maximum reimbursement for a single dwelling in which two or more legislators share lodging and the total rent for that dwelling exceeds the amount to which a legislator is entitled under subdivision a.

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

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

b. A member of the legislative assembly who does not receive reimbursement for lodging and whose place of residence in the legislative district that the member represents is not within the city of Bismarck is entitled to reimbursement at the rate provided for state employees for necessary travel for not to exceed one round trip taken per day between the residence and the place of meeting of the legislative assembly when it is in session and may receive reimbursement for lodging at the place of meeting of the legislative assembly as provided in section 44-08-04 for each calendar day for which round trip travel reimbursement is not claimed, provided that the total reimbursement may not exceed the maximum monthly reimbursement allowed under subdivision a of subsection 2.

4. The amount to which each legislator is entitled must be paid following the organizational session in December and each month upon submission of a voucher and appropriate documentation during a regular or special session, consistent with section 26 of article XI of the constitution of North Dakota.

5. If during a special session, the legislative assembly adjourns for more than three days, a member of the legislative assembly is entitled to receive compensation during those days only while in attendance at a standing committee if the legislator is a member of that committee, a majority or minority leader, or a legislator who is not on that committee but who has the approval of a majority or minority leader to attend.

6. A day, or portion of a day, spent in traveling to or returning from an organizational, special, or regular session or a legislative committee meeting must be included as a calendar day during a legislative session or as a day of a legislative committee meeting for the purposes of this section.

7. a. In addition, each member is entitled to receive during the term for which the member was elected, as compensation for the execution of public duties during the biennium, the sum of five hundred ~~five~~eighteen dollars a month, paid monthly.

   b. If a member dies or resigns from office during the member's term, the member may be paid only the allowances provided for in this section for the period for which the member was actually a member.

   c. The majority and minority leaders of the house and senate and the chairman of the legislative management, if the chairman is not a majority or minority leader, are each entitled to receive as compensation, in addition to any other compensation or expense reimbursement provided by law, the sum of three hundred ~~sixty-two~~seventy-one dollars per month during the biennium for their execution of public duties.

8. Attendance at any organizational, special, or regular session of the legislative assembly by any member is a conclusive presumption of entitlement as set out in this section and compensation and expense allowances must be excluded from gross income for income tax purposes to the extent permitted for federal income tax purposes under section 127 of the Economic Recovery Tax Act of 1981 [Pub. L. 97-34; 95 Stat. 202; 26 U.S.C. 162(i)].

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

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

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

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~seventy-seven~~eighty-one dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

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

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

1. The members of the legislative management and the members of any committee of the legislative management are entitled to be compensated for the time spent in attendance at sessions of the legislative management and of its committees at the rate of one hundred ~~eighty-one~~eighty-six dollars per day and must also be paid for expenses incurred in attending said meetings and in the performance of their official duties in the amounts provided by law for other state officers.

2. In addition to the compensation provided in subsection 1, the chairman of the legislative management is entitled to receive an additional five dollars for each day spent in attendance at sessions of the legislative management and of its committees, and the chairman of each of the legislative management's committees is entitled to receive five dollars for each day spent in attendance at sessions of the legislative management or of the committee which the person chairs.

SECTION 11. EFFECTIVE DATE. Sections 7 and 9 of this Act become effective on July 1, 2019, and sections 8 and 10 of this Act become effective on July 1, 2020.

SECTION 12. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 23, 2019

Filed April 24, 2019

CHAPTER 2

HOUSE BILL NO. 1002

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the judicial branch; to amend and reenact sections 27-02-02, 27-02.1-01, 27-02.1-02, 27-02.1-03, 27-02.1-04, 27-02.1-05, 27-02.1-06, 27-02.1-07, 27-02.1-08, 27-02.1-09, and 27-05-03 of the North Dakota Century Code, relating to salaries of justices of the supreme court, the temporary court of appeals, and salaries of district judges; to provide for a report; to provide for a transfer; to provide a statement of legislative intent; to provide for a study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the judicial branch for the purpose of defraying the expenses of the judicial branch for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

SUPREME COURT

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$10,909,112	$429,608	$11,338,720
Operating expenses	2,731,582	(25,820)	2,705,762
Capital assets	0	977,500	977,500
Judges' retirement	80,764	(80,764)	0
Guardianship monitoring program	316,204	(33,162)	283,042
Total all funds	$14,037,662	$1,267,362	$15,305,024
Less estimated income	0	970,000	970,000
Total general fund	$14,037,662	$297,362	$14,335,024

Subdivision 2.

DISTRICT COURTS

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$67,602,628	$5,639,640	$73,242,268
Operating expenses	20,881,207	(484,305)	20,396,902
Capital assets	0	139,852	139,852
Judges' retirement	343,290	(62,958)	280,332
University of North Dakota central legal research	40,000	(40,000)	0
Total all funds	$88,867,125	$5,192,229	$94,059,354
Less estimated income	1,339,138	320,458	1,659,596
Total general fund	$87,527,987	$4,871,771	$92,399,758

Subdivision 3.

JUDICIAL CONDUCT COMMISSION AND DISCIPLINARY BOARD

	Base Level	Adjustments or Enhancements	Appropriation
Judicial conduct commission and disciplinary board	$1,174,822	$76,140	$1,250,962
Total all funds	$1,174,822	$76,140	$1,250,962
Less estimated income	482,701	0	482,701
Total general fund	$692,121	$76,140	$768,261

Subdivision 4.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$102,257,770	$5,245,273	$107,503,043
Grand total special funds	1,821,839	1,290,458	3,112,297
Grand total all funds	$104,079,609	$6,535,731	$110,615,340
Full-time equivalent positions	355.50	7.50	363.00

SECTION 2. ONE-TIME FUNDING - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Pipeline protest trials	$1,500,000	$0
Copy machines	0	82,500
Audio and visual equipment	0	64,852
Law library remodel	0	970,000
Total all funds	$1,500,000	$1,117,352
Less estimated income	1,500,000	970,000
Total general fund	$0	$147,352

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The supreme court shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - CAPITOL BUILDING FUND - LEGISLATIVE INTENT. The estimated income line item in subdivision 1 of section 1 of this Act includes $970,000 of one-time funding from the capitol building fund to remodel the supreme court law library space in the judicial wing of the state capitol. It is the intent of the sixty-sixth legislative assembly that any remodel of judicial wing space result in at least two study rooms remaining in the judicial wing for use by attorneys appearing in cases before the supreme court.

SECTION 4. AMENDMENT. Section 27-02-02 of the North Dakota Century Code is amended and reenacted as follows:

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

The annual salary of each justice of the supreme court is ~~one hundred fifty-two thousand four hundred thirty-six dollars through June 30, 2016~~one hundred fifty-nine thousand four hundred nine dollars through June 30, 2020, and ~~one hundred fifty-~~

~~seven thousand nine~~one hundred sixty-three thousand three hundred ninety-four dollars thereafter. The chief justice of the supreme court is entitled to receive an additional ~~four thousand three hundred seventy-seven dollars per annum through June 30, 2016~~four thousand five hundred eight dollars per annum through June 30, 2020, and ~~four thousand five hundred eight~~four thousand six hundred twenty-one dollars per annum thereafter.

SECTION 5. AMENDMENT. Section 27-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-01. Temporary court of appeals established - Jurisdiction - Writ authority - Administration. (Effective through January 1, ~~2020~~2024)

A temporary court of appeals is established to exercise appellate and original jurisdiction as delegated by the supreme court. Panels of the temporary court of appeals may issue original and remedial writs necessary to properly exercise jurisdiction in cases assigned to them. The panels of the temporary court of appeals are subject to administration by the supreme court pursuant to sections 3 and 8 of article VI of the Constitution of North Dakota.

SECTION 6. AMENDMENT. Section 27-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-02. Number, assignment, and compensation of judges. (Effective through January 1, ~~2020~~2024)

1. The supreme court may provide for the assignment of active or retired district court judges, retired justices of the supreme court, and lawyers, to serve on three-judge panels of the temporary court of appeals if the chief justice certifies to the governor that the supreme court has disposed of two hundred fifty cases in the twelve months preceding September first of any year. Assignments may be made for a time certain, not to exceed one year from the date of assignment, or specifically for one or more cases on the docket of the supreme court.

2. An active or retired district court judge serving on the temporary court of appeals may not be assigned to hear cases in which the judge participated while serving on the district court. An active district court judge may not be assigned to hear cases that originated in the judicial district of the judge.

3. An active district court judge serving on the temporary court of appeals is not entitled to additional compensation, but is entitled to reimbursement for expenses as provided by sections 44-08-04 and 54-06-09.

4. Retired justices of the supreme court, retired district court judges, and lawyers serving as judges on panels of the temporary court of appeals are entitled to receive as compensation for each day of service in the performance of duties pursuant to the assignment an amount equal to five percent of the gross monthly salary as provided for a regularly elected or appointed justice of the supreme court, or one-half of the daily compensation for services of one-half day or less. The compensation must be paid upon certification by the judge that the services were performed for the number of days shown on the certificate and must be paid in the same manner as the salaries of the regularly elected or appointed judges are paid.

SECTION 7. AMENDMENT. Section 27-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-03. Assignment and reassignment of cases - Quorum for decision of cases - Authority in furtherance of jurisdiction. (Effective through January 1, ~~2020~~2024)

1. Panels of the temporary court of appeals have jurisdiction to hear and to decide all cases assigned by the supreme court.

2. The supreme court may order reassignment of any case from a panel of the temporary court of appeals to the supreme court.

3. A majority of the three judges of a panel of the temporary court of appeals hearing a case is necessary to pronounce a decision.

4. When a judgment or order is reversed, modified, or confirmed by a panel of the temporary court of appeals, the reasons must be concisely stated in writing, signed by the judges concurring, filed in the office of the clerk of the supreme court, and preserved with the record of the case. Any judge concurring or dissenting may give the reasons for the judge's concurrence or dissent in writing over the judge's signature.

SECTION 8. AMENDMENT. Section 27-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-04. Administration - Employees and clerical assistance - Court of record - Place of sessions. (Effective through January 1, ~~2020~~2024)

1. The clerk of the supreme court shall provide clerk services to panels of the temporary court of appeals.

2. Panels of the temporary court of appeals may hold court in any place the panel considers convenient and efficient for conducting its business.

3. All proceedings of the panels of the temporary court of appeals must be pursuant to the rules adopted by the supreme court.

SECTION 9. AMENDMENT. Section 27-02.1-05 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-05. Chief judge. (Effective through January 1, ~~2020~~2024)

The chief justice of the supreme court shall designate a chief judge of each panel of the temporary court of appeals who shall preside pursuant to rules of the supreme court.

SECTION 10. AMENDMENT. Section 27-02.1-06 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-06. Review of decisions of panels. (Effective through January 1, ~~2020~~2024)

Any party in interest who is aggrieved by a judgment or order of a panel of the temporary court of appeals may petition the supreme court for review of the judgment or order pursuant to rules of the supreme court. Upon the filing of a petition for review by the supreme court, the order or judgment and mandate of the panel of the

temporary court of appeals is stayed pending action of the supreme court. The supreme court has discretion to grant or deny the petition.

SECTION 11. AMENDMENT. Section 27-02.1-07 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-07. Right to appeal not created. (Effective through January 1, ~~2020~~2024)

This chapter does not provide or create a right of appeal if that right is not otherwise provided by law. An appeal assigned to a panel of the temporary court of appeals fulfills the right of appeal provided by section 28-27-02.

SECTION 12. AMENDMENT. Section 27-02.1-08 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-08. Unitary appeal - Filing of appeal - Filing fee. (Effective through January 1, ~~2020~~2024)

All appeals must be treated as one appeal process under the jurisdiction of the supreme court. In any appeal there may be only one filing and one filing fee required. The filing fee is as prescribed by section 27-03-05.

SECTION 13. AMENDMENT. Section 27-02.1-09 of the North Dakota Century Code is amended and reenacted as follows:

27-02.1-09. Publication of opinions. (Effective through January 1, ~~2020~~2024)

Opinions of the panels of the temporary court of appeals may be published pursuant to rules of the supreme court.

SECTION 14. AMENDMENT. Section 27-05-03 of the North Dakota Century Code is amended and reenacted as follows:

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

The annual salary of each district judge is ~~one hundred thirty-nine thousand six hundred seventy-nine dollars through June 30, 2016~~one hundred forty-six thousand two hundred sixty-nine dollars through June 30, 2020, and ~~one hundred forty-three thousand eight hundred sixty-nine~~one hundred forty-nine thousand nine hundred twenty-six dollars thereafter. Each district judge is entitled to travel expenses, including mileage and subsistence while engaged in the discharge of official duties outside the city in which the judge's chambers are located. The salary and expenses are payable monthly in the manner provided by law. A presiding judge of a judicial district is entitled to receive an additional ~~four thousand thirty-five dollars per annum through June 30, 2016~~four thousand one hundred fifty-six dollars per annum through June 30, 2020, and ~~four thousand one hundred fifty-six~~four thousand two hundred sixty dollars thereafter.

SECTION 15. APPROPRIATION. There are appropriated any funds received by the supreme court, district courts, and judicial conduct commission and disciplinary board, not otherwise appropriated, pursuant to federal acts and private gifts, grants, and donations for the purpose as designated in the federal acts or private gifts, grants, and donations for the period beginning July 1, 2019, and ending June 30, 2021.

SECTION 16. TRANSFERS. The director of the office of management and budget shall transfer appropriation authority between line items in section 1 of this Act as

requested by the supreme court upon a finding by the court that the nature of the duties of the court and its staff requires the transfers to carry on properly the functions of the judicial branch of government.

SECTION 17. LEGISLATIVE INTENT - NEW DISTRICT COURT JUDGES. It is the intent of the sixty-sixth legislative assembly that the judicial branch consider the relocation of current district court judge positions prior to submitting a future request for any additional district court judge positions.

SECTION 18. JUDICIAL BRANCH STUDY - DISTRICT COURT REPORTERS - REPORT. During the 2019-20 interim, the judicial branch shall study the need for one full-time equivalent court reporter position for each district court judgeship. The judicial branch shall report the results of its study to the budget section by December 31, 2020.

SECTION 19. EMERGENCY. The $970,000 appropriated from the capitol building fund in section 1 to remodel the law library space and section 3 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 3

HOUSE BILL NO. 1003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota university system; to create and enact a new chapter to title 15, two new sections to chapter 15-10, section 15-10-48.1, and a new section to chapter 15-18 of the North Dakota Century Code, relating to the midwestern higher education compact, the university of North Dakota men's golf program, the professional student exchange program, matching grants for the university of North Dakota school of law, and the Curtis and Annette Hofstad agricultural center; to amend and reenact sections 15-10-12.1, 15-10-48, 15-10-49, 15-10-50, 15-18.2-02, 15-18.2-05, 15-62.4-03, and 54-44.1-11 of the North Dakota Century Code, relating to acceptance of buildings and campus improvements, matching grants for institutions under the control of the state board of higher education, state aid to institutions, the student financial assistance grant program, and the cancellation of unexpended appropriations; to repeal sections 15-10-37 and 15-10-61 of the North Dakota Century Code, relating to the technology occupations student loan program and the dual-credit instructor assistance program; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to authorize the state board of higher education to issue and sell bonds for capital projects; to provide for a transfer; to provide for the conveyance of real property; to provide for a legislative management study; to provide for reports; to provide for application; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board of higher education and to the entities and institutions under the supervision of the board, for the purpose of defraying the expenses of the state board of higher education and the entities and institutions under the control of the board, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NORTH DAKOTA UNIVERSITY SYSTEM OFFICE

	Base Level	Adjustments or Enhancements	Appropriation
Capital assets - bond payments	$6,605,326	($1,645,878)	$4,959,448
Competitive research programs	6,027,750	(342,000)	5,685,750
NASA EPSCoR	0	342,000	342,000
System governance	8,163,238	574,629	8,737,867
Title II	1,006,472	(1,006,472)	0
Core technology services	61,527,347	758,781	62,286,128
Student financial assistance grants	21,917,306	2,000,000	23,917,306
Professional student exchange	3,699,342	0	3,699,342

program			
Academic and technical education scholarships	12,016,749	0	12,016,749
Scholars program	1,807,115	0	1,807,115
Native American scholarship	555,323	0	555,323
Tribally controlled community college grants	600,000	400,000	1,000,000
Education incentive programs	2,863,393	(2,353,393)	510,000
Student mental health	284,400	0	284,400
Veterans' assistance grants	277,875	0	277,875
Shared campus services	500,000	0	500,000
Dual-credit instructor assistance	200,000	(200,000)	0
Education challenge fund	0	9,400,000	9,400,000
Tier III capital building fund pool	0	9,000,000	9,000,000
Total all funds	$128,051,636	$16,927,667	$144,979,303
Less estimated income	26,412,106	4,590,100	31,002,206
Total general fund	$101,639,530	$12,337,567	$113,977,097
Full-time equivalent positions	149.40	(0.50)	148.90

Subdivision 2.

BISMARCK STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$101,670,034	($2,926,352)	$98,743,682
Capital assets	1,922,561	0	1,922,561
Capital building fund	0	851,386	851,386
Total all funds	$103,592,595	($2,074,966)	$101,517,629
Less estimated income	72,991,998	(2,542,596)	70,449,402
Total general fund	$30,600,597	$467,630	$31,068,227
Full-time equivalent positions	358.35	(34.42)	323.93

Subdivision 3.

LAKE REGION STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$36,449,048	$1,110,079	$37,559,127
Capital assets	362,667	3,000,000	3,362,667
Capital building fund	0	354,750	354,750
Total all funds	$36,811,715	$4,464,829	$41,276,544
Less estimated income	24,111,092	4,220,172	28,331,264
Total general fund	$12,700,623	$244,657	$12,945,280
Full-time equivalent positions	129.61	(11.51)	118.10

Subdivision 4.

WILLISTON STATE COLLEGE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$26,954,133	$5,641,927	$32,596,060
Capital assets	1,261,968	0	1,261,968
Capital building fund	0	275,894	275,894
Total all funds	$28,216,101	$5,917,821	$34,133,922

Less estimated income	19,855,598	4,210,581	24,066,179
Total general fund	$8,360,503	$1,707,240	$10,067,743
Full-time equivalent positions	100.75	(0.27)	100.48

Subdivision 5.

UNIVERSITY OF NORTH DAKOTA

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$864,554,974	$26,999,006	$891,553,980
Capital assets	4,411,566	145,000,000	149,411,566
Capital building fund	0	8,723,602	8,723,602
Total all funds	$868,966,540	$180,722,608	$1,049,689,148
Less estimated income	728,870,450	170,538,829	899,409,279
Total general fund	$140,096,090	$10,183,779	$150,279,869
Full-time equivalent positions	2,218.07	(85.90)	2,132.17

Subdivision 6.

NORTH DAKOTA STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$732,673,267	$12,602,304	$745,275,571
Capital assets	7,799,104	79,800,000	87,599,104
Capital building fund	0	5,799,192	5,799,192
Total all funds	$740,472,371	$98,201,496	$838,673,867
Less estimated income	611,881,329	94,077,555	705,958,884
Total general fund	$128,591,042	$4,123,941	$132,714,983
Full-time equivalent positions	1,895.66	(25.50)	1,870.16

Subdivision 7.

NORTH DAKOTA STATE COLLEGE OF SCIENCE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$91,682,610	$4,042,801	$95,725,411
Capital assets	1,012,379	0	1,012,379
Capital building fund	0	1,001,390	1,001,390
Total all funds	$92,694,989	$5,044,191	$97,739,180
Less estimated income	57,605,613	3,591,545	61,197,158
Total general fund	$35,089,376	$1,452,646	$36,542,022
Full-time equivalent positions	345.04	(34.31)	310.73

Subdivision 8.

DICKINSON STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$47,135,592	$1,425,402	$48,560,994
Capital assets	409,078	0	409,078
Capital building fund	0	537,724	537,724
Theodore Roosevelt digitization	0	200,000	200,000
Total all funds	$47,544,670	$2,163,126	$49,707,796

Less estimated income	29,737,827	1,376,906	31,114,733
Total general fund	$17,806,843	$786,220	$18,593,063
Full-time equivalent positions	168.90	44.36	213.26

Subdivision 9.

MAYVILLE STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$44,197,761	$3,521,794	$47,719,555
Capital assets	358,992	0	358,992
Capital building fund	0	480,058	480,058
Total all funds	$44,556,753	$4,001,852	$48,558,605
Less estimated income	30,307,148	1,830,841	32,137,989
Total general fund	$14,249,605	$2,171,011	$16,420,616
Full-time equivalent positions	210.53	(1.26)	209.27

Subdivision 10.

MINOT STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$100,710,275	$1,614,798	$102,325,073
Capital assets	1,099,620	0	1,099,620
Capital building fund	0	1,145,602	1,145,602
Total all funds	$101,809,895	$2,760,400	$104,570,295
Less estimated income	62,058,916	2,614,686	64,673,602
Total general fund	$39,750,979	$145,714	$39,896,693
Full-time equivalent positions	441.65	(34.07)	407.58

Subdivision 11.

VALLEY CITY STATE UNIVERSITY

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$48,444,336	($267,408)	$48,176,928
Capital assets	455,823	0	455,823
Capital building fund	0	618,274	618,274
Total all funds	$48,900,159	$350,866	$49,251,025
Less estimated income	28,470,657	(1,878,565)	26,592,092
Total general fund	$20,429,502	$2,229,431	$22,658,933
Full-time equivalent positions	202.75	(22.07)	180.68

Subdivision 12.

DAKOTA COLLEGE AT BOTTINEAU

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$17,168,111	$4,272,495	$21,440,606
Capital assets	114,007	2,500,000	2,614,007
Capital building fund	0	212,128	212,128
Total all funds	$17,282,118	$6,984,623	$24,266,741
Less estimated income	9,629,173	6,896,742	16,525,915

Total general fund	$7,652,945	$87,881	$7,740,826
Full-time equivalent positions	84.30	(2.01)	82.29

Subdivision 13.

UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$205,926,712	$5,369,938	$211,296,650
Health care workforce initiative	0	10,676,150	10,676,150
Total all funds	$205,926,712	$16,046,088	$221,972,800
Less estimated income	154,078,620	4,958,391	159,037,011
Total general fund	$51,848,092	$11,087,697	$62,935,789
Full-time equivalent positions	435.75	49.57	485.32

Subdivision 14.

NORTH DAKOTA FOREST SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Operations	$14,958,447	$264,889	$15,223,336
Capital assets	118,728	0	118,728
Total all funds	$15,077,175	$264,889	$15,342,064
Less estimated income	10,650,748	14,652	10,665,400
Total general fund	$4,426,427	$250,237	$4,676,664
Full-time equivalent positions	27.00	0.00	27.00

Subdivision 15.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$613,242,154	$47,275,651	$660,517,805
Grand total special funds	1,866,661,275	294,499,839	2,161,161,114
Grand total all funds	$2,479,903,429	$341,775,490	$2,821,678,919

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Capital projects - other funds	$168,505,000	$230,300,000
Education challenge grants	2,000,000	9,400,000
School of law matching grants	0	250,000
Tier II and tier III capital building funds	0	29,000,000
Theodore Roosevelt digitization	0	200,000
University of North Dakota campus network upgrades	0	1,500,000
North Dakota state university campus network upgrades	0	1,500,000
Institution operations distributions	2,000,000	0

Dickinson state university operations and debt repayment	8,284,626	0
Two-year campus study	40,000	0
Valley City state university integrated carbon project	22,500,000	0
Minot state university projects	2,284,000	0
Midwestern higher education compact dues	230,000	0
Total all funds	$205,843,626	$272,150,000
Total other funds	193,289,000	260,300,000
Total general fund	$12,554,626	$11,850,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The institutions and entities under the control of the state board of higher education shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - 2017-19 BIENNIUM - WILLISTON STATE COLLEGE. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $491,850, or so much of the sum as may be necessary, to Williston state college for institution operations, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - DICKINSON STATE UNIVERSITY. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $550,000, or so much of the sum as may be necessary, to Dickinson state university for the digitization of documents at the Theodore Roosevelt center, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. APPROPRIATION - 2017-19 BIENNIUM - STATE BOARD OF HIGHER EDUCATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,700,000, or so much of the sum as may be necessary, to the state board of higher education for campus workforce initiative projects, including $1,000,000 for the Bismarck state college polytechnic transition, $1,000,000 for the Dickinson state university dual-mission transition, and $700,000 for Williston state college, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 54-44.1-11, any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

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

Midwestern regional higher education compact.

The midwestern regional higher education compact is adopted as follows:

ARTICLE I - PURPOSE

The purpose of the midwestern higher education compact is to provide greater higher education opportunities and services in the midwestern region, with the aim of furthering regional access to, research in, and choice of higher education for the citizens residing in the states that are parties to this compact.

ARTICLE II - THE COMMISSION

1. The compacting states create the midwestern higher education commission, hereinafter called the commission. The commission is a body corporate of each compacting state. The commission has all the responsibilities, powers, and duties set forth in this chapter, including the power to sue and be sued, and any additional powers conferred upon it by subsequent action of the respective legislative assemblies of the compacting states in accordance with the terms of this compact.

2. The commission consists of the following five resident members from each state: the governor or the governor's designee who serves during the tenure of office of the governor; two legislators, one from each house, except for Nebraska, which may appoint two legislators from its legislative assembly, who serve two-year terms and are appointed by the appropriate appointing authority in each house of the legislative assembly; and two other at large members, at least one of whom is to be selected from the field of higher education. The at large members are to be appointed as provided by the laws of the appointing state. One of the two at large members initially appointed in each state serves a two-year term. The other, and any regularly appointed successor to either at large member, serves a four-year term. All vacancies are to be filled in accordance with the laws of the appointing states. Any commissioner appointed to fill a vacancy serves until the end of the incomplete term.

3. The commission shall select annually, from among its members, a chairman, a vice chairman, and a treasurer.

4. The commission shall appoint an executive director who serves at its pleasure and who is secretary to the commission. The treasurer, the executive director, and other personnel as the commission determines must be bonded in the amounts required by the commission.

5. The commission shall meet at least once each calendar year. The chairman may call additional meetings and upon the request of a majority of the commission members of three or more compacting states, shall call additional meetings. The commission shall give public notice of all meetings. All meetings must be open to the public.

6. Each compacting state represented at any meeting of the commission is entitled to one vote. A majority of the compacting states constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the commission.

ARTICLE III - POWERS AND DUTIES OF THE COMMISSION

1. The commission shall adopt bylaws governing its management and operations.

2. Notwithstanding the laws of any compacting state, the commission shall provide for the personnel policies and programs of the compact in its bylaws.

3. The commission shall submit a budget to the governor and legislative assembly of each compacting state at the time and for the period required by each state. The budget must contain recommendations regarding the amount to be appropriated by each compacting state.

4. The commission shall report annually to the legislative assemblies and governors of the compacting states, to the midwestern governors' conference, and to the midwestern legislative conference of the council of state governments regarding the activities of the commission during the preceding year. The reports must include any recommendations that have been adopted by the commission.

5. The commission may borrow, accept, or contract for the services of personnel from any state or from the United States, or from any subdivision or agency thereof, from any interstate agency, or from any person.

6. The commission may accept for any of its purposes and functions under the compact donations and grants of money, equipment, supplies, materials, and services, conditional or otherwise, from any state or the United States or from any subdivision or agency thereof, from an interstate agency, or from any person, and may receive, use, and dispose of the same.

7. The commission may enter agreements with any other interstate education organization or agency, with institutions of higher education located in nonmember states, and with any of the various states to provide adequate programs and services in higher education for the citizens of the respective compacting states. After negotiations with interested institutions and interstate organizations or agencies, the commission shall determine the cost of providing the programs and services in higher education for use in these agreements.

8. The commission may establish and maintain offices in one or more of the compacting states.

9. The commission may establish committees and hire staff as necessary to carry out its functions.

10. The commission may provide for actual and necessary expenses for the attendance of its members at official meetings of the commission or of its designated committees.

ARTICLE IV - ACTIVITIES OF THE COMMISSION

1. The commission shall collect data on the long-range effects of the compact on higher education. By the end of the fourth year from the effective date of the compact and every two years thereafter, the commission shall review its accomplishments and make recommendations to the governors and legislative assemblies of the compacting states regarding continuance of the compact.

2. The commission shall study higher education issues that are of particular concern to the midwestern region. The commission also shall study the need for higher education programs and services in the compacting states and the resources for meeting those needs. The commission shall prepare reports, on its research, for presentation to the governors and legislative assemblies of the compacting states, as well as to other interested parties. In conducting the studies, the commission may confer with any national or regional planning body. The commission may draft and recommend to the governors and legislative assemblies of the various compacting states suggested legislation addressing issues in higher education.

3. The commission shall study the need for the provision of adequate programs and services in higher education, such as undergraduate, graduate, or professional student exchanges in the region. If a need for exchange in a field is apparent, the commission may enter agreements with any institution of higher education and with any compacting state to provide programs and services in higher education for the citizens of the respective compacting states. After negotiating with interested institutions and the compacting states, the commission shall determine the cost of providing the programs and services in higher education for use in its agreements. The contracting states shall contribute funds not otherwise provided, as determined by the commission, to carry out the agreements. The commission may also serve as the administrative and fiscal agent in carrying out agreements for higher education programs and services.

4. The commission shall serve as a clearinghouse for information regarding higher education activities among institutions and agencies.

5. The commission may provide services and research in any other area of regional concern.

ARTICLE V - FINANCE

1. The compacting states will appropriate the amount necessary to finance the general operations of the commission, not otherwise provided for, when authorized by their respective legislative assemblies. The amount must be apportioned equally among the compacting states.

2. The commission may not incur any obligations prior to the passage of appropriations adequate to meet the same; nor may the commission pledge the credit of any of the compacting states, except by and with the authority of the compacting state.

3. The commission shall keep accurate accounts of its receipts and disbursements. The receipts and disbursements of the commission are subject to the audit and accounting procedures established under its bylaws. All receipts and disbursements handled by the commission must be audited yearly by a certified or licensed public accountant and the report of the audit must be included in and become part of the annual report of the commission.

4. The accounts of the commission must be open at any reasonable time for inspection by duly authorized representatives of the compacting states and by persons authorized by the commission.

ARTICLE VI - ELIGIBLE PARTIES AND ENTRY INTO FORCE

1. The states of Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin are eligible to become parties to this compact. Additional states may be eligible if approved by a majority of the compacting states.

2. This compact becomes effective, as to any eligible party state, when its legislative assembly enacts the compact into law.

3. An amendment to the compact becomes effective upon its enactment by the legislative assemblies of all compacting states.

ARTICLE VII - WITHDRAWAL, DEFAULT, AND TERMINATION

1. A compacting state may withdraw from the compact by enacting a statute repealing the compact, but the withdrawal may not become effective until two years after the enactment of such statute. A withdrawing state is liable for any obligation that it incurred on account of its party status, up to the effective date of withdrawal, except that if the withdrawing state has specifically undertaken or committed itself to any performance of an obligation extending beyond the effective date of withdrawal, it remains liable to the extent of the obligation.

2. If a compacting state at any time defaults in the performance of its obligations, assumed or imposed, in accordance with this compact, all rights, privileges, and benefits conferred by this compact or by agreements made under the compact are suspended from the effective date of the default, as fixed by the commission. The commission shall stipulate the conditions and maximum time for compliance under which the defaulting state may resume its regular status. Unless the default is remedied under the stipulations and within the time period set by the commission, the compact may be terminated with respect to the defaulting state by affirmative vote of a majority of the other member states. A defaulting state may be reinstated by performing all acts and obligations required by the commission.

ARTICLE VIII - SEVERABILITY AND CONSTRUCTION

The provisions of this compact are severable, and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any compacting state or of the United States or its applicability to any person or circumstance is held invalid, the validity of the remainder of the compact and its applicability to any person or circumstance may not be affected. If the compact is found to be contrary to the constitution of any compacting state, the compact remains in full force and effect as to the remaining states and in full force and effect as to the state affected as to all severable matters. The provisions of the compact must be liberally construed to effectuate the purpose of the compact.

Midwestern higher education commission - Terms - Vacancies.

1. The members of the midwestern higher education commission representing this state are:

   a. The governor or the governor's designee.

   b. One member of the senate and one member of the house of representatives, appointed by the chairman of the legislative management.

   c. Two at-large members, one of whom must be knowledgeable about the field of higher education, appointed by the governor.

2. The term of each legislative appointee is two years. One initial at-large member must be appointed for a term of two years and the other for a term of four years. Thereafter, the term of each at-large member is four years.

3. If a member vacates the position to which the member was appointed, the position must be filled for the remainder of the unexpired term in the same manner as that position was filled initially.

SECTION 7. AMENDMENT. Section 15-10-12.1 of the North Dakota Century Code is amended and reenacted as follows:

15-10-12.1. Acceptance of buildings and campus improvements - Legislative approval.

The state board of higher education may authorize campus improvements and building maintenance on land under the control of the board which are financed by donations, gifts, grants, and bequests if the cost of the improvement or building maintenance is not more than seven hundred thousand dollars. The consent of the legislative assembly is required for construction of any building or any addition to a building on land under the control of the board which is financed by donations, gifts, grants, and bequests. The consent of the legislative assembly is required for campus improvements or building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvements or maintenance is more than seven hundred thousand dollars. During the time the legislative assembly is not in session, except for the six months preceding the convening of a regular session and the three months following the close of a regular session, and unless otherwise restricted by previous legislative action or other law, the state board of higher education, with the approval of the budget section of the legislative management, may authorize the use of land under the control of the board and construct buildings financed by donations, gifts, grants, and bequests and campus improvements and building maintenance financed by donations, gifts, grants, and bequests if the cost of the improvement or maintenance is more than seven hundred thousand dollars. Any project request submitted to the budget section for the construction of a building financed by donations, gifts, grants, and bequests must include the removal of a building or buildings with an equivalent or greater total number of square feet compared to the proposed building. The budget section approval must include a specific dollar limit for each building, campus improvement project, or maintenance project. The state board of higher education may authorize the sale of any real property or buildings which an institution of higher learning has received by gift or bequest. The board shall prescribe such conditions for the sale of the property as it determines necessary. The conditions must include requiring an appraisal and public auction or advertisement for bids, unless the gift instrument requires a different process. If the state board of higher education submits a request for campus improvements ~~or~~, building maintenance, or to construct buildings under this section to the budget section for approval, the legislative council shall notify each member of the legislative assembly of the date of the budget section meeting at which the request will be considered and provide a copy of the meeting agenda to each member of the legislative assembly. The chairman of the budget section shall allow any member of the legislative assembly an opportunity to present testimony to the budget section regarding any such request.

[1] **SECTION 8. AMENDMENT.** Section 15-10-48 of the North Dakota Century Code is amended and reenacted as follows:

15-10-48. Advancement of academics - Matching grants - University of North Dakota and North Dakota state university.

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of the university of North Dakota and

[1] Section 15-10-12.1 was also amended by section 2 of Senate Bill No. 2055, chapter 438.

North Dakota state university for projects dedicated exclusively to the advancement of academics.

b. To be eligible for a matching grant, an institution must demonstrate that:

(1) Its foundation has raised at least fifty thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award up to ~~two hundred thousand~~one million seven hundred thousand dollars in matching grants to each institution.

d. Projects at the university of North Dakota school of medicine and health sciences are not eligible to receive a grant under this section.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, either the university of North Dakota or North Dakota state university may apply for an additional matching grant.

b. An application submitted under this subsection must meet the same criteria as an original application.

c. The board shall consider each application submitted under this subsection in chronological order.

d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 9. Section 15-10-48.1 of the North Dakota Century Code is created and enacted as follows:

15-10-48.1. Clinical legal education, including indigent legal services, and faculty recruitment and retention - Matching grants - University of North Dakota school of law.

1. a. Subject to legislative appropriations, each biennium the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundation of the university of North Dakota for projects dedicated exclusively to clinical legal education, including indigent legal services, or the recruitment and retention of faculty at the school of law.

b. To be eligible for a matching grant, the institution shall demonstrate:

(1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award up to two hundred fifty thousand dollars in matching grants under this section.

d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

2. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with the administrative expenses incurred in the grant review process.

SECTION 10. AMENDMENT. Section 15-10-49 of the North Dakota Century Code is amended and reenacted as follows:

15-10-49. Advancement of academics - Matching grants - Two-year and four-year institutions of higher education.

1. a. Subject to legislative appropriations, each biennium during the period beginning July first of each odd-numbered year and ending December thirty-first of each even-numbered year, the state board of higher education shall award one dollar in matching grants for every two dollars raised by the institutional foundations of Bismarck state college, Dakota college at Bottineau, Dickinson state university, Lake Region state college, Mayville state university, Minot state university, North Dakota state college of science, Valley City state university, and Williston state college for projects dedicated exclusively to the advancement of academics.

b. To be eligible for a matching grant, an institution must demonstrate that:

(1) Its foundation has raised at least twenty-five thousand dollars in cash or monetary pledges for a qualifying project; and

(2) The project has been approved by the grant review committee established in section 15-10-51.

c. The board may award up to ~~two hundred thousand dollars in matching grants to each institution.~~:

(1) Nine hundred fifty thousand dollars each to Bismarck state college, Minot state university, and the North Dakota state college of science;

(2) Seven hundred thousand dollars each to Dickinson state university, Mayville state university, and Valley City state university; and

(3) Three hundred fifty thousand dollars each to Dakota college at Bottineau, Lake Region state college, and Williston state college.

2. a. If any available dollars have not been awarded by the board before January first of each odd-numbered year, in accordance with subsection 1, any institution listed in subsection 1 may apply for an additional matching grant.

b. An application submitted under this subsection must meet the same criteria as an original application.

c. The board shall consider each application submitted under this subsection in chronological order.

d. If the remaining dollars are insufficient to provide a matching grant in the amount of one dollar for every two dollars raised by the institutional foundation, the board shall award a lesser amount.

3. The state board of higher education shall retain up to one-quarter of one percent of any grant awarded under this section to assist with administrative expenses incurred in the grant review process.

SECTION 11. AMENDMENT. Section 15-10-50 of the North Dakota Century Code is amended and reenacted as follows:

15-10-50. Liability for pledged amount.

If in accordance with section 15-10-48, 15-10-48.1, or 15-10-49, the state board of higher education provides grant funds to an institution, on the basis of a monetary pledge, and if the amount forthcoming is less than the amount pledged, the institutional foundation is liable to the institution for any shortfall.

SECTION 12. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

Professional student exchange programs - Bank of North Dakota - Agreements - Repayment.

1. The state board of higher education may not make a payment to an out-of-state institution on behalf of an individual participating in a professional student exchange program in veterinary medicine, dentistry, or optometry unless that individual signed a legally binding agreement with the state board of higher education which identifies the amount of the award under the professional student exchange program.

2. If the individual who signed the agreement under subsection 1 is not practicing veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation or of leaving the education program, the individual shall repay the amount of the agreement in full at that time.

3. If the individual who signed the agreement under subsection 1 practices veterinary medicine, dentistry, or optometry in this state within thirty-six months following graduation, the state board of higher education shall reduce the amount of the agreement by one-third, for each full year the individual continues practicing in the state. If the individual stops practicing in this state before the amount of the agreement is waived in its entirety, the individual shall repay the remaining portion of the agreement in full from the date the individual stopped practicing in the state.

4. If the individual who signed the agreement under subsection 1 departs before graduation from a program in dentistry or optometry, at the time of departure that individual shall repay the amount of the agreement in full.

5. The Bank of North Dakota shall allow an individual who is required to repay all or a portion of an agreement under this section to utilize one of the Bank's student loan programs as an option for repayment, up to the amount certified by the state board of higher education. To qualify under this subsection, the individual must meet student loan credit criteria as established by the Bank.

6. The state board of higher education shall defer any repayment of an agreement otherwise due under this section for the period of time the individual who signed the agreement is pursuing full-time graduate or postdoctoral studies or is called to active duty as a member of the armed forces. The repayment provisions under an agreement signed under this section must provide for cancellation of the repayment requirements if the individual dies or becomes permanently or totally disabled.

7. The state board of higher education shall adopt policies and procedures implementing this section. The state board of higher education shall confirm eligibility, to the Bank, of any individual who uses the Bank's student loan program to repay any outstanding agreement amounts in full.

SECTION 13. A new section to chapter 15-10 of the North Dakota Century Code is created and enacted as follows:

University of North Dakota men's varsity golf program.

If certain real property known as the Ray Richards golf course or Ray Richards golf course addition, 3801 demers avenue, lot 1, block 1, and Ray Richards golf course addition, 3501 demers avenue, lot 2, block 1, in the records of the city of Grand Forks, or any portion of the property, is conveyed, fifty-three and fifty-seven one hundredths percent of the sale price must be transferred to a permanent endowment fund named the Ray Richards golf endowment fund, which must be controlled and administered by the university of North Dakota alumni foundation for the sole benefit of the university of North Dakota men's varsity golf program in honor of the Ray Richards family. If the university of North Dakota men's varsity golf program has been terminated prior to the conveyance, so much of the funds in the Ray Richards golf endowment fund as necessary must be used to reinstate the program, and the remainder must be used for the sole benefit of the program.

SECTION 14. A new section to chapter 15-18 of the North Dakota Century Code is created and enacted as follows:

Curtis and Annette Hofstad agricultural center.

The agricultural center constructed on the campus of Lake Region state college is officially named the Curtis and Annette Hofstad agricultural center.

SECTION 15. AMENDMENT. Section 15-18.2-02 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-02. Weighted credit-hours - Determination - Instructional program classification factors - Submission to legislative management.

1. In order to determine the weighted credit-hours for each institution under its control, the state board of higher education shall multiply each of an institution's completed credit-hours, as determined under section 15-18.2-01, by an instructional program classification factor, as set forth in this section.

   a. The factors for credits completed in agriculture are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

b. The factors for credits completed in architecture are:

(1) 1.8 for lower division credits;

(2) 3.6 for upper division credits;

(3) 5.4 for professional level credits; and

(4) 7.2 for graduate level credits.

c. The factors for credits completed in transportation are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

d. The factors for credits completed in the biological and physical sciences are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

e. The factors for credits completed in business are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

f. The factors for credits completed in education are:

(1) 1.9 for lower division credits;

(2) 3.8 for upper division credits;

(3) 5.7 for professional level credits; and

(4) 7.6 for graduate level credits.

g. The factors for credits completed in engineering are:

(1) 2.5 for lower division credits;

(2) 5.0 for upper division credits;

(3) 7.5 for professional level credits; and

(4) 10.0 for graduate level credits.

h. The factors for credits completed in the health sciences are:

(1) 3.0 for lower division credits;

(2) 6.0 for upper division credits;

(3) 9.0 for professional level credits;

(4) 12.0 for graduate level credits; and

(5) ~~38.0~~34.5 for medical school credits.

i. The factors for credits completed in legal studies are:

(1) 3.5 for lower division credits;

(2) 7.0 for upper division credits;

(3) ~~10.5~~14.0 for professional level credits; and

(4) 14.0 for graduate level credits.

j. The factors for credits completed in the core disciplines are:

(1) 1.0 for lower division credits;

(2) 2.0 for upper division credits;

(3) 3.0 for professional level credits; and

(4) 4.0 for graduate level credits.

k. The factor for credits completed in career and technical education is 2.0.

l. The factor for completed basic skills credits is 2.3.

2. a. The state board of higher education shall ensure that all delineations in this section reflect the requirements of a nationally recognized and standardized instructional program classification system.

b. Before adopting any changes to the delineations implemented in accordance with this section, the state board of higher education shall present the proposed changes to and receive the approval of the legislative management.

SECTION 16. AMENDMENT. Section 15-18.2-05 of the North Dakota Century Code is amended and reenacted as follows:

15-18.2-05. Base funding - Determination of state aid.

1. Except as provided under subsection 2, in order to determine the state aid payment to which each institution under its control is entitled, the state board of higher education shall multiply the product determined under section 15-18.2-04 by a base amount of:

   a. ~~$58.65~~$60.87 in the case of North Dakota state university and the university of North Dakota;

   b. ~~$86.95~~$90.98 in the case of Dickinson state university, Mayville state university, Minot state university, and Valley City state university; and

   c. ~~$93.03~~$97.06 in the case of Bismarck state college, Dakota college at Bottineau, Lake Region state college, North Dakota state college of science, and Williston state college.

2. An institution is entitled to an amount equal to seventy-five percent of the product determined under subsection 1 for credits completed by students receiving a tuition waiver pursuant to section 54-12-35.

SECTION 17. AMENDMENT. Section 15-62.4-03 of the North Dakota Century Code is amended and reenacted as follows:

15-62.4-03. Student financial assistance program - Grants.

1. The state board of higher education shall provide to each eligible student a financial assistance grant in an amount not exceeding:

   a. ~~Nine hundred seventy-five~~One thousand one hundred dollars per semester; or

   b. ~~Six hundred fifty~~Seven hundred thirty-three dollars per quarter.

2. a. A student is not entitled to receive grants under this chapter for more than the equivalent of:

      (1) Eight semesters of full-time enrollment; or

      (2) Twelve quarters of full-time enrollment.

   b. Notwithstanding subdivision a, a student is not entitled to receive a grant under this chapter after the student obtains a baccalaureate degree.

3. The board shall forward grants payable under this chapter directly to the institution in which the student is enrolled.

SECTION 18. AMENDMENT. Section 54-44.1-11 of the North Dakota Century Code is amended and reenacted as follows:

54-44.1-11. Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective through July 31, ~~2019~~2021)

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

1. New construction projects.

2. Major repair or improvement projects.

3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.

4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.

5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.

6. Authorized ongoing information technology projects.

Office of management and budget to cancel unexpended appropriations - When they may continue. (Effective after July 31, ~~2019~~2021) The office of management and budget, thirty days after the close of each biennial period, shall cancel all unexpended appropriations or balances of appropriations after the expiration of the biennial period during which they became available under the law. Unexpended appropriations for the state historical society are not subject to this section and the state historical society shall report on the amounts and uses of funds carried over from one biennium to the appropriations committees of the next subsequent legislative assembly. The chairmen of the appropriations committees of the senate and house of representatives of the legislative assembly with the office of the budget may continue appropriations or balances in force for not more than two years after the expiration of the biennial period during which they became available upon recommendation of the director of the budget for:

1. New construction projects.

2. Major repair or improvement projects.

3. Purchases of new equipment costing more than ten thousand dollars per unit if it was ordered during the first twelve months of the biennium in which the funds were appropriated.

4. The purchase of land by the state on a "contract for deed" purchase if the total purchase price is within the authorized appropriation.

5. Purchases by the department of transportation of roadway maintenance equipment costing more than ten thousand dollars per unit if the equipment was ordered during the first twenty-one months of the biennium in which the funds were appropriated.

6. Authorized ongoing information technology projects.

SECTION 19. REPEAL. Sections 15-10-37 and 15-10-61 of the North Dakota Century Code are repealed.

SECTION 20. ADDITIONAL FEDERAL, PRIVATE, AND OTHER FUNDS - APPROPRIATION. All funds, in addition to those appropriated in section 1 of this Act, from federal, private, and other sources for competitive grants or other funds that the legislative assembly has not indicated the intent to reject, including tuition revenue, received by the state board of higher education and the institutions and entities under the control of the state board of higher education, are appropriated to the board and those institutions and entities, for the biennium beginning July 1, 2019, and ending June 30, 2021. All additional funds received under the North Dakota-Minnesota reciprocity agreement during the biennium beginning July 1, 2019, and ending June 30, 2021, are appropriated to the state board of higher education for reimbursement to institutions under the control of the board.

SECTION 21. CAMPUS CAPITAL PROJECTS - PROJECT MANAGEMENT. During the period beginning with the effective date of this Act, and ending June 30, 2021, each capital project authorized by the state board of higher education must have adequate project management oversight by either an institution official or a representative of an external entity. An institution may seek assistance from the North Dakota university system office for project management oversight of a capital project.

SECTION 22. UNIVERSITY OF NORTH DAKOTA SCHOOL OF MEDICINE AND HEALTH SCIENCES OPERATIONS. The operations line item in subdivision 5 of section 1 of this Act includes a funding allocation from the higher education per student credit-hour funding formula attributable to inflation during the biennium beginning July 1, 2019, and ending June 30, 2021. Based on the recommendation of the commissioner of higher education a portion of the allocation may be transferred by the state board of higher education between the university of North Dakota school of medicine and health sciences and the university of North Dakota.

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

SECTION 24. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. Notwithstanding any other provisions of law, the state board of higher education may adjust full-time equivalent positions as needed, subject to the availability of funds, for institutions and entities under its control during the biennium beginning July 1, 2019, and ending June 30, 2021. The North Dakota university system shall report any adjustments to the office of management and budget as part of the submission of the 2021-23 biennium budget request.

SECTION 25. USE OF EXTRAORDINARY REPAIRS FUNDING - MATCHING FUNDS. The capital assets line items in subdivisions 2 through 12 of section 1 of this Act include funding from the general fund for institution extraordinary repairs. An institution shall provide two dollars of matching funds from operations or other sources for each one dollar of extraordinary repairs funding used for a project. An institution may not use tier II or tier III capital building fund moneys as matching funds under this section.

SECTION 26. SALE OF PROPERTY AUTHORIZED. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property known as gallery apartments, lots 1, 2, and 3, block 13, university heights addition, and lots 1, 2, 3, 4, 5, and 6, block 1, university heights 2nd addition, in the records of the city of Grand Forks. The state of North Dakota, by and through the state board of higher education, may sell and convey certain real property located at 1225 stanford road, lots 1 and 2, block 5, university heights addition, in the records of the city of Grand Forks. If any of the real property authorized to be conveyed under this section is conveyed, the terms of the conveyance must be determined jointly by the state board of higher education or a designee of the board and the commissioner of university and school lands. Sections 54-01-05.2 and 54-01-05.5 do not apply to the transfers authorized by this section.

SECTION 27. PROJECT AUTHORIZATIONS. The industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act, and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2021. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2021, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness are included in the appropriation in subdivision 5 of section 1, beginning with the effective date of this Act, and ending June 30, 2021, for the following projects:

University of North Dakota - deferred maintenance and parking projects	$30,000,000
Total special funds	$30,000,000

The university of North Dakota is responsible for the repayment of any evidences of indebtedness issued under this section from institution operations funding or other local funds.

SECTION 28. BOND ISSUANCE AUTHORIZATION - PURPOSES. The state board of higher education, in accordance with chapter 15-55, may arrange for the funding of projects authorized in this section, declared to be in the public interest, through the issuance of self-liquidating, tax-exempt evidences of indebtedness under chapter 15-55, beginning with the effective date of this Act and ending June 30, 2021. Evidences of indebtedness issued pursuant to this section are not a general obligation of the state of North Dakota. Any unexpended balance resulting from the proceeds of the evidences of indebtedness must be placed in a sinking fund to be used for the retirement of indebtedness. The evidences of indebtedness may be issued and the proceeds are appropriated in section 1 of this Act for the following capital projects:

University of North Dakota - memorial union	$80,000,000
North Dakota state university - university village phase II	37,600,000

Dakota college at Bottineau - dining facility	2,500,000
Total special funds	$120,100,000

SECTION 29. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER II CAPITAL BUILDING FUNDS - MATCHING FUNDS. The industrial commission shall transfer to institutions under the control of the state board of higher education a total of $10,000,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the period beginning with the effective date of this Act, and ending June 30, 2021, as requested by the commissioner of higher education. The capital building fund and estimated income line items in subdivisions 2 through 12 of section 1 of this Act include $10,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota as follows:

	Bank of North Dakota
Bismarck state college	$425,693
Lake Region state college	177,375
Williston state college	137,947
University of North Dakota	4,361,801
North Dakota state university	2,899,596
North Dakota state college of science	500,695
Dickinson state university	268,862
Mayville state university	240,029
Minot state university	572,801
Valley City state university	309,137
Dakota college at Bottineau	106,064
Total	$10,000,000

An institution shall provide one dollar of matching funds from operations or other sources for each one dollar from Bank of North Dakota profits deposited in each institution's capital building fund. An institution may not use extraordinary repairs funding or tier III capital building fund moneys as matching funds under this section.

SECTION 30. TRANSFER - BANK OF NORTH DAKOTA PROFITS - TIER III CAPITAL BUILDING FUND POOL - MATCHING FUNDS. The industrial commission shall transfer to the North Dakota university system office a total of $7,000,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the period beginning with the effective date of this Act, and ending June 30, 2021, as requested by the commissioner of higher education. The tier III capital building fund pool and estimated income line items in subdivision 1 of section 1 of this Act include $7,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota. The tier III capital building fund pool in subdivision 1 of section 1 of this Act also includes $2,000,000 from the general fund. Funding from the tier III capital building fund pool is to be allocated to each institution as follows:

	Tier III Capital Building Fund
Bismarck state college	$500,000
Lake Region state college	500,000
Williston state college	500,000
University of North Dakota	2,250,000
North Dakota state university	2,250,000
North Dakota state college of science	500,000
Dickinson state university	500,000
Mayville state university	500,000

Minot state university	500,000
Valley City state university	500,000
Dakota college at Bottineau	500,000
Total	$9,000,000

An institution shall provide two dollars of matching funds from operations or other sources for each one dollar from the tier III capital building fund pool. An institution may not use extraordinary repairs funding or tier II capital building fund moneys as matching funds under this section. Any funds transferred to an institution pursuant to this section from the tier III capital building fund pool must be placed in that institution's capital building fund line item.

SECTION 31. CAPITAL BUILDING FUNDS - USES - REPORTS. After the institution has matched seventy-five percent of the funding appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act and subject to state board of higher education approval, each institution in subdivisions 2 through 12 of section 1 of this Act may use moneys from its capital building fund line item for extraordinary repairs and deferred maintenance projects which do not exceed $700,000 and do not increase the square footage of a building. In addition, the following projects are authorized to use funding from the corresponding institution's capital building fund line item:

Lake Region state college - precision agriculture center	$3,000,000
North Dakota state college of science - Hektner Student Center	6,708,000
Minot state university - dome wellness emergency generators	1,130,335
Valley City state university - life safety projects	2,529,323
Dakota college at Bottineau - Nelson Science Center	1,177,758
Total	$14,545,416

The North Dakota university system shall report to the legislative management during the 2019-20 interim and to the appropriations committees of the sixty-seventh legislative assembly on the use of funding in each institutions' capital building fund line item, the source of matching funds, and each institutions' five-year plan for capital construction spending.

SECTION 32. TRANSFER - BANK OF NORTH DAKOTA PROFITS - CAMPUS NETWORK UPGRADES. The industrial commission shall transfer to the university of North Dakota a total of $1,500,000, or so much of the sum as may be necessary, and to North Dakota state university a total of $1,500,000, or so much of the sum as may be necessary, from the current earnings and accumulated undivided profits of the Bank of North Dakota during the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the commissioner of higher education. The estimated income line items in subdivisions 5 and 6 of section 1 include $1,500,000 each for the university of North Dakota and North Dakota state university for campus network upgrades.

SECTION 33. TUITION RATE INCREASE LIMITATION - BUDGET SECTION APPROVAL.

1. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2019-20 academic year by more than four percent as compared to the tuition rate in effect during the 2019 spring semester unless the board receives prior budget section approval. Before approving or denying the request, the budget section shall consider the effect the tuition rate increase will have on current and prospective students, tuition rates at comparable institutions in

neighboring states, and the institution's planned use of additional tuition revenue.

2. Except as provided in this section, notwithstanding any other provision of law, the state board of higher education may not increase tuition rates for resident students attending institutions of higher education under its control during the 2020-21 academic year by more than four percent as compared to the tuition rate in effect during the 2020 spring semester unless the board receives prior budget section approval. Before approving or denying the request, the budget section shall consider the effect the tuition rate increase will have on current and prospective students, tuition rates at comparable institutions in neighboring states, and the institution's planned use of additional tuition revenue.

3. This section does not apply to tuition rates charged for graduate level programs, including programs offered through the university of North Dakota school of medicine and health sciences, the university of North Dakota school of law, or the North Dakota state university school of pharmacy.

4. This section does not apply to tuition rates for nonresident students attending institutions of higher education under the control of the state board of higher education. For purposes of this section, the residency of students for tuition purposes must be determined under section 15-10-19.1.

5. This section does not apply to tuition rates determined under tuition reciprocity agreements entered into by the state board of higher education with other states or state education compacts.

6. This section does not apply to differentiated tuition rates charged for higher cost programs.

7. For purposes of this section, an institution must calculate a resident tuition rate increase based on the tuition rate paid by an average full-time resident student. The state board of higher education may exclude adjustments to a tuition rate resulting from a change in an institution's method of charging tuition, including the consolidation of existing fees into tuition rates or charging tuition based on a per-credit rate, from tuition rate calculations under this section.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY. During the 2019-20 interim, the legislative management shall consider studying North Dakota university system competitive research programs, including the established program to stimulate competitive research. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 35. APPLICATION. Section 12 of this Act applies to individuals initially entering a professional student exchange program in veterinary medicine, dentistry, or optometry after June 30, 2020.

SECTION 36. EMERGENCY. Sections 3, 4, 5, 21, 23, 25, 26, 27, 28, 29, 30, and 31 of this Act and the tier III capital building fund pool, capital assets, and capital building fund line items in section 1 of this Act are declared to be an emergency measure.

Approved May 2, 2019

Filed May 2, 2019

CHAPTER 4

HOUSE BILL NO. 1004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state department of health; to amend and reenact section 23-02.1-29 of the North Dakota Century Code, relating to vital records fees; to provide a statement of legislative intent; to provide a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state department of health for the purpose of defraying the expenses of the state department of health, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$36,371,434	$1,348,140	$37,719,574
Operating expenses	27,714,187	5,038,893	32,753,080
Capital assets	2,188,491	1,679,322	3,867,813
Grants	46,441,941	6,815,351	53,257,292
Tobacco prevention	13,646,704	(744,640)	12,902,064
Women, infants, and children food payments	20,200,000	(420,000)	19,780,000
Medical marijuana	1,465,704	(1,465,704)	0
Total all funds	$148,028,461	$12,251,362	$160,279,823
Less estimated income	115,278,152	8,641,081	123,919,233
Total general fund	$32,750,309	$3,610,281	$36,360,590
Full-time equivalent positions	211.50	(7.50)	204.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Medical marijuana	$95,066	$0
Women, infants, and children system upgrade	1,739,220	354,554
Law enforcement support	1,420,000	0
Microbiology laboratory technology upgrades	0	483,000
Microbiology laboratory capital improvements	0	1,220,000
Total all funds	$3,254,286	$2,057,554
Less estimated income	3,254,286	1,967,554
Total general fund	$0	$90,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state department of health shall report to

the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. INSURANCE TAX DISTRIBUTION FUND. The estimated income line item included in section 1 of this Act includes $1,125,000 from the insurance tax distribution fund for rural emergency medical services grants.

SECTION 4. TOBACCO PREVENTION AND CONTROL TRUST FUND. The estimated income line item in section 1 of this Act includes $2,625,324 from the tobacco prevention and control trust fund. Of this amount, $300,000 is for domestic violence offender treatment grants, $580,324 is for cancer programs, $525,000 is for grants to local public health units, and $1,220,000 is for microbiology laboratory capital improvements.

SECTION 5. AMENDMENT. Section 23-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

23-02.1-29. Fees.

1. The state department of health shall prescribe the fees, if any, not to exceed ~~five~~fifteen dollars, to be paid for the following:

   a. Each certified copy of a record.

   b. Each certified statement of the facts of birth other than a copy of the original birth record.

   c. Each filing of a new record of birth or fetal death following adoption~~, legitimation, or determination of paternity~~.

   d. Each filing of a delayed record of birth or death except as provided for in subsection 4 of section 23-02.1-18.

   e. Each filing of an amendment to a birth or death record.

   f. A search of the files or records when no copy is made.

   g. A noncertified informational copy of a death or marriage record.

   The fee for each additional copy of ~~the same document,~~a death or fetal death record, requested at the same time, may not exceed ~~two~~ten dollars.

2. Except as otherwise provided in subsection 3, fees collected under this section by the state registrar must be deposited in the ~~general fund of this state~~operating fund of the state department of health, according to procedures established by the state treasurer.

3. The state department of health shall ~~charge a fee~~quarterly pay fees in the amount of two dollars for the issuance of each certified copy of a birth record, ~~in addition to those fees~~ authorized by subsection 1, ~~in the amount of two dollars for the issuance of each certified copy of a birth record. This additional fee must be paid to the state registrar prior to the issuance of each certified copy of a birth record. The state registrar shall quarterly pay the additional fees collected pursuant to this subsection~~ into the children's trust fund created by section 50-27-01.

4. All fees collected in excess of the fees appropriated must be transferred to the general fund of this state at the end of each biennium.

SECTION 6. LEGISLATIVE INTENT - LIFE SAFETY PLAN REVIEW FEES. It is the intent of the sixty-sixth legislative assembly that the state department of health reduce the minimum fee charged for life safety construction or renovation plans review of small projects for facilities from $750 to $500.

SECTION 7. LEGISLATIVE INTENT - ELECTRONIC ACCESS TO VITAL RECORDS - REPORT TO LEGISLATIVE MANAGEMENT. It is the intent of the sixty-sixth legislative assembly that the state department of health implement a program of electronic access to vital records through web access or kiosk in cooperation with other state agencies in at least eight locations around the state. The state department of health shall report to the legislative management before July 1, 2020, regarding the implementation of electronic access to vital records.

SECTION 8. EMERGENCY. The sum of $483,000, of which $90,000 is from the general fund, $360,000 is from federal funds, and $33,000 is from special funds from fee revenue, for microbiology laboratory technology upgrades appropriated in section 1 of this Act is declared to be an emergency measure.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 5

HOUSE BILL NO. 1005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the Indian affairs commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the Indian affairs commission for the purpose of defraying the expenses of the Indian affairs commission, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$848,407	$21,672	$870,079
Operating expenses	263,704	(35,144)	228,560
Total general fund	$1,112,111	($13,472)	$1,098,639
Full-time equivalent positions	4.00	0.00	4.00

Approved April 11, 2019

Filed April 12, 2019

CHAPTER 6

HOUSE BILL NO. 1006

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota aeronautics commission; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota aeronautics commission for the purpose of defraying the expenses of the North Dakota aeronautics commission, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$1,431,222	$95,106	$1,526,328
Operating expenses	2,204,190	(199,436)	2,004,754
Capital assets	100,000	(100,000)	0
Grants	7,150,000	38,650,000	45,800,000
Total all funds	$10,885,412	$38,445,670	$49,331,082
Less estimated income	9,985,412	38,845,670	48,831,082
Total general fund	$900,000	($400,000)	$500,000
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Airport grants	$0	$20,000,000
Total special funds	$0	$20,000,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The aeronautics commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - AIRPORT GRANTS - EXEMPTION. The estimated income line item in section 1 of this Act includes the sum of $20,000,000 from the strategic investment and improvements fund for the aeronautics commission to provide airport grants during the biennium beginning July 1, 2019, and ending June 30, 2021. Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for providing grants to airports.

SECTION 4. AIRPORT INFRASTRUCTURE FUND - AIRPORT GRANTS - EXEMPTION. The estimated income line item in section 1 of this Act includes $20,000,000 from the airport infrastructure fund for the aeronautics commission to provide grants to airports during the biennium beginning July 1, 2019, and ending June 30, 2021. Section 54-44.1-11 does not apply to this funding, and any funds not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for providing grants to airports.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 7

HOUSE BILL NO. 1007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the veterans' home; to provide for a report; to provide for a transfer; to provide for an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the veterans' home for the purpose of defraying the expenses of the veterans' home, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$18,684,490	$232,142	$18,916,632
Operating expenses	5,454,239	(345,508)	5,108,731
Capital assets	411,303	285,030	696,333
Administrator's residence	0	233,450	233,450
Total all funds	$24,550,032	$405,114	$24,955,146
Less estimated income	18,598,593	677,229	19,275,822
Total general fund	$5,951,439	($272,115)	$5,679,324
Full-time equivalent positions	120.72	0.00	120.72

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Equipment	$44,500	$99,400
Health information exchange software	15,000	0
Nurse call system upgrade	82,500	0
Strategic plan	0	25,000
Flooring project	0	138,700
Administrator's residence demolition	0	233,450
Security system upgrades	0	52,500
Total all funds	$142,000	$549,050
Less estimated income	142,000	524,050
Total general fund	$0	$25,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The veterans' home shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - SOLDIERS' HOME FUND - ADMINISTRATOR HOUSING STIPEND. The estimated income line item in section 1 of this Act includes $48,000 from the soldiers' home fund for providing a $2,000 monthly housing stipend to the veterans' home administrator for housing costs off the veterans' home campus, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - SOLDIERS' HOME FUND - ONE-TIME FUNDING. The estimated income line item in Section 1 of this Act includes $524,050 of one-time funding from the soldiers' home fund, of which $99,400 is for equipment, $138,700 is for a flooring project, $233,450 is for the demolition of the administrator's residence, and $52,500 is for security system upgrades, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. EXEMPTION - LINE ITEM TRANSFER - 2017-19 BIENNIUM - NURSE CALL SYSTEM UPGRADE. Notwithstanding section 54-16-04, at the request of the veterans' home administrator during the 2017-19 biennium, the office of management and budget shall transfer the sum of $68,000 of estimated income from the soldiers' home fund from the operating expenses line item to the capital assets line item of the veterans' home for the purpose of the nurse call system upgrade authorized by the sixty-fifth legislative assembly. The $68,000 of funding transferred in this section and the $82,500 from the soldiers' home fund appropriated in section 1 of chapter 32 of the 2017 Session Laws for the nurse call system upgrade, for a total of $150,500, are not subject to section 54-44.1-11 and any unexpended funds are available for the nurse call system upgrade during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 8

HOUSE BILL NO. 1008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of financial institutions; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from other income, to the department of financial institutions for the purpose of defraying the expenses of the department of financial institutions, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$6,813,840	$208,815	$7,022,655
Operating expenses	1,576,072	517,145	2,093,217
Contingency	20,000	0	20,000
Total special funds	$8,409,912	$725,960	$9,135,872
Full-time equivalent positions	30.00	1.00	31.00

SECTION 2. ONE-TIME FUNDING - REPORT TO LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Website redesign	$0	$451,305
Total special funds	$0	$451,305

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The department of financial institutions shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved April 23, 2019

Filed April 24, 2019

CHAPTER 9

HOUSE BILL NO. 1009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state fair association.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of moneys in the general fund in the state treasury, not otherwise appropriated, to the state fair association for the purpose of defraying the expenses of the state fair association, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Premiums	$515,665	$27,168	$542,833
Total general fund	$515,665	$27,168	$542,833

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 10

HOUSE BILL NO. 1010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the council on the arts.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the council on the arts for the purpose of defraying the expenses of the council on the arts, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$905,453	$63,405	$968,858
Operating expenses	355,851	(70,077)	285,774
Grants	2,090,494	0	2,090,494
Total all funds	$3,351,798	($6,672)	$3,345,126
Less estimated income	1,786,922	(48,000)	1,738,922
Total general fund	$1,564,876	$41,328	$1,606,204
Full-time equivalent positions	5.00	0.00	5.00

SECTION 2. APPROPRIATION - CULTURAL ENDOWMENT FUND. All income from the cultural endowment fund is appropriated to the council on the arts for the furthering of the cultural arts in the state for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 11

HOUSE BILL NO. 1011

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the highway patrol; to create and enact section 39-03-09.1 of the North Dakota Century Code, relating to job shadowing with the highway patrol; to provide for a transfer; to provide an exemption; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the highway patrol for the purpose of defraying the expenses of the highway patrol, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Highway patrol	$57,230,706	$4,263,397	$61,494,103
Total all funds	$57,230,706	$4,263,397	$61,494,103
Less estimated income	14,703,278	2,495,420	17,198,698
Total general fund	$42,527,428	$1,767,977	$44,295,405
Full-time equivalent positions	204.00	(7.00)	197.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Taser and AED equipment	$358,000	$0
Pipeline protest law enforcement support	3,234,000	0
Electronic payment processing system	44,000	0
Aircraft engine overhaul	0	81,830
Drone purchase	0	96,228
Shooting range addition	0	1,729,100
Total all funds	$3,636,000	$1,907,158
Total special funds	3,636,000	1,825,328
Total general fund	$0	$81,830

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The highway patrol shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. Section 39-03-09.1 of the North Dakota Century Code is created and enacted as follows:

39-03-09.1. Job shadowing.

For purposes of education and community outreach, and to promote public trust, the superintendent may permit a nonmember of the highway patrol to participate in job shadowing activities, including:

1. Participating in a ride-along program with a member of the highway patrol while on duty;

2. Operating a highway patrol motor vehicle on a closed course under the supervision of a member of the highway patrol; and

3. Discharging a firearm owned and used by the highway patrol while at a training facility and under the supervision of a member of the highway patrol.

SECTION 4. SPECIAL FUNDS TRANSFER - HIGHWAY TAX DISTRIBUTION FUND. The estimated income line item in section 1 of this Act includes the sum of $7,204,043, or so much of the sum as may be necessary, from the state highway tax distribution fund which may be transferred at the direction of the superintendent of the highway patrol for the purpose of defraying the expenses of the highway patrol during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. MOTOR CARRIER ELECTRONIC PERMIT TRANSACTION FUND. The estimated income line item in section 1 of this Act includes $3,356,069 from the motor carrier electronic permit transaction fund for the purpose of defraying various expenses associated with the issuance of permits and other nonenforcement motor carrier and administrative activities, including the purchase of equipment and the construction of an addition to the indoor shooting range, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EXEMPTION. The amount of $28,171 appropriated for an aircraft engine overhaul in the special funds line item in section 2 of chapter 23 of the 2017 Session Laws is not subject to section 54-44.1-11 and may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. PAYMENTS TO HIGHWAY PATROL OFFICERS. Each patrol officer of the state highway patrol is entitled to receive from funds appropriated in section 1 of this Act an amount not to exceed $200 per month for the biennium beginning July 1, 2019, and ending June 30, 2021. The payments are in lieu of reimbursement for meals and other expenses, except lodging, while in travel status within the state of North Dakota or while at the patrol officers' respective home stations. The amounts must be paid at the time and in the same manner as salaries are paid to members of the highway patrol and may be paid without the presentation of receipts or other memorandums.

SECTION 8. RELOCATION OF LAW ENFORCEMENT TRAINING ACADEMY - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. During the 2019-20 interim, the highway patrol shall develop alternatives to relocate the housing and classroom portions of the law enforcement training academy. In developing the alternatives, the highway patrol shall review locations for a new facility, evaluate the proper capacity of the facility to serve future law enforcement training needs, and obtain estimated costs of each alternative. The highway patrol shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the alternatives to relocate the training academy.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 12

HOUSE BILL NO. 1012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of transportation; to create and enact a new subsection to section 57-40.3-04 of the North Dakota Century Code, relating to exemptions from motor vehicle excise tax; to amend and reenact section 24-02-45.1 of the North Dakota Century Code, relating to cooperative agreements with private entities for the construction of certain items on the state highway system; to provide for a contingent loan authorization; provide a contingent appropriation; to provide for transfers; to provide legislative intent; to provide an exemption; to provide for a study; to provide for a report; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the department of transportation for the purpose of defraying the expenses of the department of transportation, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$201,478,341	($3,651,303)	$197,827,038
Operating expenses	229,381,646	28,156,139	257,537,785
Capital assets	771,101,851	89,924,093	861,025,944
Grants	67,528,030	28,326,607	95,854,637
Total special funds	$1,269,489,868	$142,755,536	$1,412,245,404
Full-time equivalent positions	1,047.00	(65.00)	982.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Pipeline protest law enforcement support	$709,000	$0
Electronic payment processing system	306,000	0
Driver's license system project	0	22,500,000
Minot and Williston driver's license facility maintenance	0	1,300,000
Total special funds	$1,015,000	$23,800,000

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of transportation shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer between appropriation authority the salaries and wages, operating expenses, capital assets, and grants line

items in section 1 of this Act as requested by the director of the department of transportation when it is cost-effective for construction and maintenance of highways. The department of transportation shall notify the legislative council of any transfers made pursuant to this section.

SECTION 4. EXEMPTION - ENHANCED STATE HIGHWAY INVESTMENT FUNDING. Section 54-44.1-11 does not apply to funding of $503,115,558 in the capital assets line item relating to enhanced state highway investments in section 1 of chapter 12 of the 2015 Session Laws. Any funds continued into the 2019-21 biennium but not spent by June 30, 2021, must be continued into the biennium beginning July 1, 2021, and ending June 30, 2023, and may be expended only for enhanced state highway investments.

SECTION 5. APPROPRIATION - GENERAL FUND - SHORT LINE RAILROAD PROGRAM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $2,500,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of enhancing the department's short line railroad program, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

SECTION 6. APPROPRIATION - 2017-19 BIENNIUM - GENERAL FUND - ROAD MAINTENANCE FUNDING - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $13,000,000, or so much of the sum as may be necessary, to the department of transportation for the purpose of road maintenance, 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. Section 54-44.1-11 does not apply to this funding and any funds not spent by June 30, 2019, must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and may be expended only for road maintenance.

SECTION 7. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - HIGHWAY IMPROVEMENT PROJECTS. The department of transportation may borrow from the Bank of North Dakota, $50,000,000, or so much of the sum as may be necessary, which is appropriated to the department of transportation for matching federal funds that may become available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds authorized in this section may be borrowed and spent only upon certification by the director of the department of transportation to the director of the office of management and budget that the department has been awarded additional federal grants, which were applied for after February 1, 2019, during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of transportation shall request from the sixty-seventh legislative assembly an appropriation to repay any outstanding loans authorized in this section. The appropriation in this section is a one-time funding item.

SECTION 8. AMENDMENT. Section 24-02-45.1 of the North Dakota Century Code is amended and reenacted as follows:

24-02-45.1. Cooperative agreements with private entities for the construction of certain items on the state highway system.

Notwithstanding any other provision of law, the director may enter a cooperative agreement with a private entity for the construction of an item on the state highway system which will benefit the private entity and the traveling public, as determined by the director. The private entity's cost-share of the items requested to be added to the

state highway system must be paid for in advance of the construction by the private entity before the department can construct the project. Funds received by the department pursuant to this section must be deposited in the state highway fund as prescribed by section 24-02-41 and are appropriated to the department. If the department requires engineering or contracting services for a project under this section, it may provide the services or procure the services in accordance with section 24-02-07.3 and 24-02-17.

SECTION 9. LEGISLATIVE INTENT - MAINTENANCE SECTION SITES - SEASONAL WINTER SERVICES. It is the intent of the sixty-sixth legislative assembly that the department of transportation provide seasonal winter services at the Mayville, Courtenay, Gackle, New England, Litchville, and Finley maintenance section sites for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. DEPARTMENT OF TRANSPORTATION STUDY - PUBLIC TRANSPORTATION SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. During the 2019-20 interim, the department of transportation shall study public transportation services within the state. The study must include the number of users of public transportation services, demographics of the users, other transportation options available to users of public transportation services, and the identification of areas of the state which have no public or private transportation services available.

[2] **SECTION 11.** A new subsection to section 57-40.3-04 of the North Dakota Century Code is created and enacted as follows:

> Any motor vehicle in the possession of and used exclusively by a public transportation provider that receives a distribution of funds under section 39-04.2-04 to provide public transportation services.

SECTION 12. EFFECTIVE DATE. Section 11 of this Act is effective for taxable events occurring after June 30, 2019.

SECTION 13. EMERGENCY. Sections 6 and 8 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

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[2] Section 57-40.3-04 was also amended by section 1 of Senate Bill No. 2187, chapter 503.

CHAPTER 13

HOUSE BILL NO. 1013

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to create and enact a new section to chapter 15-02 of the North Dakota Century Code; relating to investment reports; to repeal section 57-51-15.1 of the North Dakota Century Code, relating to the energy impact fund; to provide for transfers; to provide for distributions from permanent funds; to provide an exemption; to provide a report; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the state lands maintenance fund and the oil and gas impact grant fund in the state treasury to the commissioner of university and school lands for the purpose of defraying the expenses of the commissioner of university and school lands, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$6,005,550	($280,171)	$5,725,379
Operating expenses	1,775,723	857,299	2,633,022
Grants	0	2,000,000	2,000,000
Contingencies	100,000	0	100,000
Total special funds	$7,881,273	$2,577,128	$10,458,401
Full-time equivalent positions	31.00	(3.00)	28.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Information technology replacement project	$3,600,000	$0
Airport grants	40,000,000	0
Mineral revenue repayments	187,000,000	0
Oil and gas impact grants	0	2,000,000
Mineral valuation study	0	350,000
Total special funds	$230,600,000	$2,350,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The commissioner of university and school lands shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. DISTRIBUTIONS TO STATE INSTITUTIONS. Pursuant to article IX of the Constitution of North Dakota, the board of university and school lands shall distribute during the biennium beginning July 1, 2019, and ending June 30, 2021, the following amounts, from the permanent funds managed for the benefit of the following entities:

Common schools	$366,756,000
North Dakota state university	5,916,000
University of North Dakota	4,504,000
Youth correctional center	1,864,000
School for the deaf	1,898,000
North Dakota state college of science	1,736,000
State hospital	1,570,000
Veterans' home	732,000
Valley City state university	1,034,000
North Dakota vision services - school for the blind	1,122,000
Mayville state university	668,000
Dakota college at Bottineau	242,000
Dickinson state university	242,000
Minot state university	242,000
Total	$388,526,000

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO OIL AND GAS IMPACT GRANT FUND. The office of management and budget shall transfer the sum of $2,000,000 from the strategic investment and improvements fund to the oil and gas impact grant fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - ENERGY IMPACT FUND TO OIL AND GAS IMPACT GRANT FUND. The commissioner of university and school lands shall transfer any unexpended funds remaining in the energy impact fund when the fund is repealed on June 30, 2021, to the oil and gas impact grant fund.

SECTION 6. A new section to chapter 15-02 of the North Dakota Century Code is created and enacted as follows:

Investment reports - Report to budget section.

The commissioner shall prepare annual reports on the investment performance of each fund under its control. The reports must be comparable to the reports prepared by the state investment board under section 21-10-06.1. The reports must identify the expenses deducted from each fund, including details on investment management fees, advisory fees, transaction fees, the agency's expenses attributed to the fund, and any other costs. The commissioner shall report at least annually to the budget section on the status of its investment performance.

SECTION 7. REPEAL. Section 57-51-15.1 of the North Dakota Century Code is repealed.

SECTION 8. OIL AND GAS IMPACT GRANT FUND. The grants line item and the total special funds line item in section 1 of this Act include the sum of $2,000,000 from the oil and gas impact grant fund for grants to political subdivisions impacted by oil and gas development activities.

SECTION 9. EXEMPTION - OIL AND GAS IMPACT GRANT FUND. The amounts previously appropriated from the oil and gas impact grant fund and identified in section 10 of chapter 38 of the 2017 Session Laws related to the oil and gas impact

grant fund, including grant awards returned to the fund, are not subject to section 54-44.1-11. Any unexpended funds are available for grants and administrative costs associated with the fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. EXEMPTION - INFORMATION TECHNOLOGY PROJECT - REPORT TO INFORMATION TECHNOLOGY COMMITTEE. The $3,600,000 appropriated from the state lands maintenance fund and identified in sections 1 and 12 of chapter 38 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds are available to complete the information technology project during the biennium beginning July 1, 2019, and ending June 30, 2021. During the 2019-20 interim, the commissioner of university and school lands shall provide at least one report to the interim information technology committee regarding the status of the information technology project.

SECTION 11. EFFECTIVE DATE. Section 7 of this Act becomes effective on June 30, 2021.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 14

HOUSE BILL NO. 1014

(Appropriations Committee)

AN ACT to provide for an appropriation for defraying the expenses of the industrial commission and the agencies under the management of the industrial commission; to create and enact a new section to chapter 6-09 of the North Dakota Century Code, relating to a rebuilders home loan program; to amend and reenact section 54-17-40 and subdivision f of subsection 1 of section 57-51-15 of the North Dakota Century Code and section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, relating to the housing incentive fund, the fund balance of the abandoned oil and gas well plugging and site reclamation fund, and a transfer to the statewide interoperable radio network fund; to provide a contingent authorization; to provide for a transfer; to provide for a contingent transfer; to provide an exemption; to provide for a report; to provide for a study; to provide a statement of legislative intent; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income to the industrial commission and agencies under its control for the purpose of defraying the expenses of the industrial commission and agencies under its control, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

INDUSTRIAL COMMISSION

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$22,014,084	$1,570,366	$23,584,450
Operating expenses	5,305,888	794,339	6,100,227
Capital assets	0	5,000,000	5,000,000
Grants - bond payments	13,210,484	(2,701,717)	10,508,767
Contingencies	221,737	7,807	229,544
Total all funds	$40,752,193	$4,670,795	$45,422,988
Less estimated income	15,343,206	2,650,584	17,993,790
Total general fund	$25,408,987	$2,020,211	$27,429,198
Full-time equivalent positions	110.25	2.00	112.25

Subdivision 2.

BANK OF NORTH DAKOTA

	Base Level	Adjustments or Enhancements	Appropriation
Bank of North Dakota operations	$58,489,204	$4,358,595	$62,847,799
Capital assets	810,000	700,000	1,510,000

Total special funds	$59,299,204	$5,058,595	$64,357,799
Full-time equivalent positions	181.50	0.00	181.50

Subdivision 3.

HOUSING FINANCE AGENCY

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$7,892,056	$616,959	$8,509,015
Operating expenses	4,743,355	602,921	5,346,276
Grants	31,794,828	1,671,772	33,466,600
Housing finance agency contingencies	100,000	0	100,000
Total special funds	$44,530,239	$2,891,652	$47,421,891
Full-time equivalent positions	44.00	0.00	44.00

Subdivision 4.

MILL AND ELEVATOR ASSOCIATION

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$39,308,519	$7,139,305	$46,447,824
Operating expenses	28,195,000	1,642,000	29,837,000
Contingencies	500,000	0	500,000
Agriculture promotion	210,000	0	210,000
Total special funds	$68,213,519	$8,781,305	$76,994,824
Full-time equivalent positions	153.00	3.00	156.00

Subdivision 5.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$25,408,987	$9,540,211	$34,949,198
Grand total special funds	187,386,168	19,382,136	206,768,304
Grand total all funds	$212,795,155	$28,922,347	$241,717,502

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Litigation	$1,000,000	$0
Industrial water supply asset study	150,000	0
Soil remediation studies	5,000,000	0
Survey review	800,000	0
Temporary employees	0	175,000
Rare earth elements study	0	160,000
Fracturing sand study	0	110,000
Oil database software upgrade	0	5,000,000
Total all funds	$6,950,000	$5,445,000

Less estimated income	6,950,000	5,270,000
Total general fund	$0	$175,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The industrial commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. BOND PAYMENTS. The amount of $10,508,767 included in subdivision 1 of section 1 of this Act in the grants - bond payments line item must be paid from the following funding sources during the biennium beginning July 1, 2019, and ending June 30, 2021:

North Dakota university system	$4,959,448
North Dakota university system - energy conservation projects	415,664
Department of corrections and rehabilitation	689,299
Department of corrections and rehabilitation - energy conservation projects	16,180
State department of health	644,884
Job service North Dakota	434,847
Office of management and budget	567,125
Attorney general's office	647,500
State historical society	1,177,875
Parks and recreation department	66,875
Research and extension service	483,337
Veterans' home	405,733
Total	$10,508,767

SECTION 4. APPROPRIATION - HOUSING FINANCE AGENCY - ADDITIONAL INCOME. In addition to the amount appropriated to the housing finance agency in subdivision 3 of section 1 of this Act, there is appropriated any additional income or unanticipated income from federal or other funds which may become available to the agency for the biennium beginning July 1, 2019, and ending June 30, 2021. The housing finance agency shall notify the office of management and budget and the legislative council of any additional income or unanticipated income that becomes available to the agency resulting in an increase in appropriation authority.

SECTION 5. APPROPRIATION - TRANSFER GENERAL FUND TO HIGH-LEVEL RADIOACTIVE WASTE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $20,000, which the office of management and budget shall transfer to the high-level radioactive waste fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

SECTION 6. APPROPRIATION - TRANSFER GENERAL FUND TO HOUSING INCENTIVE FUND. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $7,500,000, which the office of management and budget shall transfer to the housing incentive fund during the biennium beginning July 1, 2019, and ending June 30, 2021. The funding provided in this section is considered a one-time funding item.

SECTION 7. CONTINGENT FUNDING - INDUSTRIAL COMMISSION. The amount of $229,544 from the general fund and two full-time equivalent positions included in subdivision 1 of section 1 of this Act may be spent only in accordance with the provisions of this section. The industrial commission shall notify the office of management and budget and the legislative council when the total number of wells

capable of production and injection exceeds twenty thousand eight hundred. Subject to budget section approval, the industrial commission may spend $229,544 from the contingencies line item and may hire two full-time equivalent positions if the total number of oil wells capable of production and injection exceeds twenty thousand eight hundred.

SECTION 8. TRANSFER - ENTITIES UNDER THE CONTROL OF THE INDUSTRIAL COMMISSION TO INDUSTRIAL COMMISSION FUND. The sum of $1,172,603, or so much of the sum as may be necessary, included in the appropriation in subdivision 1 of section 1 of this Act, may be transferred from the entities within the control of the industrial commission or entities directed to make payments to the industrial commission fund for administrative services rendered by the commission. Transfers must be made during the biennium beginning July 1, 2019, and ending June 30, 2021, upon order of the commission. Transfers from the student loan trust fund must be made to the extent permitted by sections 54-17-24 and 54-17-25.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS TO GENERAL FUND. The industrial commission shall transfer to the general fund $140,000,000 from the current earnings and the accumulated profits of the Bank of North Dakota during the biennium beginning July 1, 2019, and ending June 30, 2021. The moneys must be transferred in the amounts and at the times requested by the director of the office of management and budget after consultation with the Bank of North Dakota president. For legislative council budget status reporting purposes, the transfer under this section is considered an ongoing revenue source.

SECTION 10. TRANSFER - PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of $26,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the partnership in assisting community expansion fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. TRANSFER - AGRICULTURE PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of $4,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture partnership in assisting community expansion fund during the period beginning with the effective date of this Act and ending June 30, 2021. The Bank may use up to $1,000,000 of the funding provided in this section to expand the parameters for the agriculture partnership in assisting community expansion program to assist farmers and livestock producers that suffered extraordinary losses related to river flooding in the state due to ice jams in the winter and spring of 2019 for the period beginning with the effective date of this Act and ending June 30, 2021.

SECTION 12. TRANSFER - BIOFUELS PARTNERSHIP IN ASSISTING COMMUNITY EXPANSION. The Bank of North Dakota shall transfer the sum of $1,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the biofuels partnership in assisting community expansion fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. TRANSFER - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer the sum of $6,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the beginning farmer revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. TRANSFER - NORTH DAKOTA DEVELOPMENT FUND. The Bank of North Dakota shall transfer the sum of $15,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the North Dakota development fund established under chapter 10-30.5 during the biennium beginning July 1, 2019, and ending June 30, 2021. Funding transferred under this section must be used to purchase existing venture capital assets held by the Bank of North Dakota.

SECTION 15. TRANSFER - REBUILDERS LOAN PROGRAM PAYMENTS TO REBUILDERS HOME LOAN FUND. From the principal payments received under the rebuilders loan program established in section 6-09-46, which were designated to replenish the Bank of North Dakota's current earnings and undivided profits pursuant to section 3 of chapter 83 of the 2013 Session Laws, the Bank shall transfer the sum of $3,750,000 to the rebuilders home loan fund during the period beginning with the effective date of this Act and ending June 30, 2021. Any funds not committed to loans by September 30, 2020, must be returned to the Bank's current earnings and undivided profits.

SECTION 16. CONTINGENT TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO INFRASTRUCTURE REVOLVING LOAN FUND. The office of management and budget shall transfer up to $40,000,000 of any oil and gas tax revenues deposited in the strategic investment and improvements fund during the period August 1, 2017, through July 31, 2019, exceeding $755,000,000, from the strategic investment and improvements fund to the infrastructure revolving loan fund established under section 6-09-49, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 17. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The operating expenses line item and the estimated income line item in subdivision 1 of section 1 of this Act include $270,000 from the strategic investment and improvements fund for a rare earth element study and a fracturing sand study.

SECTION 18. ESTIMATED INCOME - ABANDONED OIL AND GAS WELL PLUGGING AND SITE RECLAMATION FUND. The capital assets line item and the estimated income line item in subdivision 1 of section 1 of this Act include $5,000,000 from the abandoned oil and gas well plugging and site reclamation fund for a risk-based data management system information technology project.

SECTION 19. OIL AND GAS RESEARCH FUND - RECYCLING PRODUCED WATER STUDY - REPORT TO LEGISLATIVE MANAGEMENT. Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial commission shall use $300,000, or so much of the sum as may be necessary, from the oil and gas research fund to contract with the sponsor of the proposal selected for the study. The industrial commission shall issue a request for proposals for a study regarding the recycling of water used in oil and gas operations, also known as produced water, from oil and gas-producing regions of North Dakota. The study must include the development or compilation of data regarding methods for the recycling of produced water specific to this state, and must examine the relevant, objective economic, regulatory, scientific, technological, and feasibility considerations. The contractor shall provide reports on the status of the study at the request of the legislative management during the 2019-20 interim and shall provide a final report to the legislative management by October 1, 2020.

SECTION 20. A new section to chapter 6-09 of the North Dakota Century Code is created and enacted as follows:

Rebuilders home loan program - Rebuilders home loan fund - Continuing appropriation - Requirements.

1. There is created in the state treasury the rebuilders home loan fund administered by the Bank of North Dakota. The fund consists of all moneys transferred to the fund by the legislative assembly. All moneys in the fund are appropriated to the Bank on a continuing basis for the rebuilders home loan program.

2. The Bank shall develop policies to implement this section. The Bank shall make or participate in loans to North Dakota residents affected by river flooding in the state due to ice jams in the winter and spring of 2019. Loans are available for rebuilding the resident's flood-damaged home or rebuilding nonowner-occupied property. A loan from the fund must have the interest rate fixed at one percent per year for no more than twenty years. A loan made to a homeowner or owner of nonowner-occupied property under this section may not exceed the lesser of seventy-five thousand dollars or the actual amount of documented damage not paid by flood insurance. For purposes of this section, "nonowner-occupied property" means property consisting of one or more rental dwelling units, none of which is occupied by the owner, and does not include hotel or motel accommodations or any other commercial property. For a resident rebuilding the resident's flood-damaged home, up to twenty percent of the loan proceeds disbursed under this program may be used for debt service, debt retirement, or other credit obligations. For every loan made from the fund to a homeowner to rebuild or replace that individual's flood-damaged home, principal and interest payments must be deferred for the first twenty-four months of the loan. There is no deferral of principal and interest payments for a loan for nonowner-occupied property.

3. A resident homeowner or owner of nonowner-occupied property is eligible for a loan under this section only if the home or property is located in an area affected by river flooding in the state due to ice jams in the winter and spring of 2019. To qualify for a loan under this section, the owner of nonowner-occupied property must have been the owner at the time of the flooding event, and the number of rental dwelling units in the property rebuilt under this section must remain the same as before the flooding event. A loan to the owner of nonowner-occupied property must be secured by the property for which the loan is made.

4. An application for a loan from the fund must be made to the Bank or originating financial institution, and, upon approval, a loan must be made from the fund in accordance with this section. An application for a loan to a homeowner or for a loan for nonowner-occupied property under this section may not be accepted after September 30, 2020.

5. Repayments to the rebuilders home loan fund must be transferred annually to replenish the Bank's current earnings and undivided profits which were transferred to the rebuilders home loan fund. If, subsequent to receiving a loan from the fund, the property for which the loan was made is purchased for flood mitigation purposes or otherwise sold, the balance of the loan and any interest accrued on the loan must be repaid to the fund upon the closing of the sale. If the borrower provides financial evidence satisfactory to the Bank to show that the borrower does not have the financial ability to repay the loan in full upon sale of the property, after the sale of the property the Bank may allow the borrower to continue to make payments based on the loan terms.

6. The Bank may deduct, from interest payments received on loans, a service fee for administering the fund for the Bank and originating financial institutions. The Bank shall contract with a certified public accounting firm to audit the fund as necessary. The cost of the audit, and any other actual costs incurred by the Bank on behalf of the fund, must be paid by the fund.

SECTION 21. AMENDMENT. Section 54-17-40 of the North Dakota Century Code is amended and reenacted as follows:

54-17-40. Housing incentive fund - Continuing appropriation - Report to budget section.

1. The housing incentive fund is created as a special revolving fund at the Bank of North Dakota. The housing finance agency may direct disbursements from the fund and a continuing appropriation from the fund is provided for that purpose.

2. a. After a public hearing, the housing finance agency shall create an annual allocation plan for the distribution of the fund. At least ~~twenty-five~~fifteen percent of the fund must be used to assist developing communities to address an unmet housing need or alleviate a housing shortage.

   b. The annual allocation plan must give ~~first~~ priority ~~through its scoring and ranking process to housing for essential service workers. For purposes of this subsection, "essential service workers" means individuals employed by a city, county, school district, medical or long-term care facility, the state of North Dakota, or others as determined by the housing finance agency who fulfill an essential public service.~~

   ~~c. The second priority in the annual allocation plan must be~~ to provide housing for individuals and families of low or moderate income. For purposes of this ~~second~~ priority, eligible income limits are determined as a percentage of median family income as published in the most recent federal register notice. Under this ~~second~~ priority, the annual allocation plan must give preference to projects that benefit households with the lowest income and to projects that have rent restrictions at or below department of housing and urban development published federal fair market rents or department of housing and urban development section 8 payment standards.

3. The housing finance agency shall adopt guidelines for the fund so as to address unmet housing needs in this state. Assistance from the fund may be used solely for:

   a. New construction, rehabilitation, or acquisition of a multifamily housing project;

   b. Gap assistance, matching funds, and accessibility improvements;

   c. Assistance that does not exceed the amount necessary to qualify for a loan using underwriting standards acceptable for secondary market financing or to make the project feasible; and

   d. Rental assistance, emergency assistance, or targeted supportive services designated to prevent homelessness.

4. Eligible recipients include units of local, state, and tribal government; local and tribal housing authorities; community action agencies; regional planning councils; and nonprofit organizations and for-profit developers of multifamily housing. Individuals may not receive direct assistance from the fund.

5. Except for subdivision d of subsection 3, assistance is subject to repayment or recapture under the guidelines adopted by the housing finance agency. Any assistance that is repaid or recaptured must be deposited in the fund and is appropriated on a continuing basis for the purposes of this section.

6. The agency may collect a reasonable administrative fee from the fund, project developers, applicants, or grant recipients. The origination fee assessed to grant recipients may not exceed five percent of the project award.

7. ~~The housing finance agency shall maintain a register reflecting the number of housing units owned or master leased by cities, counties, school districts, or other employers of essential service workers. This register must also reflect those entities that are providing rent subsidies for their essential workers.~~

~~8.~~ Upon request, the housing finance agency shall report to the industrial commission regarding the activities of the housing incentive fund.

~~9.~~8. At least once per biennium, the housing finance agency shall provide a report to the budget section of the legislative management regarding the activities of the housing incentive fund. ~~The report must include the following:~~

~~a. The overall number of units owned, master leased, or subsidized by political subdivisions or other employers of essential service workers; and~~

~~b. A listing of projects approved and the number of units within those projects that provide housing for essential service workers.~~

[3] **SECTION 22. AMENDMENT.** Subdivision f of subsection 1 of section 57-51-15 of the North Dakota Century Code is amended and reenacted as follows:

f. (1) For the period beginning September 1, 2017, and ending August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding four million dollars per fiscal year and not in an amount that would bring the balance in the fund to more than ~~one hundred~~fifty million dollars.

(2) After August 31, 2019, the state treasurer shall allocate four percent of the amount available under this subsection to the abandoned oil and gas well plugging and site reclamation fund, but not in an amount exceeding seven million five hundred thousand dollars per fiscal year and not in an amount that would bring the balance in the fund to more than ~~one hundred~~fifty million dollars.

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

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[3] Section 57-51-15 was also amended by section 3 of House Bill No. 1066, chapter 504.

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. ~~The~~After other moneys in the statewide interoperable radio network fund, the transfer of $20,000,000 from the strategic investment and improvements fund, and the $80,000,000 line of credit have been used, the industrial commission shall transfer the sum of $20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021.

SECTION 24. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - NORTH DAKOTA OUTDOOR HERITAGE FUND. Notwithstanding the provisions of section 57-51-15 relating to the allocations to the North Dakota outdoor heritage fund, for the period beginning September 1, 2019, and ending August 31, 2021, the state treasurer shall allocate eight percent of the oil and gas gross production tax revenue available under subsection 1 of section 57-51-15 to the North Dakota outdoor heritage fund, but not in an amount exceeding $7,500,000 per fiscal year.

SECTION 25. EXEMPTION - OIL AND GAS TAX REVENUE ALLOCATIONS - OIL AND GAS RESEARCH FUND - PILOT PROJECT FOR UNDERGROUND GAS STORAGE.

1. Notwithstanding the provisions of section 57-51.1-07.3 relating to the allocations to the oil and gas research fund, for the period beginning August 1, 2019, and ending July 31, 2021, the state treasurer shall deposit two percent of the oil and gas gross production tax and oil extraction tax revenues, up to $16,000,000, into the oil and gas research fund before depositing oil and gas tax revenues under section 57-51.1-07.5.

2. Pursuant to the continuing appropriation in section 57-51.1-07.3, the industrial commission shall use $6,000,000, or so much of the sum as may be necessary, from the oil and gas research fund to contract with the energy and environmental research center for pilot projects relating to the underground storage of produced natural gas. The pilot projects may include studies and demonstration projects. During the 2019-20 interim, the energy and environmental research center shall provide quarterly reports to the industrial commission and at least one report to the legislative management regarding the results and recommendations of the pilot project.

SECTION 26. EXEMPTION - INDUSTRIAL COMMISSION FUND. The amount of $1,103,779 appropriated to the industrial commission in subdivision 1 of section 1 of chapter 39 of the 2017 Session Laws and transferred pursuant to section 8 of chapter 39 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for administrative services rendered by the commission during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 27. EXEMPTION - SURVEY REVIEW - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The amount of $800,000 appropriated from the strategic investment and improvements fund in section 2 of chapter 426 of the 2017 Session Laws is not subject to section 54-44.1-11. Any unexpended funds from this appropriation are available to the industrial commission for expert legal testimony associated with the survey review during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 28. LIGNITE RESEARCH, DEVELOPMENT, AND MARKETING PROGRAM - LIGNITE MARKETING FEASIBILITY STUDY. The amount of $4,500,000 from the lignite research fund, or so much of the amount as may be necessary, may be used for the purpose of contracting for an independent, nonmatching lignite marketing feasibility study or studies that determine those focused priority areas where near-term, market-driven projects, activities, or processes will generate matching private industry investment and have the most potential of preserving existing lignite production and industry jobs or that will lead to increased development of lignite and its products and create new lignite industry jobs and economic growth for the general welfare of this state. Moneys appropriated pursuant to this section also may be used for the purpose of contracting for nonmatching studies and activities in support of the lignite vision 21 program; for litigation that may be necessary to protect and promote the continued development of lignite resources; for nonmatching externality studies and activities in externality proceedings; or other marketing, environmental, or transmission activities that assist with marketing of lignite-based electricity and lignite-based byproducts. Moneys needed for the purposes stated in this section are available to the industrial commission for funding projects, processes, or activities under the lignite research, development, and marketing program.

SECTION 29. HEDGING STRATEGIES STUDY - BANK OF NORTH DAKOTA - REPORT TO LEGISLATIVE ASSEMBLY. During the 2019-20 interim, the Bank of North Dakota shall conduct a study on the use of various hedging strategies to protect the state from volatile swings in oil prices. Before January 15, 2021, the Bank of North Dakota shall report the results of its study to the appropriations committees of the sixty-seventh legislative assembly.

SECTION 30. LEGISLATIVE INTENT - LIGNITE RESEARCH FUND - LIGNITE LITIGATION. It is the intent of the sixty-sixth legislative assembly that at least $500,000 of the funding in section 28 of this Act and any funding deposited in the lignite research fund related to successful litigation is available from the lignite research fund to be used to pay fees associated with lignite litigation that may be brought by the state to protect and promote the continued development of lignite resources.

SECTION 31. EMERGENCY. Sections 11, 15, and 20 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 15

HOUSE BILL NO. 1015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of corrections and rehabilitation; to amend and reenact subsection 5 of section 12-47-36 of the North Dakota Century Code, relating to disclosure of confidential records; to authorize the conveyance of real property owned by the state of North Dakota; to provide for a legislative management study; to provide a report; to provide for a department of corrections and rehabilitation review committee; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of corrections and rehabilitation for the purpose of defraying the expenses of the department of corrections and rehabilitation, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Adult services	$220,757,448	$18,590,187	$239,347,635
Youth services	30,740,509	1,545,821	32,286,330
Total all funds	$251,497,957	$20,136,008	$271,633,965
Less estimated income	37,161,253	4,794,636	41,955,889
Total general fund	$214,336,704	$15,341,372	$229,678,076
Full-time equivalent positions	845.29	54.50	899.79

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Equipment	$167,000	$298,700
Elite servers replacement	0	40,000
Extraordinary repairs	0	1,332,250
Youth correctional center campus infrastructure study	0	75,000
Department of corrections and rehabilitation study	0	400,000
Scan and screen device	0	230,000
Redundant fence	0	160,000
Portable x-ray equipment	0	22,000
Oracle software upgrade	0	165,000
Contracts and payments processing system	0	100,000
Inmate tracking system	0	160,000
Intake and legal movement system	0	240,000
Electronic medical records system	935,907	0

Pipeline protest law enforcement support	500,000	0
Justice reinvestment initiative	500,000	0
Total all funds	$2,102,907	$3,222,950
Less estimated income	2,102,907	1,831,700
Total general fund	$0	$1,391,250

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of corrections and rehabilitation shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes $1,218,000 from the strategic investment and improvements fund for extraordinary repairs, an inmate tracking system, information technology upgrades, security equipment, and other one-time funding items.

SECTION 4. AMENDMENT. Subsection 5 of section 12-47-36 of the North Dakota Century Code is amended and reenacted as follows:

5. Medical, psychological, or treatment records may be disclosed without prior application to the court to a public hospital or treatment facility, the department of human services, a community behavioral health program, a vocational rehabilitation program, a transitional living facility, or ~~to~~ a licensed private medical or treatment facility, when necessary for the evaluation, treatment, or care of a person who is or who has been in the custody of, or is or who has been under the supervision and management of, the adult services division of the department of corrections and rehabilitation.

SECTION 5. PRETRIAL SERVICES - PILOT PROGRAM - REPORT. The appropriation in section 1 of this Act includes $755,034 and seven full-time equivalent positions for pretrial services. The department of corrections and rehabilitation shall establish a pretrial services program as a pilot project in three judicial districts of the state during the biennium beginning July 1, 2019, and ending June 30, 2021. The department of corrections and rehabilitation and the judicial branch shall collaborate with each other and with the commission on legal counsel for indigents and county and regional corrections to develop guidelines and procedures for the administration of pretrial services for the district courts for individuals charged with felony and misdemeanor offenses. The department of corrections and rehabilitation and the judicial branch shall provide a report regarding the process and outcome measures of the pretrial services program together with recommendations to the sixty-seventh legislative assembly.

SECTION 6. EXEMPTION - COMMUNITY BEHAVIORAL HEALTH PROGRAM. The $7,000,000 from the general fund appropriated in the adult services line item relating to the community behavioral health program in section 1 of chapter 40 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used for the community behavioral health program for individuals in custody or under the supervision of the department of corrections and rehabilitation or for the continuation of programming, when necessary, for individuals no longer in custody or under the supervision of the department, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. DEPARTMENT OF CORRECTIONS AND REHABILITATION OPERATING FUND REVENUES. Any moneys received by the department of

corrections and rehabilitation from correctional supervision, electronic monitoring, and detention; reimbursements from other agencies; profits received from department of corrections and rehabilitation commissary; miscellaneous revenue, including offender fines, fees, restitution, and medical copayments; and from the common schools trust fund, may be deposited in the department of corrections and rehabilitation operating fund and expended pursuant to legislative appropriation for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. CONVEYANCE OF LAND AND BUILDINGS - TOMPKINS BUILDING - EXEMPTION. The state of North Dakota, by and through the department of human services, shall convey ownership of building 2404, formerly known as the nursing residence building and Tompkins building, and surrounding real property on the grounds of the state hospital, to the department of corrections and rehabilitation. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 9. LEGISLATIVE MANAGEMENT STUDY - DEPARTMENT OF CORRECTIONS AND REHABILITATION REVIEW COMMITTEE - MEMBERSHIP - DUTIES.

1. During the 2019-20 interim, the legislative management shall study the department of corrections and rehabilitation. The legislative management shall create a department of corrections and rehabilitation review committee to conduct the study, consisting of six members as follows:

    a. Three members of the house of representatives selected by the majority leader of the house of representatives, two of whom must represent the majority faction of the house of representatives and one of whom must represent the minority faction of the house of representatives; and

    b. Three members of the senate selected by the majority leader of the senate, two of whom must represent the majority faction of the senate and one of whom must represent the minority faction of the senate.

2. The legislative management chairman shall designate the committee chairman and vice chairman and the legislative council shall provide staff services for the committee.

3. The committee shall conduct a comprehensive study of the department of corrections and rehabilitation. The study must include:

    a. A review, with input from a consultant engaged by the department of corrections and rehabilitation, of gender-responsive correctional and rehabilitation facility and service needs. The review must include:

        (1) The preferable location of facilities;

        (2) The service needs of individuals sentenced to the department of corrections and rehabilitation; and

        (3) The impact on families of individuals sentenced to the department of corrections and rehabilitation.

    b. An assessment of facilities at the Missouri River correctional center, the James River correctional center, and the state hospital, with input from a consultant engaged by the department of corrections and rehabilitation. The assessment must:

(1) Include the department of corrections and rehabilitation master plan, staffing plan, comprehensive service delivery strategy, and cost estimates;

(2) Be based on providing comprehensive services to those committed to the care, custody, and control of the department of corrections and rehabilitation;

(3) Include options for community-based and family-involved environments; and

(4) Consider the opportunity for vocational and workforce development.

c. A review of vocational opportunities, educational opportunities, workforce development, and medical and behavioral health treatment for those committed to the care, custody, and control of the department of corrections and rehabilitation.

4. The committee shall advise the department of corrections and rehabilitation on the department's selection of consultants to assist the department and the committee in its study, for which $400,000 is included in the appropriation from the general fund in section 1 of this Act.

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

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 16

HOUSE BILL NO. 1016

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of job service North Dakota.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to job service North Dakota for the purpose of defraying the expenses of job service North Dakota, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$27,155,566	$3,416,655	$30,572,221
Operating expenses	11,501,255	6,339,640	17,840,895
Capital assets	20,000	0	20,000
Grants	5,458,571	707,541	6,166,112
Reed Act - unemployment insurance computer modernization	11,209,557	(122,591)	11,086,966
Total all funds	$55,344,949	$10,341,245	$65,686,194
Less estimated income	54,899,156	10,356,414	65,255,570
Total general fund	$445,793	($15,169)	$430,624
Full-time equivalent positions	181.61	(9.00)	172.61

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Renovation of Bismarck regional office	$100,000	$0
Unemployment insurance modernization project	0	611,852
Total all funds	$100,000	$611,852
Total special funds	0	611,852
Total general fund	$100,000	$0

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Job service North Dakota shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - REED ACT FUNDS - UNEMPLOYMENT INSURANCE COMPUTER MODERNIZATION. The estimated income line item in section 1 of this Act includes $11,086,966 from federal Reed Act funds made available to the state by the federal Reed Act distributions made in federal fiscal years

1957, 1958, 1999, and 2002, pursuant to section 903 of the federal Social Security Act. This sum, or so much of the sum as may be necessary, is for the purpose of developing a modernized unemployment insurance computer system, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION. All federal funds received by job service North Dakota in excess of those funds appropriated in section 1 of this Act are appropriated to job service North Dakota for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. NEW JOBS TRAINING. During the biennium beginning July 1, 2019, and ending June 30, 2021, job service North Dakota may not award more than $2,500,000 for new agreements related to the new jobs training program under chapter 52-02.1.

Approved April 22, 2019

Filed April 23, 2019

CHAPTER 17

HOUSE BILL NO. 1017

(Appropriations Committee)

AN ACT to provide appropriation for defraying the expenses of the office of administrative hearings.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from income, to the office of administrative hearings for the purpose of defraying the expenses of the office of administrative hearings, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$1,191,850	$56,480	$1,248,330
Operating expenses	1,726,784	(144,450)	1,582,334
Total special funds	$2,918,634	($87,970)	$2,830,664
Full-time equivalent positions	5.00	0.00	5.00

Approved April 22, 2019

Filed April 23, 2019

CHAPTER 18

HOUSE BILL NO. 1018

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of commerce; to create and enact a new section to chapter 54-60 of the North Dakota Century Code, relating to a beyond visual line of sight unmanned aircraft system program; to provide exemptions; to provide for a legislative management study; to provide for a transfer; to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,995,788	$221,498	$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,928,111	57,838,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization commission	3,152,915	(3,152,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	$88,626,586	$10,088,428	$98,715,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	$30,342,680	$9,949,041	$40,291,721
Full-time equivalent positions	66.40	(4.60)	61.80

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Flood impact grants/loans	$5,201,752	$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	0
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000

Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	800,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	25,000
Total all funds	$11,301,752	$11,925,000
Less estimated income	10,301,752	4,300,000
Total general fund	$1,000,000	$7,625,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. DISCRETIONARY FUNDS - RURAL HEALTH. Of the $2,150,000 from the general fund appropriated in the discretionary funds line item in section 1 of this Act, $200,000 is designated for providing matching funds to an organization assisting in the recruitment, distribution, and supply, and enhancing the quality and efficiency of personnel providing health services in rural areas of the state.

SECTION 4. EXEMPTION. The amount of $2,200,000 appropriated in the discretionary funds line item in section 1 of chapter 43 of the 2017 Session Laws, of which $1,200,000 was from the general fund and $1,000,000 was from the research North Dakota fund, is not subject to section 54-44.1-11 and any unexpended funds from this appropriation are available for discretionary uses during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. EXEMPTION. The amount of $2,000,000 appropriated from the strategic investment and improvements fund for the unmanned aircraft systems program in section 1 of chapter 43 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EXEMPTION. The amount of $1,500,000 appropriated from the general fund for the early childhood education grant program in section 1 of chapter 43 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - INTERNSHIP FUND. The office of management and budget shall transfer $855,000 of the amount appropriated in the operating expenses line item in section 1 of this Act to the internship fund for the purpose of administering the operation intern program, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. EXEMPTION. The amount of $950,000 appropriated from the general fund in the operating expenses line item for the operation intern program in section 1 of chapter 43 of the 2017 Session Laws and transferred to the internship fund in section 7 of chapter 43 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. TRADE OFFICE - MATCHING FUND REQUIREMENT. The North Dakota trade office line item and the general fund appropriation in section 1 of this Act include $1,600,000 of funding relating to the North Dakota trade office. The

department of commerce may spend sixty percent of this amount without requiring any matching funds from the trade office. Any additional amounts may be spent only to the extent the North Dakota trade office provides one dollar of matching funds from private or other public sources for each one dollar provided by the department for the biennium beginning July 1, 2019, and ending June 30, 2021. Matching funds may include money spent by businesses or organizations to pay salaries to export assistants, provide training to export assistants, or buy computer equipment as part of the North Dakota trade office's export assistance program.

SECTION 10. ENTREPRENEURSHIP GRANTS AND VOUCHER PROGRAM - ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - EXEMPTION. Section 1 of this Act includes the sum of $2,948,467, of which $740,956 is from the general fund, $2,000,000 is from the strategic investment and improvements fund, and $207,511 is from the economic development fund, for an entrepreneurship grants and voucher program to be developed and administered by the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021. The $2,000,000 from the strategic investment and improvements fund is considered a one-time funding item. Of the $2,000,000 from the strategic investment and improvements fund, $900,000 is to be distributed equally to entrepreneurial centers located in Bismarck, Fargo, and Grand Forks, and $150,000 is to be distributed to the entrepreneurial center located in Jamestown. The funding for the Jamestown entrepreneurial center may only be provided to the extent the center provides one dollar of matching funds from private or other nonstate sources for each one dollar provided by the department for the biennium beginning July 1, 2019, and ending June 30, 2021. The department shall establish guidelines to provide grants to entrepreneurial centers certified by the department. The department also shall establish guidelines to award vouchers to entrepreneurs to procure business development assistance from certified entrepreneurial centers or to provide grants to entrepreneurs working with an entrepreneurial center. The amount appropriated for entrepreneurship grants in section 1 of this Act is not subject to section 54-44.1-11 and any unexpended funds from this line item are available during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 11. BIOTECHNOLOGY GRANT PROGRAM. The grants line item in section 1 of this Act includes $300,000 from the general fund for the purpose of providing biotechnology grants to a local association with bioscience experience to promote bioscience and biotechnology research and business development in North Dakota agriculture and life and energy science industries.

SECTION 12. APPROPRIATION - 2017-19 BIENNIUM - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $28,000,000, or so much as the sum as may be necessary, to the department of commerce for the purpose of defraying the expenses relating to the beyond visual line of sight unmanned aircraft system program, for the period beginning with the effective date of this Act, and ending June 30, 2019. The funding provided under this section is not subject to section 54-44.1-11 and any unexpended funds may be continued and are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. A new section to chapter 54-60 of the North Dakota Century Code is created and enacted as follows:

Beyond visual line of sight unmanned aircraft system program - Requirements - Report to legislative management.

The department may establish and administer a beyond visual line of sight unmanned aircraft system program for the design, purchase, implementation, and operating costs of a beyond visual line of sight unmanned aircraft system. The department shall require any entity receiving funding for this program which is operating the beyond visual line of sight unmanned aircraft system to provide quarterly payments to the state treasurer equal to three percent of the entity's gross income associated with the operation of the beyond visual line of sight unmanned aircraft system as reported in the entity's prior year financial statements. The state treasurer shall deposit any funds received under this section in the state general fund. The department shall provide semiannual reports to the legislative management regarding the development of the beyond visual line of sight unmanned aircraft system program and the total amount deposited by the state treasurer in the state general fund.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - BEYOND VISUAL LINE OF SIGHT UNMANNED AIRCRAFT SYSTEM PROGRAM. During the 2019-20 interim, the legislative management shall consider studying the future administration and regulation of the unmanned aircraft systems industry in North Dakota, including beyond visual line of sight unmanned aircraft system. The study must include a determination of the appropriate state agency or private entity to be assigned responsibility of regulating unmanned aircraft system programs, including licensing, registration, appropriate fees, and other responsibilities. The study may include a review of the audited financial statements associated with the beyond visual line of sight unmanned aircraft system of an entity receiving funding from the appropriation for the beyond visual line of sight unmanned aircraft system program in section 12 of this Act. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - MOTION PICTURE INCENTIVES. During the 2019-20 interim, the legislative management shall consider studying motion picture incentives. The study must include a review of upper Midwest and neighboring states' statutes on motion picture incentives to assess their successes and challenges; an analysis of the economic impact that would benefit communities through food, lodging, supplies, and transportation; an assessment of existing industry infrastructure in the state and opportunities for growth; and an identification of unique geographic, seasonal, regulatory, and topographical assets the state has for the motion picture industry. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 16. SCULPTURE MAINTENANCE GRANTS - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes $75,000 from the general fund for the purpose of providing grants, on a reimbursement basis, to maintain the structure and appearance of metal sculptures located adjacent to highways in North Dakota. Grant funds may be awarded only for sculptures with current land leases. The department of commerce shall establish guidelines to require a privately funded maintenance plan to be established for future maintenance cost of metal sculptures adjacent to highways in North Dakota. This funding is considered a one-time funding item.

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes $800,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to $4,000 in incentives for each nonresident licensed nurse who signs a written

agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 18. TRANSFER - ESTIMATED INCOME- BEGINNING FARMER REVOLVING LOAN FUND - ONE-TIME FUNDING. As requested by the commissioner of the department of commerce, the Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the department of commerce the sum of $1,300,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act for paying intermodal container transportation shipping fees in the event intermodal containers are unable to be shipped, resulting in fees for the transport of containers to new locations for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item.

SECTION 19. APPROPRIATION - 2017-19 BIENNIUM - NORTH DAKOTA GORGE PRESERVATION GRANTS - EXEMPTION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $750,000, or so much of the sum as may be necessary, to the department of commerce for the purpose of providing grants, on a reimbursement basis, to an organization dedicated to preserving a North Dakota gorge for the period beginning with the effective date of this Act, and ending June 30, 2019. Grant funds may be awarded only for expenditures related to the purchase and maintenance of outdoor recreation equipment, the improvement and maintenance of real property, enhancing public access to natural resources, and addressing public safety hazards in a North Dakota gorge. Grant funds may be awarded only to the extent that matching funds on a dollar-for-dollar basis are provided from private or other nonstate sources. Matching funds may include in-kind payments for labor and materials. The funding provided in this section is considered a one-time funding item. The funding provided under this section is not subject to section 54-44.1-11 and any unexpended funds may be continued and are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 20. JOB DEVELOPMENT AND ECONOMIC GROWTH GRANT - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes $25,000 from the general fund for the purpose of providing a grant to an organization dedicated to promoting job development and economic growth through the purchase of a vacant building previously used to promote job development and economic growth for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item.

SECTION 21. EMERGENCY. Sections 12, 13, and 19 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 19

HOUSE BILL NO. 1019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state board for career and technical education; to provide a statement of legislative intent; and to provide for a report to the sixty-seventh legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state board for career and technical education for the purpose of defraying the expenses of the state board for career and technical education, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$4,699,975	$112,790	$4,812,765
Operating expenses	1,240,589	1,117,207	2,357,796
Grants	30,106,356	(20,899,007)	9,207,349
Grants - secondary	0	24,587,780	24,587,780
Marketplace for kids	0	300,000	300,000
Grants - postsecondary	296,207	(39,225)	256,982
Adult farm management	579,822	1,314,427	1,894,249
Workforce training	2,000,000	0	2,000,000
Center for distance education	0	9,351,188	9,351,188
Total all funds	$38,922,949	$15,845,160	$54,768,109
Less estimated income	9,616,666	5,086,455	14,703,121
Total general fund	$29,306,283	$10,758,705	$40,064,988
Full-time equivalent positions	24.50	27.80	52.30

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

One-Time Funding Description	2017-19	2019-21
School district and area center grants	$2,427,000	$0
Marketplace for kids	300,000	0
Total all funds	$2,727,000	$0
Less estimated income	2,477,000	0
Total general fund	$250,000	$0

SECTION 3. CENTER FOR DISTANCE EDUCATION - FUNDING DESIGNATION - LEGISLATIVE INTENT - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. Section 1 of this Act includes the sum of $9,351,188, of which $6,301,188 is from the general fund and $3,050,000 is from other funds for the center for distance education for the biennium beginning July 1, 2019, and ending June 30, 2021. The general fund appropriation of $6,301,188 includes a sum of

$102,759 that may only be used for new enrollments during the biennium beginning July 1, 2019, and ending June 30, 2021. It is the intent of the sixty-sixth legislative assembly that the center for distance education develop a fee structure during the 2019-20 interim to become self-sustaining beginning in the biennium beginning July 1, 2021, and ending June 30, 2023. The department of career and technical education shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the development of the new center for distance education fee structure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 20

HOUSE BILL NO. 1020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota state university extension service, northern crops institute, upper great plains transportation institute, main research center, branch research centers, and agronomy seed farm; to provide for a report; to provide a statement of legislative intent; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the purpose of defraying the expenses of the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NORTH DAKOTA STATE UNIVERSITY EXTENSION SERVICE

	Base Level	Adjustments or Enhancements	Appropriation
Extension service	$51,188,489	$3,207,816	$54,396,305
Soil conservation committee	1,091,520	0	1,091,520
Total all funds	$52,280,009	$3,207,816	$55,487,825
Less estimated income	26,646,689	1,131,470	27,778,159
Total general fund	$25,633,320	$2,076,346	$27,709,666
Full-time equivalent positions	252.98	(10.47)	242.51

Subdivision 2.

NORTHERN CROPS INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Northern crops institute	$3,642,721	$197,306	$3,840,027
Total all funds	$3,642,721	$197,306	$3,840,027
Less estimated income	1,755,830	140,387	1,896,217
Total general fund	$1,886,891	$56,919	$1,943,810
Full-time equivalent positions	11.80	1.00	12.80

Subdivision 3.

UPPER GREAT PLAINS TRANSPORTATION INSTITUTE

	Base Level	Adjustments or Enhancements	Appropriation
Upper great plains transportation institute	$22,060,242	$1,231,981	$23,292,223
Total all funds	$22,060,242	$1,231,981	$23,292,223
Less estimated income	18,617,068	278,826	18,895,894
Total general fund	$3,443,174	$953,155	$4,396,329
Full-time equivalent positions	43.88	0.00	43.88

Subdivision 4.

MAIN RESEARCH CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Main research center	$108,642,243	$2,718,323	$111,360,566
Total all funds	$108,642,243	$2,718,323	$111,360,566
Less estimated income	59,084,828	(1,141,588)	57,943,240
Total general fund	$49,557,415	$3,859,911	$53,417,326
Full-time equivalent positions	336.12	7.93	344.05

Subdivision 5.

BRANCH RESEARCH CENTERS

	Base Level	Adjustments or Enhancements	Appropriation
Dickinson research center	$6,825,551	$190,311	$7,015,862
Central grasslands research center	3,423,624	87,201	3,510,825
Hettinger research center	4,975,133	137,270	5,112,403
Langdon research center	2,964,607	87,453	3,052,060
North central research center	4,953,652	183,918	5,137,570
Williston research center	5,118,890	167,943	5,286,833
Carrington research center	9,175,491	510,370	9,685,861
Total all funds	$37,436,948	$1,364,466	$38,801,414
Less estimated income	20,281,691	318,697	20,600,388
Total general fund	$17,155,257	$1,045,769	$18,201,026
Full-time equivalent positions	110.29	(0.48)	109.81

Subdivision 6.

AGRONOMY SEED FARM

	Base Level	Adjustments or Enhancements	Appropriation
Agronomy seed farm	$1,536,129	$29,846	$1,565,975
Total special funds	$1,536,129	$29,846	$1,565,975
Full-time equivalent positions	3.00	0.00	3.00

Subdivision 7.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation

Grand total general fund	$97,676,057	$7,992,100	$105,668,157
Grand total other funds	127,922,235	757,638	128,679,873
Grand total all funds	$225,598,292	$8,749,738	$234,348,030

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Seed cleaning plants	$1,500,000	$750,000
Extraordinary repairs	0	940,465
Junior master gardener program	15,000	0
Road and bridge asset management system	300,000	0
Greenhouse	0	500,000
Total all funds	$1,815,000	$2,190,465
Total other funds	1,700,000	1,440,465
Total general fund	$115,000	$750,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The main and branch research centers shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION. In addition to the amount included in the grand total other funds appropriation line item in section 1 of this Act, any other income, including funds from federal acts, private grants, gifts, and donations, or from other sources received by the North Dakota state university extension service, the northern crops institute, the upper great plains transportation institute, the main research center, branch research centers, and agronomy seed farm, except as otherwise provided by law, is appropriated for the purpose designated in the act, grant, gift, or donation, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes $940,465 of one-time funding from the strategic investment and improvements fund for extraordinary repairs.

SECTION 5. DICKINSON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME. The Dickinson research extension center may spend up to $755,000 of revenues received during the 2019-21 biennium from mineral royalties, leases, or easements for ongoing operational expenses. Any revenues received in excess of $755,000 may be spent only for one-time expenditures for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. WILLISTON RESEARCH EXTENSION CENTER - MINERAL RIGHTS INCOME - REPORT. The Williston research extension center shall report to the sixty-seventh legislative assembly on amounts received and spent from mineral royalties, leases, or easements in the biennium beginning July 1, 2017, and ending June 30, 2019, and the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER AUTHORITY. Upon approval of the state board of agricultural research and education and appropriate branch research center directors,

the director of the office of management and budget shall transfer appropriation authority within subdivisions 1, 2, 4, and 5 of section 1 of this Act.

SECTION 8. FULL-TIME EQUIVALENT POSITION ADJUSTMENTS. The state board of higher education may adjust or increase full-time equivalent positions as needed for the entities in section 1 of this Act, subject to availability of funds. All full-time or part-time positions must be separate from North Dakota state university. Annually, the board shall report to the office of management and budget and to the budget section any adjustments made pursuant to this section.

SECTION 9. UNEXPENDED GENERAL FUND - EXCESS INCOME. Any unexpended general fund appropriation authority to and any excess income received by entities listed in section 1 of this Act are not subject to the provisions of section 54-44.1-11, and any unexpended funds from these appropriations or revenues are available and may be expended by those entities, during the biennium beginning July 1, 2021, and ending June 30, 2023.

SECTION 10. EXEMPTION - WILLISTON SEED CLEANING PLANT. The $1,500,000 of special funds appropriation authority for the Williston research extension center included in subdivision 5 of section 1 of chapter 45 of the 2017 Session Laws for a seed cleaning plant is not subject to the provisions of section 54-44.1-11 and may be continued and expended by the Williston research extension center for the seed cleaning plant during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 11. EXEMPTION - CARRINGTON RESEARCH CENTER AND NORTH CENTRAL RESEARCH CENTER. Any amounts continued for seed cleaning plants at the Carrington research center and North Central research center pursuant to section 12 of chapter 45 of the 2017 Session Laws are not subject to the provisions of section 54-44.1-11 and any unexpended funds may be used to defray the expenses of seed cleaning plants at the Carrington research center and the North Central research center during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. LEGISLATIVE INTENT - WILLISTON RESEARCH CENTER GREENHOUSE. It is the intent of the sixty-sixth legislative assembly that any future operations and maintenance expenses relating to the Williston research center greenhouse be paid from other funds.

SECTION 13. APPROPRIATION - 2017-19 BIENNIUM - WEBSITE AND DIGITAL UPGRADES. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $345,000, or so much of the sum as may be necessary, to the North Dakota state university extension service for website and digital upgrades, for the period beginning with the effective date of this Act, and ending June 30, 2019. In accordance with section 11 of chapter 45 of the 2017 Session Laws any unexpended funds from this appropriation may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. EMERGENCY. Section 13 of this Act is declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 21

HOUSE BILL NO. 1021

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the information technology department; to amend and reenact sections 37-17.3-02.2 and 37-17.3-03 of the North Dakota Century Code, relating to the membership of the statewide interoperability executive committee and a state cost-share for radios purchased for the statewide interoperable radio network; to provide a legislative intent statement; to provide for a report to the legislative management; to provide for a transfer; to provide an exemption; and to provide for a legislative management study.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the information technology department for the purpose of defraying the expenses of the information technology department, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$59,359,772	$22,014,729	$81,374,501
Operating expenses	69,552,998	35,804,366	105,357,364
Capital assets	8,295,000	(4,041,883)	4,253,117
Center for distance education	9,079,116	(9,079,116)	0
Statewide longitudinal data system	4,310,561	76,584	4,387,145
Educational technology council	1,121,472	(1,121,472)	0
Edutech	9,752,767	(106,994)	9,645,773
K-12 wide area network	4,534,278	633,692	5,167,970
Geographic information system	1,147,716	1,054,913	2,202,629
Health information technology office	5,315,509	(436,363)	4,879,146
Statewide interoperable radio network	13,700,000	(1,370,000)	12,330,000
Total all funds	$186,169,189	$43,428,456	$229,597,645
Less estimated income	165,636,855	35,395,479	201,032,334
Total general fund	$20,532,334	$8,032,977	$28,565,311
Full-time equivalent positions	344.30	57.70	402.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Electronic payment processing system	$375,000	$0
Health information network expansion	43,555,133	0

Statewide interoperable network loan	15,000,000	0
Cybersecurity	0	15,400,000
Statewide land parcel project	0	1,150,000
Total all funds	$58,930,133	$16,550,000
Less estimated income	58,930,133	5,150,000
Total general fund	$0	$11,400,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The information technology department shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. EXCEPTION - LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall make transfers of funds between line items in section 1 of this Act for the information technology department as may be requested by the chief information officer as determined necessary for the development and implementation of information technology projects. The department shall notify the legislative council of any transfers made pursuant to this section.

SECTION 4. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - INFORMATION TECHNOLOGY INITIATIVES. The estimated income line item in section 1 of this Act includes the sum of $5,150,000 from the strategic investment and improvements fund for information technology initiatives, of which $4,000,000 is for cybersecurity operating expenses and $1,150,000 is for a geographic information system statewide land parcel project.

SECTION 5. EXEMPTION. The sum of $43,555,133 of federal and other funds appropriated to the information technology department for the development of the health information network and care coordination project in chapter 46 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the health information network and care coordination project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. LEGISLATIVE MANAGEMENT STUDY - ACCESS TO LANDS.

1. During the 2019-20 interim, the legislative management shall study access to public and private lands for hunting, trapping, fishing, and related issues, including trespass violations and penalties, and provide recommendations regarding a land access database with the capability of electronic posting. At the direction of the legislative management, before August 1, 2020, the information technology department and game and fish department shall establish a trial electronic posting and hunter access information system in up to three counties. The information technology department and game and fish department may contract with a third party to assist with the electronic posting and hunter access information system development and operation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

2. The legislative management shall appoint a committee for this study as follows:

a. The voting members of the committee, who must be appointed by the legislative management, are:

(1) Two members representing agriculture landowners;

(2) Two members representing sportsmen organizations; and

(3) Five members of the legislative assembly, including:

(a) One member of the majority party in the house of representatives;

(b) One member of the minority party in the house of representatives;

(c) One member of the majority party in the senate;

(d) One member of the minority party in the senate; and

(e) One member from either party in either chamber to serve as the committee chairman.

b. The nonvoting members of the committee are:

(1) A representative of the North Dakota association of counties;

(2) The agriculture commissioner or the commissioner's designee;

(3) The director of the game and fish department or the director's designee;

(4) The chief information officer or the officer's designee; and

(5) A representative of the North Dakota state's attorneys' association.

3. A member of the committee who is not a state employee is entitled to reimbursement for mileage and expenses as provided by law for state officers and employees, to be paid by the legislative council. A state employee who is a member of the committee is entitled to receive that employee's regular salary and is entitled to reimbursement for mileage and expenses to be paid by the employing agency. A member of the committee who is a member of the legislative assembly is entitled to receive per diem compensation at the rate provided under section 54-35-10 for each day performing official duties of the committee. The legislative council shall pay the per diem compensation and reimbursement for travel and expenses as provided by law for any member of the committee who is a member of the legislative assembly.

SECTION 7. LEGISLATIVE MANAGEMENT STUDY - INFORMATION TECHNOLOGY UNIFICATION INITIATIVE. During the 2019-20 interim, the legislative management shall study the information technology department's transition to the run-grow-transform model and the information technology unification initiative. The study must include a review of changes in fees, services, operations, processes, and systems. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 8. LEGISLATIVE INTENT - INFORMATION TECHNOLOGY UNIFICATION INITIATIVE - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. It is the intent of the sixty-sixth legislative assembly that the information technology department provide direction to the executive branch agencies in the governor's cabinet not included in the information technology unification initiative pilot project regarding information technology strategic planning and operations. It is further the intent of the sixty-sixth legislative assembly that the sixty-seventh legislative assembly implement the findings and recommendations resulting from the information technology unification initiative pilot project.

SECTION 9. INFORMATION TECHNOLOGY DEPARTMENT REVIEW - REPORT TO LEGISLATIVE MANAGEMENT. During the 2019-20 interim, the information technology department shall conduct a review of service rates charged to state agencies, including rate structure and agency billing. The information technology department shall report the results of its review to the legislative management by September 1, 2020.

SECTION 10. LEGISLATIVE MANAGEMENT STUDY - STATEWIDE INTEROPERABLE RADIO NETWORK. During the 2019-20 interim, the legislative management shall study consolidated emergency and interoperable public safety communications system governance and funding options. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

[4] **SECTION 11. AMENDMENT.** Section 37-17.3-02.2 of the North Dakota Century Code is amended and reenacted as follows:

37-17.3-02.2. North Dakota statewide interoperability executive committee. (Effective through July 31, 2023)

1. The statewide interoperability executive committee consists of:

   a. The director of state radio or a designee;

   b. The director of the division of homeland security or a designee;

   c. The superintendent of the highway patrol or a designee;

   d. The adjutant general or a designee;

   e. The director of the department of transportation or a designee;

   f. A representative of the North Dakota sheriff's and deputies association;

   g. A representative of the North Dakota emergency managers association;

   h. A representative of the North Dakota fire chiefs association;

   i. A representative of the North Dakota emergency medical services association;

   j. A representative of the North Dakota police chiefs association;

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[4] Section 37-17.3-02.2 was also amended by section 2 of House Bill No. 1435, chapter 293.

k. A representative of the North Dakota peace officers association;

l. A representative of the North Dakota 911 association;

m. A representative of the North Dakota association of counties;

n. A representative of the North Dakota league of cities;

o. The North Dakota chief information officer or a designee;

~~n.~~p. The North Dakota Indian affairs commission executive director or a designee; ~~and~~

~~o.~~q. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management;

r. The director of the game and fish department or a designee; and

s. The state health officer or a designee.

2. The committee shall elect a chairman and vice chairman for terms of two years upon its initial meeting. ~~The adjutant general shall call and convene the initial meeting.~~

3. The committee shall prepare recommendations regarding a statewide ~~integrated~~interoperable radio ~~system~~network with due consideration for all stakeholders reliant upon ~~a~~the statewide interoperable radio ~~communication system~~network.

4. The committee may adopt rules governing the connection or integration of public safety answering points to the statewide interoperable radio network.

North Dakota statewide interoperability executive committee. (Effective after July 31, 2023)

1. The statewide interoperability executive committee consists of:

a. The director of state radio or a designee;

b. The director of the division of homeland security or a designee;

c. The superintendent of the highway patrol or a designee;

d. The adjutant general or a designee;

e. The director of the department of transportation or a designee;

f. A representative of the North Dakota sheriff's and deputies association;

g. A representative of the North Dakota emergency managers association;

h. A representative of the North Dakota fire chiefs association;

i. A representative of the North Dakota emergency medical services association;

j. A representative of the North Dakota police chiefs association;

k. A representative of the North Dakota peace officers association;

l. A representative of the North Dakota 911 association; ~~and~~

m. A representative of the North Dakota association of counties;

n. A representative of the North Dakota league of cities;

o. The North Dakota chief information officer or a designee;

p. The executive director of the North Dakota Indian affairs commission or a designee;

q. One member of the North Dakota house of representatives and one member of the North Dakota senate appointed by the legislative management;

r. The director of the game and fish department or a designee; and

s. The state health officer or a designee.

2. The committee shall elect a chairman and vice chairman for terms of two years upon its initial meeting. ~~The adjutant general shall call and convene the initial meeting.~~

3. The committee shall prepare recommendations regarding a statewide ~~integrated~~interoperable radio ~~system~~network with due consideration for all stakeholders reliant upon ~~a~~the statewide interoperable radio ~~communication system~~network.

4. The committee may adopt rules governing the connection or integration of public safety answering points to the statewide interoperable radio network.

[5] **SECTION 12. AMENDMENT.** Section 37-17.3-03 of the North Dakota Century Code is amended and reenacted as follows:

37-17.3-03. Political subdivisions may furnish receiving and transmitting sets for enforcement purposes.

1. Each county and organized city within the state may furnish to its law enforcement, firefighters, and emergency medical personnel the appropriate ~~radio or radio systems~~personal and vehicular radios that can access the ~~state~~statewide interoperable radio ~~system~~network. Each ~~mobile~~ radio that is programmed to access the ~~state~~statewide interoperable radio ~~system~~network must be ~~registered with the division of state radio and assigned a unit number. A one-time fee of ten dollars for registering and assigning unit numbers must be paid to the director on all newly added radios by the appropriate governmental entity~~approved by the statewide interoperability executive committee. ~~Agencies with registered radios must validate assigned unit numbers annually~~The chief information officer shall establish a process to register and audit users of the statewide interoperable radio network.

[5] Section 37-17.3-03 was also amended by section 3 of House Bill No. 1435, chapter 293.

2. The information technology department may provide a state cost-share for each radio purchased under this section. The state cost-share for each radio is one thousand five hundred dollars unless the cost of the radio is less than one thousand five hundred dollars in which case the state cost-share is the cost of the radio.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 22

HOUSE BILL NO. 1022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the commission on legal counsel for indigents.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the commission on legal counsel for indigents for the purpose of defraying the expenses of the commission on legal counsel for indigents, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Commission on legal counsel for indigents	$19,903,623	$471,039	$20,374,662
Total all funds	$19,903,623	$471,039	$20,374,662
Less estimated income	1,919,747	70,288	1,990,035
Total general fund	$17,983,876	$400,751	$18,384,627
Full-time equivalent positions	40.00	0.00	40.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

One-Time Funding Description	2017-19	2019-21
Pipeline protest trial costs	$1,027,000	$0
Total other funds	$1,027,000	$0

SECTION 3. SALARY EQUITY FUNDING. The estimated income line item in section 1 of this Act includes $60,000 that may be used only to provide salary equity funding for attorney positions located in Williams County.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 23

HOUSE BILL NO. 1023

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the North Dakota racing commission.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the North Dakota racing commission for the purpose of defraying the expenses of the North Dakota racing commission, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Racing commission	$542,178	$22,859	$565,037
Total all funds	$542,178	$22,859	$565,037
Less estimated income	162,557	3,408	165,965
Total general fund	$379,621	$19,451	$399,072
Full-time equivalent positions	2.00	0.00	2.00

Approved April 22, 2019

Filed April 23, 2019

CHAPTER 24

HOUSE BILL NO. 1024

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of environmental quality; to create and enact a new section to chapter 23.1-12 and chapter 23.1-16 of the North Dakota Century Code, relating to boiler inspections and the petroleum tank release compensation fund; to amend and reenact sections 23.1-12-02, 23.1-12-04, 23.1-12-05, 23.1-12-06, 23.1-12-10, 23.1-12-11, 23.1-12-14, 23.1-12-15, 23.1-12-17, 23.1-12-18, 23.1-12-19, 23.1-12-20, 23.1-12-23, 23.1-12-24, 23.1-12-25, 23.1-12-26, 23.1-12-27, 23.1-12-28, 23.1-12-29, 23.1-12-30, and 23.1-16-13 of the North Dakota Century Code, relating to the duties of the department of environmental quality; to repeal chapter 26.1-22.1 of the North Dakota Century Code, relating to boiler inspections; to provide for a report; to provide an effective date; and to provide a contingent expiration date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of environmental quality for the purpose of defraying the expenses of the department of environmental quality, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$27,040,544	$3,546,814	$30,587,358
Operating expenses	8,005,878	1,996,302	10,002,180
Capital assets	1,258,249	1,005,180	2,263,429
Grants	13,407,000	2,454,529	15,861,529
Total all funds	$49,711,671	$9,002,825	$58,714,496
Less estimated income	38,987,520	7,246,054	46,233,574
Total general fund	$10,724,151	$1,756,771	$12,480,922
Full-time equivalent positions	152.50	13.00	165.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Environmental protection agency lawsuit	$500,000	$0
Air pollution program equipment	0	1,040,000
Total estimated income	$500,000	$1,040,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of environmental quality shall report to the appropriations committees of the sixty-seventh legislative assembly on

the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item included in section 1 of this Act includes $250,000, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the environment and rangeland protection fund, for the biennium beginning July 1, 2019, and ending June 30, 2021. This amount includes $50,000 for a grant to the North Dakota stockmen's association environmental services program.

SECTION 4. STATE FIRE AND TORNADO FUND. The estimated income line item included in section 1 of this Act includes $882,249, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the state fire and tornado fund for the boiler inspection program, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. ESTIMATED INCOME - PETROLEUM RELEASE COMPENSATION FUND. The estimated income line item included in section 1 of this Act includes $297,217, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the petroleum release compensation fund for expenses related to the petroleum tank release program, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - ONE-TIME FUNDING - FEDERAL PROGRAM SUPREMACY. The estimated income line item included in section 1 of this Act includes $1,040,000, or so much of the sum as may be necessary, to be made available to the department of environmental quality from the strategic investment and improvements fund for one-time funding of air pollution program equipment related to the establishment of federal program supremacy, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. FUNDING - FEDERAL PROGRAM SUPREMACY. The amount of $1,056,767 from the general fund and eight full-time equivalent positions, related to the state assuming primacy over the quad O and quad Oa federal air pollution programs, included in section 1 of this Act are effective July 1, 2020.

SECTION 8. AMENDMENT. Section 23.1-12-02 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-02. Definitions. (Contingent effective date - See note)

As used in this chapter, unless the context otherwise requires:

1. "Actually incurred" means, in the case of corrective action expenditures, the owner, operator, landowner, an insurer, or a contractor hired by the owner, operator, or the landlord has expended time and materials, and only that person is receiving reimbursement from the fund.

2. ~~"Administrator" means the manager of the state fire and tornado fund.~~

~~3.~~ "Board" means the petroleum release compensation board.

~~4.~~ ~~"Commissioner" means the insurance commissioner.~~

~~5.~~3. "Corrective action" means an action required by the department to minimize, contain, eliminate, remediate, mitigate, or clean up a release, including any

remedial emergency measures. The term does not include the repair or replacement of equipment or preconstructed property.

~~6.~~4. "Dealer" means a person licensed by the tax commissioner to sell motor vehicle fuel or special fuels within the state.

~~7.~~5. "Department" means the department of environmental quality.

~~8.~~6. "Fund" means the petroleum release compensation fund.

~~9.~~7. "Location" means a physical address or site that has contiguous properties. Noncontiguous properties within a municipality or other governmental jurisdiction are considered separate locations.

~~10.~~8. "Operator" means a person in control of, or having responsibility for, the daily operation of a tank under this chapter.

~~11.~~9. "Owner" means a person who holds title to, controls, or possesses an interest in the tank before the discontinuation of its use.

~~12.~~10. "Petroleum" means any of the following:

a. Gasoline and petroleum products as defined in chapter 23.1-13.

b. Constituents of gasoline and fuel oil under subdivision a.

c. Oil sludge and oil refuse.

~~13.~~11. "Portable tank" means a storage tank along with its piping and wiring that is not stationary or affixed, including a tank that is on skids.

~~14.~~12. "Release" means any unintentional spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum from a tank into the environment whether occurring before or after the effective date of this chapter, but does not include discharges or designed venting allowed under federal or state law or under adopted rules.

~~15.~~13. "Tank" means any one or a combination of containers, vessels, and enclosures, whether aboveground or underground, including associated piping or appurtenances used to contain an accumulation of petroleum. The term does not include:

a. Tanks owned by the federal government.

b. Tanks used for the transportation of petroleum.

c. A pipeline facility, including gathering lines:

(1) Regulated under the Natural Gas Pipeline Safety Act of 1968.

(2) Regulated under the Hazardous Liquid Pipeline Safety Act of 1979.

(3) Regulated under state laws comparable to the provisions of law in paragraph 1 or 2, if the facility is an interstate pipeline facility.

d. An underground farm or residential tank with a capacity of one thousand one hundred gallons [4163.94 liters] or less or an aboveground farm or residential tank of any capacity used for storing motor fuel for noncommercial purposes. However, the owner of an aboveground farm or residential tank may, upon application, register the tank and be eligible for reimbursement under this chapter.

e. A tank used for storing heating oil for consumptive use on the premises where stored.

f. A surface impoundment, pit, pond, or lagoon.

g. A flowthrough process tank.

h. A liquid trap or associated gathering lines directly related to oil or gas production or gathering operations.

i. A storage tank situated in an underground area such as a basement, cellar, mine working, drift, shaft, or tunnel, if the storage tank is situated upon or above the surface of the floor.

j. A tank used for the storage of propane.

k. A tank used to fuel rail locomotives or surface coal mining equipment.

l. An aboveground tank used to feed diesel fuel generators. Upon application, the owner or operator of an aboveground tank used to feed diesel fuel generators may register the tank and is eligible for reimbursement under this chapter.

m. A portable tank.

n. A tank with a capacity under one thousand three hundred twenty gallons [4996.728 liters] used to store lubricating oil.

~~16.~~14. "Tank integrity test" means a test to determine that a tank is sound and not leaking. For an underground tank, the term means a certified third-party test that meets environmental protection agency leak detection requirements. For an aboveground tank, the term means a test conducted according to steel tank institute SP 001 or American petroleum institute 653.

~~17.~~15. "Third party" means a person who is damaged by the act of a registered owner, operator, or dealer requiring corrective action, or a person who suffers bodily injury or property damage caused by a petroleum release.

SECTION 9. AMENDMENT. Section 23.1-12-04 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-04. Administration of fund - Staff. (Contingent effective date - See note)

The ~~administrator~~department shall administer the fund according to this chapter. The ~~administrator~~department shall convene the board as may be necessary to keep the board apprised of the fund's general operations. However, the board shall meet at least once each half of each calendar year to review and to advise the ~~administrator~~department regarding the administration of the fund, the fund's general

operations, and to hear and decide denials of claims by the ~~administrator~~department which may be appealed to the board, and to discuss all claims against the fund. The ~~administrator~~department may employ any assistance and staff necessary to administer the fund within the limits of legislative appropriation. A claimant aggrieved by a decision of the ~~administrator~~department regarding a claim upon the fund may appeal the decision to the board. The board may sustain, modify, or reverse the decision of the ~~administrator~~department. The claimant or the ~~administrator~~department may appeal the board's decision ~~to the commissioner. The decision of the commissioner may be appealed~~ under chapter 28-32.

SECTION 10. AMENDMENT. Section 23.1-12-05 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-05. Adoption of rules. (Contingent effective date - See note)

The ~~administrator~~department shall adopt rules regarding the practices and procedures of the fund, the form and procedure for applications for compensation from the fund, procedures for investigation of claims, procedures for determining the amount and type of costs that are eligible for reimbursement from the fund, procedures for persons to perform services for the fund, procedures for appeals to the board by claimants aggrieved by an adverse decision of the ~~administrator~~department, and any other rules as may be appropriate to administer this chapter.

SECTION 11. AMENDMENT. Section 23.1-12-06 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-06. Release discovery. (Contingent effective date - See note)

If the department has reason to believe a release has occurred, it ~~shall notify the administrator. The department~~ shall direct the owner or operator to take reasonable and necessary corrective actions as provided under federal or state law or under adopted rules.

SECTION 12. AMENDMENT. Section 23.1-12-10 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-10. Providing of information. (Contingent effective date - See note)

A person ~~the administrator or~~ the department has reason to believe is an owner or operator, the owner of real property where corrective action is ordered to be taken, or a person that may have information concerning a release shall, if requested by ~~the administrator or~~ the department, or any member, employee, or agent of ~~the administrator or~~ the department, furnish to the ~~administrator or the~~ department any information that person has or may reasonably obtain which is relevant to the release.

SECTION 13. AMENDMENT. Section 23.1-12-11 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-11. Examination of records. (Contingent effective date - See note)

Any employee of the ~~administrator or the~~ department may, upon presentation of official credentials:

1. Examine and copy books, papers, records, memoranda, or data of any person that has a duty to provide information to the ~~administrator or the~~ department under section 23.1-12-10; and

2. Enter upon public or private property to take action authorized by this section, including obtaining information from a person that has a duty to provide the information under section 23.1-12-10, conducting surveys and investigations, and taking corrective action.

SECTION 14. AMENDMENT. Section 23.1-12-14 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-14. Other remedies. (Contingent effective date - See note)

This chapter does not limit the powers of the ~~administrator or~~ department, or preclude the pursuit of any other administrative, civil, injunctive, or criminal remedies by the ~~administrator or~~ department or any other person. Administrative remedies need not be exhausted to proceed under this chapter. The remedies provided by this chapter are in addition to those provided under existing statutory or common law.

SECTION 15. AMENDMENT. Section 23.1-12-15 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-15. Revenue to the fund. (Contingent effective date - See note)

Revenue from the following sources must be deposited in the state treasury and credited to the fund:

1. Any ~~registration~~ fees collected under section 23.1-12-17;

2. Any money recovered by the fund under section 23.1-12-23, and any money paid under an agreement, stipulation, or settlement;

3. Any interest attributable to investment of money in the fund; and

4. Any money received by the ~~administrator~~department in the form of gifts, grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund.

SECTION 16. AMENDMENT. Section 23.1-12-17 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-17. Registration fee. (Contingent effective date - See note)

1. ~~An owner or operator of a tank shall pay an annual registration fee of fifty dollars for each aboveground or underground tank owned or operated by that person. If after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is less than six million dollars, the annual registration fee of fifty dollars is increased to one hundred dollars. If after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is five million five hundred thousand dollars or more and the annual registration fee has been increased to one hundred dollars, the fee must be reduced to fifty dollars. If after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance exceeds nine million dollars, the annual registration fee is reduced to five dollars. Annual registration fees must continue at five dollars until the fund balance does not exceed nine million dollars.~~Upon the recommendation and approval of the petroleum tank release compensation fund board, the department shall classify tanks with respect to degree of hazard, determine the risks of each classification, and fix the registration fee for each classification at a rate sufficient to provide for:

a. The payment of the expenses of administration of the fund;

b. The reimbursement for corrective action provided under this chapter; and

c. The maintenance by the fund of adequate reserves and surplus so the fund may be kept solvent at all times.

2. The department shall establish the schedule of registration fees by rules adopted in accordance with chapter 28-32.

~~2.~~3. An owner or operator of an existing tank that is discovered at a location that currently and previously has had tanks registered with the fund shall pay an additional twenty-five dollar penalty fee in addition to the registration fee for each aboveground tank and each underground tank owned or operated by that person for each previous year that the tank was required to be registered for which a fee was not paid. The payment includes the fees and the penalty for the failure to register.

~~3.~~4. An owner or operator of an existing tank at a location that was not previously and continuously registered with the fund, whether the registration was required by law or not must provide the fund with a phase two environmental study conducted by a qualified firm according to American society for testing materials standards. A tank integrity test must also be performed. The environmental study and tank integrity test must be reviewed by the ~~commissioner~~department along with the application for registration with the fund. If the ~~commissioner~~department rejects the application, the applicant is denied eligibility to the fund. However, if the site is remediated and the leaking tank is replaced, the applicant may reapply for registration with the fund. A new installation that is using a used tank must provide tank integrity test results for the used tank. Use of a synthetic liner in an aboveground dike system negates the need for a tank integrity test. The owner or operator of a new tank at a new site or a new tank at an existing site that had a tank registered at the site previously need only pay the required fees for registration with the fund.

~~4.~~5. If accepted for registration with the fund, the owner or operator of the tank shall pay an additional twenty-five dollar penalty fee in addition to the registration fee for each aboveground tank and underground tank owned or operated by that person for each previous year that the tank was required to be registered for which a fee was not paid, regardless of ownership in each of those years. The payment includes the fees and the penalty for the failure to register.

~~5.~~6. The registration fees collected under this section must be paid to the ~~fund administrator~~department for deposit in the state treasury for the dedicated credit to the petroleum release compensation fund.

~~6.~~7. If a registration payment is not received within sixty days of July first by the ~~commissioner~~department, a late fee of twenty-five dollars per tank per month must be imposed on the tank owner or operator.

SECTION 17. A new section to chapter 23.1-12 of the North Dakota Century Code is created and enacted as follows:

Registration fees before adoption of rules.

Until the department adopts rules establishing a schedule of registration fees under section 23.1-12-17, registration fees must comply with this section. An owner or operator of a tank shall pay an annual registration fee of fifty dollars for each aboveground or underground tank owned or operated by the person. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is less than six million dollars, the annual registration fee of fifty dollars is increased to one hundred dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance is five million five hundred thousand dollars or more and the annual registration fee has been increased to one hundred dollars, the fee must be reduced to fifty dollars. If, after the fiscal year has been closed and all expenses relating to the fiscal year have been accounted for, the fund balance exceeds nine million dollars, the annual registration fee is reduced to five dollars. Annual registration fees must continue at five dollars until the fund balance does not exceed nine million dollars.

SECTION 18. AMENDMENT. Section 23.1-12-18 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-18. Reimbursement for corrective action. (Contingent effective date - See note)

1. The ~~administrator~~department shall reimburse an eligible owner or operator for ninety percent of the costs of corrective action, including the investigation, which are greater than five thousand dollars and less than one million dollars per occurrence and two million dollars in the aggregate. An eligible tank owner or operator may not be liable for more than twenty thousand dollars out-of-pocket expenses for any one release. A reimbursement may not be made unless the ~~administrator~~department determines that:

    a. At the time the release was discovered the owner or operator and the tank were in compliance with state and federal rules and rules applicable to the tank, including rules relating to financial responsibility, rules relating to infrastructure compatibility, and all rules relating to health and safety which were in effect at the time of the release;

    b. The department was given notice of the release as required by federal and state law;

    c. The owner or operator has paid the first five thousand dollars of the cost of corrective action; and

    d. The owner or operator, to the extent possible, fully cooperated with the department ~~and the administrator~~ in responding to the release.

2. The fund shall compensate third parties for corrective action taken for a petroleum release if the provisions of subdivisions a, b, c, and d of subsection 1 were met at the time the release was discovered. Compensation for third-party corrective action includes compensation for costs incurred in returning the real estate to that level deemed duly remediated by the department.

3. The fund shall reimburse the tank owner, operator, or dealer for bodily injuries to a third party caused by a petroleum release if the provisions of subdivisions a, b, c, and d of subsection 1 were met at the time the release was discovered in an amount determined by:

a. Findings reduced to judgment in federal or state district court or such other court having jurisdiction over the matter in a proceeding in which the fund has been made a party;

b. Findings by an arbitration panel agreed upon in writing by the parties in a proceeding in which the fund has been made a party; or

c. A written settlement entered into by the parties in which the ~~commissioner~~director of the department or the ~~commissioner's~~department's agent has participated. The settlement must be reviewed and approved by the ~~commissioner~~director of the department.

4. In any civil action against the owner, operator, or dealer for damages resulting from a petroleum release, if the pre-leak condition of real estate is an issue, and if there is no reasonable means of determining the pre-leak condition of real estate, the condition is that which exists at the time the department determines the real estate has been duly remediated.

5. The fund may not compensate for attorney's fees of owners, operators, or dealers, nor may the fund compensate for exemplary damages, criminal fines, or administrative penalties.

6. A third party accepting monetary compensation directly from the fund for damages due to a release caused by a tank owner, operator, or dealer covered by the fund is deemed to have waived any cause of action against the fund or against the tank owner, operator, or dealer.

7. The fund shall reimburse the department for all costs, attorney's fees, and other legal expenses relating to administrative and adjudicative proceedings under this chapter and any subsequent legal proceeding. Any moneys reimbursed must be deposited in the department's operating fund in the state treasury and must be spent subject to appropriation by the legislative assembly.

SECTION 19. AMENDMENT. Section 23.1-12-19 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-19. Application for reimbursement. (Contingent effective date - See note)

An owner or operator that is a first-party claimant and that proposes to take corrective action or has undertaken corrective action in response to a release, the time of the release being unknown, may apply to the ~~administrator~~department for partial or full reimbursement under section 23.1-12-18. An owner or operator who is a first-party claimant may be reimbursed only for costs incurred after July 1, 1989, even if the releases were discovered before July 1, 1989, up to the maximum of twenty-five thousand dollars per location.

SECTION 20. AMENDMENT. Section 23.1-12-20 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-20. ~~Administrator~~Department to determine costs. (Contingent effective date - See note)

A reimbursement for corrective actions taken by an owner, operator, or dealer may not be made from the fund until the ~~administrator~~department has determined that

the costs for which reimbursement is requested were actually incurred and were reasonable. All necessary loss adjustment expenses must be included as a component of the loss and must be paid out of the fund.

SECTION 21. AMENDMENT. Section 23.1-12-23 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-23. Recovery of expenses. (Contingent effective date - See note)

Any reasonable and necessary expenses incurred by the fund, which exceed the coverage limits provided by section 23.1-12-18, in taking a corrective action, including costs of investigating a release, and in taking legal actions, may be recovered in a civil action in district court brought by the ~~administrator~~department against an owner or operator. The certification of expenses by an approved agent of the fund is prima facie evidence that the expenses are reasonable and necessary. Any expenses that are recovered under this section must be deposited in the fund.

SECTION 22. AMENDMENT. Section 23.1-12-24 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-24. Costs exceeding reimbursement. (Contingent effective date - See note)

If the cost of any extraordinary authorized action under this chapter exceeds amounts awarded to the ~~administrator or the~~ department from the federal government, ~~the administrator may pay~~ the department ~~the cost of the~~may pay the department's corrective actions costs, including the cost of investigating a release, if the board finds that the cause was a petroleum substance, that an adequate amount exists in the fund to pay for the corrective action, that the occurrence was extraordinary in scope and size, and that a danger to the health and safety of citizens exists.

SECTION 23. AMENDMENT. Section 23.1-12-25 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-25. Coordination of benefits. (Contingent effective date - See note)

If an owner or operator has an insurance policy that provides the same coverage as the fund, the ~~administrator of the fund~~department shall pay the share of the covered loss or damage for which the fund is responsible. The share that must be paid from the fund is equal to the proportion that the applicable limit of coverage under the fund bears to the limits of insurance of all insurance coverage on the same basis.

SECTION 24. AMENDMENT. Section 23.1-12-26 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-26. Third-party damages - Participation in actions and review of settlements. (Contingent effective date - See note)

1. An owner or operator sued for damages resulting from a release shall notify the ~~administrator~~department within fourteen days of being served with a summons and complaint. The owner or operator also shall advise the ~~administrator~~department if any insurer is defending the owner or operator and provide to the ~~administrator~~department the name of that insurer.

2. An owner or operator that, before litigation, enters negotiations with a third party that claims to have been damaged by a release, or that receives a demand for payment of damages to a third party that claims to have been damaged by a release, shall notify the ~~administrator~~department within fourteen days of the demand or the negotiations.

3. The ~~administrator~~department and the board shall review the conduct of any litigation or negotiation. The ~~administrator~~department may not assume any legal costs incurred by the defendant or plaintiff, but may participate in discovery, trial proceedings, or settlement negotiations of either disputed liability or damages that bear on the determination of a plaintiff's damages.

4. The ~~administrator~~department and the board shall review any settlement negotiations to determine the dollar amount of bodily injury or property damage actually, necessarily, and reasonably incurred by third parties which, if paid by the defendant, would be considered eligible costs.

SECTION 25. AMENDMENT. Section 23.1-12-27 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-27. Third-party damages - Documentation. (Contingent effective date - See note)

1. An applicant's payments for third-party damages pursuant to a judgment entered in a court must include copies of the notice of entry of judgment and abstract of costs.

2. An applicant's payments for third-party damages made by agreement in settlement of litigation must include copies of the settlement agreement and supporting documents required by the ~~administrator~~department.

3. An applicant's payments for third-party damages made by agreement without reference to litigation must include copies of the settlement and supporting documents required by the ~~administrator~~department.

4. The ~~administrator~~department and the board may require a third party who claims bodily injury to be examined by a physician and require that the physician's report to be submitted to the ~~administrator~~department. The ~~administrator~~department may require a third party that claims property damage to permit a property appraiser or claims adjuster retained by the ~~administrator~~department to inspect the property and report to the ~~administrator~~department.

5. The fund shall pay a judgment against an owner, operator, or dealer awarded to a third party as a result of a third-party claim and property damage against an owner, operator, or dealer registered by the fund.

6. The fund shall pay for corrective action as awarded to a third party in any judgment against an owner, operator, or dealer.

7. Liability of the tank owner, operator, dealer, or fund to third parties for corrective action or personal injuries and property damage may not exceed, per person, one million dollars. Maximum liability of the fund, including all claims by third parties, may not exceed, for any release site, the maximum provided in section 23.1-12-18.

8. A third party may not bring an action against an owner, operator, or dealer more than three years after a corrective action plan has been approved by the department if the owner, operator, or dealer fully implements and complies with the corrective action plan.

9. In investigating a release site or reviewing the implementation of a corrective action plan approved by the department, the department shall determine whether the release threatens public health or the environment. The department shall require, based on science and technology appropriate for the site, any monitoring, remediation, or other appropriate corrective action that is reasonably necessary to protect public health or the environment. The department may require corrective action at a release site at any time after a release occurs.

SECTION 26. AMENDMENT. Section 23.1-12-28 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-28. Matching federal funds. (Contingent effective date - See note)

The ~~administrator~~department and the board may annually allow the department a ten percent matching grant for federal leaking underground storage tank funds to be paid out of the fund if the moneys are available and the ~~administrator~~department and the board determine the allowance appropriate.

SECTION 27. AMENDMENT. Section 23.1-12-29 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-29. Fund appropriations. (Contingent effective date - See note)

Money in the fund is continuously appropriated to the ~~administrator~~department for the purpose of making reimbursements under this chapter.

SECTION 28. AMENDMENT. Section 23.1-12-30 of the North Dakota Century Code is amended and reenacted as follows:

23.1-12-30. Investment of fund. (Contingent effective date - See note)

Investment of the fund is under the supervision of the state investment board in accordance with chapter 21-10. The ~~commissioner~~department may purchase a contract for reinsurance of any risk to be paid by the fund. The ~~administrator~~department may investigate the purchase of insurance that reimburses an owner or operator for property damage claims by third parties other than claims for costs of corrective action.

SECTION 29. Chapter 23.1-16 of the North Dakota Century Code is created and enacted as follows:

23.1-16-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Boiler" means a closed vessel in which water is heated, steam is generated, steam is superheated, or any combination thereof, under pressure or vacuum for use externally to the boiler by the direct application of heat from the combustion of fuels, or from electricity or nuclear energy. The term includes fired units for vaporizing liquids other than water when these units are separate from processing systems and are complete within themselves.

2. "Department" means the department of environmental quality.

23.1-16-02. Chief boiler inspector, deputy inspectors - Appointment - Jurisdiction.

The department shall employ a chief boiler inspector and deputy inspectors. The chief boiler inspector has jurisdiction over all boilers in this state except as otherwise provided.

23.1-16-03. Qualifications of chief boiler inspector - Deputy inspectors.

1. An individual is not eligible to the office of chief boiler inspector unless that individual:

   a. Has had at the time of the appointment at least five years' experience in the construction, inspection, operation, maintenance, or repair of high-pressure boilers and pressure vessels as a mechanical engineer, boilermaker, steam operating engineer, or boiler inspector. An applicant possessing a mechanical engineering degree from an accredited school may substitute that degree for two years of the five years' experience, at the discretion of the department.

   b. Holds a commission issued by the national board of boiler and pressure vessel inspectors or obtains the commission within one year after the date of appointment by the department.

   c. Is not directly or indirectly interested in the manufacture or sale of boilers or steam machinery or articles used in the construction or maintenance of engines or boilers.

2. The department shall establish qualifications for a deputy inspector which are not inconsistent with the requirements of the position.

23.1-16-04. Powers and duties of chief boiler inspector.

1. The chief boiler inspector shall:

   a. Keep a complete record of the type, dimensions, maximum allowable working pressure, age, condition, location, and date of the last-recorded internal and external inspection of boilers to which this chapter applies.

   b. Cooperate and assist in loss prevention programs sponsored by the department.

2. The chief boiler inspector may delegate powers and duties to any deputy inspector or special inspector.

23.1-16-05. General requirement.

Every boiler in this state must be constructed, installed, and maintained according to rules adopted to implement this chapter.

23.1-16-06. Exempt boilers - Inspection of exempt boilers.

This chapter does not apply to:

1. Any boiler subject to federal inspection or under federal control.

2. Any boiler located on a farm and used solely for agricultural purposes.

3. Any heating boiler located in a private residence or in an apartment house of less than six family units.

4. Any hot water supply boiler not exceeding the following limitations:

   a. Input of two hundred thousand British thermal units per hour.

   b. Pressure of one hundred sixty pounds per square inch [1103.16 kilopascals] gauge.

   c. Temperature of two hundred fifty degrees Fahrenheit [121.11 degrees Celsius].

5. Any portable steam cleaner commonly used in a garage.

6. Any boiler of a miniature model locomotive, boat, tractor, or stationary engine design constructed as a hobby, not for commercial use, having an inside diameter not exceeding ten inches [25.4 centimeters] and a grate area not exceeding one and one-half square feet [1393.54 square centimeters] and which is properly equipped with a safety valve, water level indicator, and pressure gauge.

7. Any electric boiler used as an integral part of an espresso coffee machine, provided that the boiler does not exceed one and one-half cubic feet [.0566 cubic meter] in water capacity, does not exceed fifty pounds per square inch [344.74 kilopascals] pressure, and is constructed, approved, or certified to the American society of mechanical engineers code or to other national or international standards.

23.1-16-07. Inspection of boilers.

1. The chief boiler inspector shall inspect each boiler used or proposed to be used within this state. The inspection must be thorough as to the construction, installation, condition, and operation as provided by the rules adopted to implement this chapter. An exempt boiler may be inspected by the chief boiler inspector when the owner, the owner's agent, or the user of the boiler makes written request for inspection to the department.

2. Each boiler of one hundred thousand pounds [45359.24 kilograms] per hour or more capacity, used or proposed to be used within this state, which has internal continuous water treatment under the direct supervision of a graduate engineer or chemist, or one having equivalent experience in the treatment of boiler water when the water treatment is for the purpose of controlling and limiting serious corrosion and other deteriorating factors, and with respect to which boiler the chief boiler inspector has determined the owner or user has complied with the prescribed recordkeeping requirements, must be inspected at least once every thirty-six months internally while not under pressure, and at least once every twelve months externally while under pressure. If a hydrostatic test is necessary to determine the safety of a boiler, the test must be conducted by the owner or user of the equipment under the supervision of the chief boiler inspector. The owner or user of a boiler of one hundred thousand pounds [45359.24 kilograms] per hour or more capacity desiring to qualify for thirty-six-month internal inspection intervals shall keep available for examination by the chief boiler inspector accurate records showing the date

and actual time the boiler is out of service and the reason for being out of service, and the results of the chemical and physical analysis of the boiler water, whether from laboratory analysis of samples taken at regular intervals of not more than forty-eight hours or from continuous online analysers, which will adequately show the condition of the water and any other elements or characteristics of the water capable of producing corrosion or other deterioration of the boiler or its parts. If an inspection discloses deficiencies in equipment or in operating procedures, inspections may be required once every twelve months.

23.1-16-08. Special inspector.

1. Upon written request of an employer, the department may appoint as a special inspector an inspector in the employ of:

   a. An insurance company authorized to insure boilers in this state against loss from explosion;

   b. A company qualified by the national board of boiler and pressure vessel inspectors as an accredited owner/user inspection organization; or

   c. A company qualified by the national board of boiler and pressure vessel inspectors as an accredited authorized inspection agency.

2. An individual may not be appointed as a special inspector unless that individual has passed the examination prescribed by the national board of boiler and pressure vessel inspectors.

3. An inspection performed by a special inspector must be performed in accordance with this chapter and a complete report of the inspection must be filed with the department in the time, manner, and form as prescribed by the department.

4. If a complete report is not filed by the special inspector's employer with the department within ninety days from the certificate due date, the chief boiler inspector may make the required inspection, unless an extension of time is granted by the chief boiler inspector. The special inspector's employer must pay the inspection fees as required by section 23.1-16-09 for a special inspection.

5. The chief boiler inspector may inspect any boiler to which a special inspection applies.

6. The department may, for cause, suspend or revoke the appointment of any special inspector.

23.1-16-09. Inspection and certificate fees.

1. Upon completion of inspection, the owner or user of a boiler shall pay to the department fees or a combination of inspection and certificate fees. The department shall determine the inspection fees. Certificate fees are determined by section 23.1-16-10. The department shall determine and annually may adjust a fee scale for the internal inspections of power boilers, internal inspections of low-pressure heating boilers, external inspections of all boilers, and inspection of boilers used exclusively for exhibition purposes.

2. Not more than two hundred dollars may be charged or collected for any one inspection of a boiler, except for special inspections made upon request. All other inspections made by the chief boiler inspector, including shop inspections and reviews and special inspections when requested by the owner or user of a boiler, must be charged at a rate not to exceed five hundred dollars per day or three hundred dollars per half day of four hours or less, plus payment for mileage, meals, and hotel expenses as allowed by sections 44-08-04 and 54-06-09, except that the mileage rate for a state-owned vehicle will be the actual amount incurred by the department.

3. The annual fee for the issuance of a reciprocal commission card for a special inspector is forty dollars and the annual fee for the issuance of a welder-qualified card is twenty dollars.

4. The fee for taking an examination for a hobby boiler operating license is twenty-five dollars and the fee for a hobby boiler operating license is twenty-five dollars.

5. A hobby boiler operating license issued under this section is valid for six years.

23.1-16-10. Certificate of inspection - Certificate to be posted.

The department shall issue a certificate of inspection for each boiler inspected upon receipt of an inspection report certifying that the boiler is in a safe condition to be operated. The department shall charge a fee of twenty dollars per year for each year that a certificate is valid, or part of a year thereof, for each certificate of inspection issued as the result of inspections authorized under sections 23.1-16-07 and 23.1-16-08. The fees are the liability of the owner or user and must be paid in accordance with rules adopted by the department. A certificate may not be issued for any boiler not in a safe condition to be operated or for a boiler for which the inspection and certificate fees have not been paid in full. A certificate is not valid for a period of more than thirty-six months for power boilers described in subsection 2 of section 23.1-16-07, and no more than twelve months for other power boilers, twelve months for steam traction engines, and thirty-six months for low-pressure boilers except that a two-month grace period may be extended for any certificate. Upon written request from a special inspector, the chief boiler inspector may issue a short-term certificate. Each certificate of inspection must be posted conspicuously under glass in the boiler room or adjacent to the boiler inspected.

23.1-16-11. Certificate of inspection required - Penalty.

A person may not operate a boiler in this state without a valid certificate of inspection. A violation of this section is a class A misdemeanor on the part of the owner, user, or operator of the boiler.

23.1-16-12. Manufacturer's data report.

The boiler manufacturer shall provide the department with a manufacturer's data report. When signed by an authorized inspector, this data sheet together with the stamp on the boiler is the record denoting the boiler has been constructed in accordance with the rules adopted to implement this chapter.

23.1-16-13. Disposition of funds.

All funds collected and received under this chapter must be paid to the state treasurer and deposited in the state fire and tornado fund to be used to defray the costs of boiler inspections.

23.1-16-14. Rules - Penalty for violation - Hearing.

1. The department shall adopt rules for the safe and proper installation, use, operation, and inspection of boilers and pressure vessels subject to this chapter.

2. The department shall adopt rules for the licensing of operators of hobby boilers used during parades, exhibitions, and threshing shows where the public is invited.

3. A fee must be charged for an operating license, for a license renewal, and for an examination conducted to determine minimum competence. Individuals operating hobby boilers within this state as of July 1, 2007, are considered acceptable for a license without additional training or examination. An individual who is not a resident of this state and who holds a boiler operator license or credential in another state or Canadian province is exempt from licensure as a hobby boiler operator in this state.

4. The department may not issue a certificate of inspection to any owner or user of a boiler who fails or refuses to comply with the rules. The department shall revoke any certificate presently in force upon evidence that the owner or user of the boiler is failing or refusing to comply with the rules.

5. Any owner or user of a boiler may request a hearing before the department within fifteen days from service of an order refusing or revoking a certificate of inspection. It is the burden of the owner or user to show cause why the certificate of inspection should not be refused or revoked. If no hearing is requested within the required period, the order of the department becomes final and is not subject to further proceedings.

SECTION 30. AMENDMENT. Section 23.1-16-13 of the North Dakota Century Code is amended and reenacted as follows:

23.1-16-13. Disposition of funds.

All funds collected and received under this chapter must be paid to the state treasurer and deposited in the ~~state fire and tornado~~department of environmental quality operating fund to be used to defray the costs of boiler inspections.

SECTION 31. REPEAL. Chapter 26.1-22.1 of the North Dakota Century Code is repealed.

SECTION 32. BOILER INSPECTION PROGRAM EVALUATION - PLAN - REPORT TO LEGISLATIVE MANAGEMENT. The department of environmental quality shall evaluate the boiler inspection program during the 2019-20 interim, develop a plan for program fees to meet program expenses, and report to the legislative management regarding the plan before June 30, 2020.

SECTION 33. EFFECTIVE DATE. Section 30 of this Act becomes effective on July 1, 2020.

SECTION 34. CONTINGENT EXPIRATION DATE. Section 17 of this Act is effective until the date the legislative council receives certification from the

department of environmental quality that rules establishing a schedule of registration fees under section 23.1-12-17 have been adopted, and after that date is ineffective.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 25

HOUSE BILL NO. 1025

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of veterans' affairs; to provide for a report; and to provide an exemption.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of veterans' affairs for the purpose of defraying the expenses of the department of veterans' affairs, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Veterans' affairs	$1,168,015	$179,614	$1,347,629
State approving agency	271,998	13,660	285,658
Grants - transportation program	1,719,520	(919,520)	800,000
Transport vans	18,600	200	18,800
Service dogs	50,000	0	50,000
Veterans' home cemetery	0	291,500	291,500
Total all funds	$3,228,133	($434,546)	$2,793,587
Less estimated income	2,091,571	(714,414)	1,377,157
Total general fund	$1,136,562	$279,868	$1,416,430
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Transport vans	$18,600	$0
Grant database enhancements	0	7,500
Temporary loan and grant position	0	140,000
Veterans' home cemetery	0	291,500
Total all funds	$18,600	$439,000
Less estimated income	0	291,500
Total general fund	$18,600	$147,500

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of veterans' affairs shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. EXEMPTION. The amount of $50,000 appropriated for the posttraumatic stress disorder service dogs program in section 1 of chapter 49 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds from this program are available for the program during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - VETERANS' HOME CEMETERY FUNDING. The estimated income line item in section 1 of this Act includes $291,500, of which $265,000 is from federal funds and $26,500 is from the Melvin Norgard memorial fund, for the purpose of repairing and maintaining the cemetery located on the veterans' home campus during the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 26

SENATE BILL NO. 2001

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the governor; to create and enact a new section to chapter 54-07 of the North Dakota Century Code, relating to the Theodore Roosevelt presidential library and museum endowment fund; to amend and reenact sections 54-07-04 and 54-08-03 of the North Dakota Century Code, relating to salary of the governor and lieutenant governor; to provide a continuing appropriation; to provide for a transfer; to authorize a loan; to provide an exemption; to provide for a report to the legislative assembly; to provide for a budget section report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the office of the governor for the purpose of defraying the expenses of the office of the governor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$3,422,574	$201,372	$3,623,946
Operating expenses	298,456	209,792	508,248
Contingencies	10,000	0	10,000
Roughrider awards	10,800	0	10,800
Governor's salary	265,928	8,184	274,112
Transition in	0	15,000	15,000
Transition out	0	50,000	50,000
Total general fund	$4,007,758	$484,348	$4,492,106
Full-time equivalent positions	18.00	0.00	18.00

SECTION 2. GOVERNOR'S OFFICE ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Transition costs	$0	$65,000
Boards and commissions project	0	139,808
Total general fund	$0	$204,808

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The governor's office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ADDITIONAL INCOME - APPROPRIATION - GOVERNOR'S OFFICE - BUDGET SECTION REPORT. In addition to the amounts appropriated in section 1 of this Act, there is appropriated to the governor's office, any additional income from federal or other funds which may become available to the governor's office, for the biennium beginning July 1, 2019, and ending June 30, 2021. Any funds received under this section must be used for the specific purpose intended for the funds or transferred to the appropriate state agency or institution. Upon the receipt of funds under this section, the governor's office shall provide a report to the budget section regarding the source, amount, and purpose of the funds received.

SECTION 4. AMENDMENT. Section 54-07-04 of the North Dakota Century Code is amended and reenacted as follows:

54-07-04. Salary of governor.

The annual salary of the governor is ~~one hundred twenty-nine thousand ninety-one~~one hundred thirty-five thousand three hundred sixty-four dollars through June 30, ~~2016~~2020, and ~~one hundred thirty-two thousand nine hundred sixty-four~~one hundred thirty-eight thousand seven hundred forty-eight dollars thereafter.

SECTION 5. A new section to chapter 54-07 of the North Dakota Century Code is created and enacted as follows:

Theodore Roosevelt presidential library and museum endowment fund - Continuing appropriation - Budget section report.

There is created in the state treasury the Theodore Roosevelt presidential library and museum endowment fund. The governor may provide for the fund to be invested under the supervision of the board of university and school lands. The interest and earnings of the fund are appropriated to the governor on a continuing basis to pay interest expenses on a loan from the Bank of North Dakota and to provide grants pursuant to this section. The governor may provide grants to a private entity subject to the following:

1. The private entity has certified to the governor the entity has received the sum of one hundred million dollars in cash donations and binding pledged donations for the construction of a presidential library and museum in North Dakota and for grants to affected entities;

2. The governor has entered an agreement with the private entity in subsection 1 which includes the following provisions:

   a. The grant funds will be spent only for operating and maintenance costs of the presidential library located in North Dakota;

   b. Any unused grant funds will be returned to the state and deposited in the general fund if the presidential library has not been constructed within the period of time specified in the agreement or if the library ceases operations;

   c. The private entity agrees to donate ten million dollars from the one hundred million dollars identified in subsection 1 to a higher education institution foundation in North Dakota for the purpose of creating an endowment to digitize documents relating to Theodore Roosevelt and for the creation of a Theodore Roosevelt conservation scholars program and related academic mission at a North Dakota higher education institution in collaboration with the private entity; and

d. The private entity agrees to donate three hundred thousand dollars to a city in North Dakota for prior costs incurred related to planning for a presidential library;

3. The governor provides a report to the budget section which includes copies of the documentation received for the certification provided in subsection 1; and

4. The governor provides a report to the budget section within thirty days of applying for the loan authorized in section 8 of this Act which includes all completed loan application documents.

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

54-08-03. Salary of lieutenant governor.

The annual salary of the lieutenant governor is ~~one hundred thousand two hundred fifteen~~one hundred five thousand two hundred eighty-five dollars through June 30, ~~2016~~2020, and ~~one hundred three thousand two hundred twenty-one~~one hundred seven thousand nine hundred seventeen dollars thereafter.

SECTION 7. APPROPRIATION - TRANSFER. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $15,000,000, or so much of the sum as may be necessary, which the director of the office of management and budget shall transfer to the Theodore Roosevelt presidential library and museum endowment fund during the period beginning with the effective date of this Act, and ending June 30, 2019. Of the funds appropriated in this section, $9,800,000 is from unexpended funds previously appropriated by the legislative assembly for grants related to the Theodore Roosevelt presidential library.

SECTION 8. LOAN AUTHORIZATION. The governor may obtain a loan from the Bank of North Dakota in an amount not to exceed $35,000,000. The term of the loan may not exceed six years and the interest rate must be set at the prevailing interest rate charged by the Bank of North Dakota to governmental entities. The governor shall repay the loan authorized in this section from funds appropriated by the legislative assembly. The governor shall deposit the proceeds of the loan in the Theodore Roosevelt presidential library and museum endowment fund.

SECTION 9. EMERGENCY. Sections 5, 7, and 8 of this Act are declared to be an emergency measure.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 27

SENATE BILL NO. 2002

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the secretary of state and public printing; to amend and reenact sections 54-09-05, 54-09-08, and 54-09-11 of the North Dakota Century Code, relating to the salary of the secretary of state, the general services operating fund, and fees charged by the secretary of state; to authorize a line item transfer during the 2017-19 biennium; to provide a report to the legislative assembly; to provide exemptions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the secretary of state for the purpose of defraying the expenses of the secretary of state and public printing, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

SECRETARY OF STATE

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$4,652,764	$325,362	$4,978,126
Operating expenses	2,711,018	298,535	3,009,553
Petition review	8,000	0	8,000
Election reform	1,192,655	11,609,092	12,801,747
Total all funds	$8,564,437	$12,232,989	$20,797,426
Less estimated income	3,044,155	12,387,486	15,431,641
Total general fund	$5,520,282	($154,497)	$5,365,785
Full-time equivalent positions	32.00	0.00	32.00

Subdivision 2.

SECRETARY OF STATE - PUBLIC PRINTING

	Base Level	Adjustments or Enhancements	Appropriation
Public printing	$288,450	($31,172)	$257,278
Total general fund	$288,450	($31,172)	$257,278

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$5,808,732	($185,669)	$5,623,063

Grand total special funds	3,044,155	12,387,486	15,431,641
Grand total all funds	$8,852,887	$12,201,817	$21,054,704

SECTION 2. ONE-TIME FUNDING - REPORT. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act.

One-Time Funding Description	2017-19	2019-21
Electronic payment processing system	$194,000	$0
Voting system and e-poll books	0	11,200,000
Total special funds	$194,000	$11,200,000

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2019-21 biennium. The secretary of state shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND - VOTING SYSTEM AND E-POLL BOOKS. The estimated income line item in section 1 of this Act includes the sum of $8,200,000 from the strategic investment and improvements fund for the statewide voting system and e-poll book project for the period beginning with the effective date of this Act, and ending June 31, 2021.

SECTION 4. EXEMPTION - LINE ITEM TRANSFER - 2017-19 BIENNIUM. Notwithstanding section 54-16-06, the secretary of state may transfer up to $140,000 of special funds from the operating expenses line item to the salaries and wages line item contained in section 1 of chapter 2 of the 2017 Session Laws.

[6] **SECTION 5. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code is amended and reenacted as follows:

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

The annual salary of the secretary of state is one hundred ~~two~~seven thousand ~~six~~eight hundred ~~eighty-nine~~eighty-five dollars through June 30, ~~2016~~2019, and one hundred ~~five~~ten thousand ~~seven~~five hundred ~~seventy~~eighty-two dollars thereafter.

SECTION 6. AMENDMENT. Section 54-09-08 of the North Dakota Century Code is amended and reenacted as follows:

54-09-08. Secretary of state's general services operating fund.

The secretary of state's general services operating fund is a special fund in the state treasury. Moneys in the fund are to be used pursuant to legislative appropriations for the provision of services under section 16.1-02-15, subsection 4 of section 41-09-94, subsection 5 of section 41-09-96, subsection 7 of section 54-09-04, and sections 10-35-33, 54-09-10, and 54-09-11. ~~At the close of each biennium, the secretary of state shall transfer any unobligated balance remaining in the fund exceeding seventy-five thousand dollars to the general fund.~~

SECTION 7. AMENDMENT. Section 54-09-11 of the North Dakota Century Code is amended and reenacted as follows:

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[6] Section 54-09-05 was also amended by section 24 of Senate Bill No. 2015, chapter 40.

54-09-11. Fees.

1. The secretary of state shall establish fees for any programming charges specifically incurred to provide information requested by persons which is related to the central indexing system and for other services provided through the computerized system.

2. A fee may not be required for furnishing information on a verbal request pursuant to subsection 3 of section 54-09-10, and the fee for furnishing a certificate under subsection 3 of section 54-09-10 is fifteen dollars.

3. ~~The secretary of state shall establish the fee for furnishing lists from the central indexing system based on actual costs to produce the lists for distribution~~For preparing a listing or compilation of any information recorded or filed in the office of the secretary of state, the secretary of state may charge a fee of forty dollars for each record requested. The secretary of state shall provide the requested information in an electronic format, unless the secretary of state agrees to a request to provide the information in a different format. If the secretary of state provides the requested information in a paper format, the secretary of state may charge an additional fee of fifty cents per page.

4. Fees collected by the secretary of state under this section, under subsection 4 of section 41-09-94, and subsection 5 of section 41-09-96, and ~~ten~~twenty dollars from each filing entered into the central indexing system must be deposited in the secretary of state's general services operating fund. Fees collected by the secretary of state under this section ~~must~~may be used for the programming and maintenance of ~~the central indexing system~~information technology systems administered by the secretary of state.

~~5. The secretary of state shall pay ten dollars to the county recorder of the county of residence for the first debtor listed on each statement filed pursuant to section 35-13-02, 35-17-04, 35-20-16, 35-30-02, 35-31-02, or 41-09-72. The payment must be made monthly from the general fund in the state treasury.~~

SECTION 8. EXEMPTION - TECHNOLOGY PROJECT. The $3,050,000 general fund appropriation for the technology project in the operating expenses line item in subdivision 1 of section 1 of chapter 36 of the 2015 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may continue and be expended during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EMERGENCY. The election reform line in section 1, section 3, and section 4 of this Act are declared to be an emergency measure.

Approved April 18, 2019

Filed April 19, 2019

CHAPTER 28

SENATE BILL NO. 2003

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the attorney general; to amend and reenact sections 31-01-16, 53-12.1-09, and 54-12-11 of the North Dakota Century Code, relating to prosecution witness fees, transfers from the lottery operating fund to the multijurisdictional drug task force grant fund, and the salary of the attorney general; to provide an exemption; to provide a statement of legislative intent; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the attorney general for the purpose of defraying the expenses of the attorney general, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$41,179,043	$4,775,938	$45,954,981
Operating expenses	15,977,281	411,365	16,388,646
Capital assets	2,742,372	429,964	3,172,336
Grants	2,440,000	1,978,440	4,418,440
Litigation fees	150,000	0	150,000
Intellectual property attorney	426,924	15,161	442,085
Medical examinations	660,000	0	660,000
North Dakota lottery	5,336,797	(145,343)	5,191,454
Arrest and return of fugitives	10,000	0	10,000
Gaming commission	7,490	(1)	7,489
Criminal justice information sharing	3,386,645	244,476	3,631,121
Law enforcement	2,901,608	80,676	2,982,284
Human trafficking victims grants	125,000	1,275,000	1,400,000
Forensic nurse examiners grants	0	250,000	250,000
Total all funds	$75,343,160	$9,315,676	$84,658,836
Less estimated income	30,647,320	8,206,920	38,854,240
Total general fund	$44,695,840	$1,108,756	$45,804,596
Full-time equivalent positions	237.00	8.00	245.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
SAVIN cost-share program	$315,000	$0
Uniform crime reporting rewrite	280,000	0
DOS-based deposit system rewrite	100,000	0

Pipeline protest law enforcement support	200,000	0
Court-ordered payments	15,872,000	0
Forensic nurse examiner grants	150,000	0
Additional income	250,000	0
SAVIN program enhancements	500,000	0
Criminal history improvement project	0	400,000
Capital assets	0	1,851,956
Undercover vehicles	0	200,000
Finger identification system replacement project	0	316,000
Charitable gaming technology system	0	400,000
Total all funds	$17,667,000	$3,167,956
Total other funds	17,567,000	2,967,956
Total general fund	$100,000	$200,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The attorney general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. EXEMPTION - ATTORNEY GENERAL REFUND FUND. Notwithstanding section 54-12-18, the attorney general may retain the balance in the attorney general refund fund which would otherwise be transferred to the general fund on June 30, 2019.

SECTION 4. AMENDMENT. Section 31-01-16 of the North Dakota Century Code is amended and reenacted as follows:

31-01-16. Compensation and mileage and travel expense of witness.

A witness in a civil or criminal case is entitled to receive:

1. A sum of twenty-five dollars for each day necessarily in attendance before the district court or before any other board or tribunal, except municipal court.

2. A sum for mileage and travel expense reimbursement equal to the reimbursement rates provided for state employees in sections 44-08-04 and 54-06-09.

In all criminal cases in district court, the attorney general shall pay prosecution witness fees and expenses, in an amount not to exceed twenty-five thousand dollars per county per biennium, and the commission on legal counsel for indigents shall pay witness fees and expenses for witnesses in those cases in which counsel has been provided by the commission. Prisoners may not be compensated as witnesses under this section.

SECTION 5. AMENDMENT. Section 53-12.1-09 of the North Dakota Century Code is amended and reenacted as follows:

53-12.1-09. Operating fund - Continuing appropriation - Authorization of disbursements - Report - Net proceeds.

There is established within the state treasury the lottery operating fund into which must be deposited all revenue from the sale of tickets, interest received on money in the fund, and all other fees and moneys collected, less a prize on a lottery promotion, prize on a winning ticket paid by a retailer, and a retailer's commission. Except for moneys in the lottery operating fund appropriated by the legislative assembly for administrative and operating costs of the lottery under section 53-12.1-10, all other

money in the fund is continuously appropriated for the purposes specified in this section. During each regular session, the attorney general shall present a report to the appropriations committee of each house of the legislative assembly on the actual and estimated operating revenue and expenditures for the current biennium and projected operating revenue and expenditures for the subsequent biennium authorized by this section. A payment of a prize or expense or transfer of net proceeds by the lottery may be made only against the fund or money collected from a retailer on the sale of a ticket. A disbursement from the fund must be for the following purposes:

1. Payment of a prize as the director deems appropriate to the owner of a valid, winning ticket;

2. Notwithstanding section 53-12.1-10, payment of a marketing expense that is directly offset by cosponsorship funds collected;

3. Payment of a gaming system or related service expense, retailer record and credit check fees, game group dues, and retailer commissions; and

4. Transfer of net proceeds:

   a. Eighty thousand dollars must be transferred to the state treasurer each quarter for deposit in the gambling disorder prevention and treatment fund;

   b. An amount for the lottery's share of a game's prize reserve pool must be transferred to the multistate lottery association;

   c. Starting July 1, ~~2007~~2019, ~~one~~two hundred ~~five~~ thousand ~~six hundred twenty-five~~ dollars must be transferred to the state treasurer each quarter for deposit in the attorney general multijurisdictional drug task force grant fund; and

   d. The balance of the net proceeds, less holdback of any reserve funds the director may need for continuing operations, must be transferred to the state treasurer on at least an annual basis for deposit in the state general fund.

SECTION 6. AMENDMENT. Section 54-12-11 of the North Dakota Century Code is amended and reenacted as follows:

54-12-11. Salary of attorney general.

The annual salary of the attorney general is ~~one hundred fifty-two thousand four hundred thirty-six dollars through June 30, 2016~~one hundred fifty-nine thousand four hundred nine dollars through June 30, 2020, and ~~one hundred fifty-seven thousand nine dollars~~one hundred sixty-three thousand three hundred ninety-four dollars thereafter.

SECTION 7. ADDITIONAL INCOME - APPROPRIATION - REPORT. In addition to the amounts appropriated to the attorney general in section 1 of this Act, there is appropriated from federal or other funds, the sum of $250,000, or so much of the sum as may be necessary, to the attorney general for the purposes of defraying the expenses of the office, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall notify the office of management and budget and the legislative council of any funding made available pursuant to this section.

SECTION 8. CRIMINAL HISTORY RECORD CHECKS - FEES. Any individual or entity requesting a criminal history record check from the bureau of criminal investigation, as a result of legislation enacted by the sixty-sixth legislative assembly, shall pay a reasonable fee established by the attorney general to the attorney general to be deposited in the state's general fund for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. EXEMPTION - STATEWIDE AUTOMATED VICTIM INFORMATION AND NOTIFICATION PROGRAM. The $815,000 from other funds appropriated to the attorney general for the statewide automated victim information and notification system as contained in sections 1 and 8 of chapter 3 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the statewide automated victim information and notification program, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 10. HUMAN TRAFFICKING VICTIMS GRANT PROGRAM - REQUIREMENTS - REPORTS. The human trafficking victims grants line item in section 1 of this Act includes $1,400,000 from the general fund for the purpose of providing grants to organizations involved in providing prevention and treatment services related to human trafficking victims for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general may provide grants for the development and implementation of direct care emergency or long-term crisis services, residential care, training for law enforcement, support of advocacy services, and programs promoting positive outcomes for victims. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-seventh legislative assembly on the use of the funds received and the outcomes of its program. The attorney general shall report to the legislative management during the 2019-20 interim on the status and results of the grant program.

SECTION 11. FORENSIC NURSE EXAMINERS GRANT PROGRAM - REPORTS. The forensic nurse examiners grants line item in section 1 of this Act includes $250,000 from the general fund for the purpose of providing forensic nurse examiner program grants for community-based or hospital-based sexual assault examiner programs, for the biennium beginning July 1, 2019, and ending June 30, 2021. Any organization that receives a grant under this section shall report to the attorney general and the appropriations committees of the sixty-seventh legislative assembly on the use of the funds received and the outcomes of its programs. The attorney general shall report to the appropriations committees of the sixty-seventh legislative assembly on the number of nurses trained, the number and location of nurses providing services related to sexual assault nurse examiner programs, and documentation of collaborative efforts to assist victims which includes nurses, the hospital or clinic, law enforcement, and state's attorneys.

SECTION 12. ESTIMATED INCOME - CHARITABLE GAMING TECHNOLOGY SYSTEM - EXEMPTION - GAMING TAX ALLOCATION. The estimated income line item in section 1 of this Act includes $400,000 from the attorney general operating fund for the purpose of purchasing equipment and software for a charitable gaming technology system. Notwithstanding the provisions of section 53-06.1-12, from the deposits designated for deposit in the general fund under subsection 3 of section 53-06.1-12 in fiscal year 2020, the attorney general shall deposit $400,000 into the attorney general operating fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EXEMPTION - CONCEALED WEAPON REWRITE PROJECT. The amount appropriated to the attorney general from the general fund for a concealed weapon rewrite project as contained in section 1 of chapter 37 of the 2015 Session Laws and continued into the 2017-19 biennium, is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to the attorney general for the concealed weapon rewrite project, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. LEGISLATIVE INTENT - ATTORNEY SALARY EQUITY INCREASES - ATTORNEY GENERAL REFUND FUND. It is the intent of the sixty-sixth legislative assembly that the attorney general use up to $425,000 from moneys deposited in the attorney general refund fund relating to an April 2019 lawsuit settlement of $1,215,561 and investment earnings on the settlement amount for providing salary equity increases to attorney positions in the attorney general's office for the biennium beginning July 1, 2019, and ending June 30, 2021. It is further the intent of the legislative assembly that the remaining settlement proceeds and investment earnings on the remaining proceeds be retained in the attorney general refund fund and be used for the cost to continue the salary equity increases provided during the 2019-21 biennium during the 2021-23 and 2023-25 bienniums, subject to legislative appropriations.

SECTION 15. ATTORNEY GENERAL - INVESTMENT OF LAWSUIT SETTLEMENT PROCEEDS - STATE INVESTMENT BOARD. The attorney general may invest up to $1,215,561 of lawsuit settlement proceeds received by the attorney general and deposited in the attorney general refund fund during the biennium beginning July 1, 2017, and ending June 30, 2019, under the supervision of the state investment board for the period beginning July 1, 2019, and ending June 30, 2025.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 29

SENATE BILL NO. 2004

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state auditor; to amend and reenact sections 54-10-01 and 54-10-10 of the North Dakota Century Code, relating to the powers and duties of the state auditor and the salary of the state auditor; to provide for a report; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state auditor for the purpose of defraying the expenses of the state auditor, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$11,767,312	$900,906	$12,668,218
Operating expenses	1,142,783	19,037	1,161,820
Capital assets	0	16,000	16,000
Information technology consultants	0	450,000	450,000
Total all funds	$12,910,095	$1,385,943	$14,296,038
Less estimated income	3,411,487	761,691	4,173,178
Total general fund	$9,498,608	$624,252	$10,122,860
Full-time equivalent positions	56.00	2.00	58.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Copier replacement	$0	$16,000
Total general fund	$0	$16,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state auditor shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

[7] **SECTION 3. AMENDMENT.** Section 54-10-01 of the North Dakota Century Code is amended and reenacted as follows:

54-10-01. Powers and duties of state auditor.

The state auditor shall:

[7] Section 54-10-01 was also amended by section 1 of House Bill No. 1077, chapter 432.

1. Be vested with the duties, powers, and responsibilities involved in performing the postaudit of all financial transactions of the state government, detecting and reporting any defaults, and determining that expenditures have been made in accordance with law and appropriation acts.

2. Perform or provide for the audit of the general purpose financial statements and a review of the material included in the comprehensive annual financial report of the state and perform or provide for the audits and reviews of state agencies. Except for the annual audit of the North Dakota lottery required by section 53-12.1-03, the state auditor shall audit or review each state agency once every two years. The state auditor shall determine the contents of the audits and reviews of state agencies. The state auditor may conduct any work required by the federal government. The state auditor may not contract for work required by the federal government without the prior approval of the legislative audit and fiscal review committee. The state auditor shall charge an amount equal to the cost of the audit and other services rendered by the state auditor to all agencies that receive and expend moneys from other than the general fund. This charge may be reduced for any agency that receives and expends both general fund and nongeneral fund moneys. State agencies must use nongeneral fund moneys to pay for audits performed by the state auditor. If nongeneral fund moneys are not available, the agency may, upon approval of the legislative assembly, or the budget section if the legislative assembly is not in session, use general fund moneys to pay for audits performed by the state auditor. The budget section reviews and approvals must comply with the new section to chapter 54-35 of the North Dakota Century Code created by section 15 of Senate Bill No. 2055 as adopted by the sixty-sixth legislative assembly. Audits and reviews may be conducted at more frequent intervals if requested by the governor or legislative audit and fiscal review committee.

3. Be vested with the authority to determine whether to audit the International Peace Garden at the request of the board of directors of the International Peace Garden.

4. Perform or provide for performance audits of state agencies, or the agencies' blended component units or discreetly presented component units, as determined necessary by the ~~state auditor or~~legislative assembly; the legislative audit and fiscal review committee; or the state auditor, subject to approval by the legislative audit and fiscal review committee. A performance audit must be done in accordance with generally accepted auditing standards applicable to performance audits. The state auditor may not hire a consultant to assist with conducting a performance audit of a state agency without the prior approval of the legislative audit and fiscal review committee. The state auditor shall notify an agency of the need for a consultant before requesting approval by the legislative audit and fiscal review committee. The agency that is audited shall pay for the cost of any consultant approved.

5. For the audits and reviews the state auditor is authorized to perform or provide for under this section, the audit or review may be provided for by contract with a private certified or licensed public accountant or other qualified professional. If the state auditor determines that the audit or review will be done pursuant to contract, the state auditor, except for occupational or professional boards, shall execute the contract, and any executive branch agency, including higher education institutions, shall pay the fees of the contractor.

6. Be responsible for the above functions and report thereon to the governor and the secretary of state in accordance with section 54-06-04 or more often as circumstances may require.

7. Perform all other duties as prescribed by law.

SECTION 4. AMENDMENT. Section 54-10-10 of the North Dakota Century Code is amended and reenacted as follows:

54-10-10. Salary of state auditor.

The annual salary of the state auditor is ~~one hundred two thousand six hundred eighty-nine dollars through June 30, 2016, and one hundred five thousand seven hundred seventy dollars thereafter~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020, and one hundred ten thousand five hundred eighty-two dollars thereafter.

SECTION 5. AUDIT STAFF UTILIZATION - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The state auditor shall monitor the number of audit staff hours dedicated to financial audits, performance audits, mineral resource audits, federal single audit procedures, comprehensive annual financial report procedures, fraud investigation, local government audits, and audits of the institutions of higher education, including financial audits and performance audits. The state auditor shall report to the appropriations committees of the sixty-seventh legislative assembly regarding the number of audit staff hours dedicated to each of these audit functions and any other functions of the state auditor's office during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EMERGENCY. The sum of $16,000 provided from the general fund for copier replacement appropriated in section 1 of this Act is declared to be an emergency measure.

Approved May 2, 2019

Filed May 2, 2019

CHAPTER 30

SENATE BILL NO. 2005

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state treasurer; to amend and reenact section 54-11-13 of the North Dakota Century Code, relating to the salary of the state treasurer; and to provide for a report.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from the strategic investment and improvements fund to the state treasurer for the purpose of defraying the expenses of the state treasurer, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$1,316,139	$67,002	$1,383,141
Operating expenses	251,260	(24,031)	227,229
Coal severance payments	180,000	(9,000)	171,000
Total all funds	$1,747,399	$33,971	$1,781,370
Less estimated income	0	35,000	35,000
Total general fund	$1,747,399	($1,092)	$1,746,370
Full-time equivalent positions	7.00	0.00	7.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Information technology costs	$0	$35,000
Total special funds	$0	$35,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The state treasurer shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The operating expenses line item and the estimated income line item in section 1 of this Act include $35,000 from the strategic investment and improvements fund for information technology costs.

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

54-11-13. Salary of state treasurer.

The annual salary of the state treasurer is ~~ninety-six thousand nine hundred seventy-two dollars through June 30, 2016, and ninety-nine thousand eight hundred eighty-one dollars thereafter~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020, and one hundred ten thousand five hundred eighty-two dollars thereafter.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 31

SENATE BILL NO. 2006

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the tax commissioner for the purpose of defraying the expenses of the tax commissioner and paying the state reimbursement under the homestead tax credit and disabled veterans' tax credit for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$21,724,004	$1,143,952	$22,867,956
Operating expenses	6,749,295	363,165	7,112,460
Capital assets	6,000	0	6,000
Homestead tax credit	14,800,000	1,000,000	15,800,000
Disabled veterans' tax credit	8,110,200	300,000	8,410,200
Total all funds	$51,389,499	$2,807,117	$54,196,616
Less estimated income	125,000	0	125,000
Total general fund	$51,264,499	$2,807,117	$54,071,616
Full-time equivalent positions	133.00	(10.00)	123.00

SECTION 2. APPROPRIATION - 2017-19 BIENNIUM. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $590,000, or so much of the sum as may be necessary, to the tax commissioner for the homestead tax credit program and the disabled veterans' tax credit program, for the period beginning with the effective date of this Act, and ending June 30, 2019.

SECTION 3. LINE ITEM TRANSFERS. The state tax commissioner may transfer funds between the homestead tax credit and disabled veterans' tax credit line items in section 1 of this Act if one line item does not have sufficient funds available for state reimbursement of eligible tax credits. The state tax commissioner shall notify the office of management and budget and the legislative council of any transfers made pursuant to this section.

SECTION 4. MOTOR VEHICLE FUEL TAX REVENUE TRANSFER. There is transferred to the general fund in the state treasury out of motor vehicle fuel tax revenue collected pursuant to section 57-43.1-02, the sum of $1,991,024 for the purpose of reimbursing the general fund for expenses incurred in the collection of the

motor vehicle fuels and special fuels taxes and the administration of these taxes for the biennium beginning July 1, 2019, and ending June 30, 2021.

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

57-01-04. Salary.

The annual salary of the state tax commissioner is ~~one hundred eleven thousand four hundred forty-eight dollars through June 30, 2016, and one hundred fourteen thousand seven hundred ninety-one dollars thereafter~~one hundred seventeen thousand eighty-seven dollars through June 30, 2020, and one hundred twenty thousand fourteen dollars thereafter.

SECTION 6. EMERGENCY. Section 2 of this Act is declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 32

SENATE BILL NO. 2007

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of labor and human rights; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of labor and human rights for the purpose of defraying the expenses of the department of labor and human rights, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$2,414,984	$60,781	$2,475,765
Operating expenses	328,918	71,167	400,085
Total all funds	$2,743,902	$131,948	$2,875,850
Less estimated income	439,916	40,765	480,681
Total general fund	$2,303,986	$91,183	$2,395,169
Full-time equivalent positions	14.00	0.00	14.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Paperless storage system	$0	$69,659
Total general fund	$0	$69,659

The 2019-21 one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of labor and human rights shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved April 23, 2019

Filed April 24, 2019

CHAPTER 33

SENATE BILL NO. 2008

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public service commission; to amend and reenact sections 49-01-05 and 57-43.2-19 of the North Dakota Century Code, relating to the salary of the commissioners and the transfer, deposit, and distribution of funds in the highway tax distribution fund; to provide for a study; to provide for a report; and to provide for a transfer.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the public service commission for the purpose of defraying the expenses of the public service commission, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$9,197,284	$298,276	$9,495,560
Operating expenses	1,829,826	(66,000)	1,763,826
Capital assets	10,000	15,000	25,000
Grants	20,000	0	20,000
Abandoned mined lands contractual	6,000,000	0	6,000,000
Rail rate complaint case	900,000	0	900,000
Railroad safety program	564,668	24,350	589,018
Specialized legal services	94,000	336,000	430,000
Total all funds	$18,615,778	$607,626	$19,223,404
Less estimated income	11,985,016	523,460	12,508,476
Total general fund	$6,630,762	$84,166	$6,714,928
Full-time equivalent positions	45.00	(2.00)	43.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Specialized legal services	$436,000	$336,000
Total all funds	$436,000	$336,000
Total special funds	436,000	336,000
Total general fund	$0	$0

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The public service commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER AND REPAYMENT - BEGINNING FARMER REVOLVING LOAN FUND. The Bank of North Dakota shall transfer from the beginning farmer revolving loan fund to the public service commission the sum of $900,000, or so much of the sum as may be necessary, included in the estimated income line item in section 1 of this Act to pay for costs associated with a rail rate complaint case. Transfers must be made during the biennium beginning July 1, 2019, and ending June 30, 2021, upon order of the commission. If any amounts are spent pursuant to this section, the public service commission shall reimburse the beginning farmer revolving loan fund using amounts available from damages or proceeds received, net of legal fees, from a successful outcome of a rail complaint case.

SECTION 4. APPROPRIATION - GRAIN INSOLVENCY LITIGATION. There is appropriated from special funds derived from other income to be received from the agriculture commissioner, the sum of $100,000, or so much of the sum as may be necessary, to the public service commission, for the purpose of continuing to provide, in consultation with the agriculture commissioner, services related to grain insolvency litigation initiated prior to July 1, 2019. The funding provided in this section is considered a one-time funding item.

SECTION 5. AMENDMENT. Section 49-01-05 of the North Dakota Century Code is amended and reenacted as follows:

49-01-05. Salary of commissioners.

The annual salary of a commissioner is one hundred ~~five~~ten thousand ~~four~~eight hundred ~~ninety-one~~twenty-nine dollars through June 30, ~~2016~~2020, and one hundred ~~eight~~thirteen thousand six hundred ~~fifty-six~~ dollars thereafter. All fees received or charged by any commissioner for any act or service rendered in any official capacity must be accounted for and paid over by the commissioner monthly to the state treasurer and must be credited to the general fund of the state.

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

57-43.2-19. Transfer, deposit, and distribution of funds. (Effective July 1, 2015, through June 30, ~~2019)~~2021)

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 ~~eighty-five~~ninety-four thousand five hundred nine 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.

Transfer, deposit, and distribution of funds. (Effective after June 30, ~~2019)~~2021) 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.

SECTION 7. RAILROAD INSPECTION STUDY. During the 2019-20 interim, the public service commission shall study technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission shall report its findings and any related budget recommendations to the appropriations committees of the sixty-seventh legislative assembly.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 34

SENATE BILL NO. 2009

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the agriculture commissioner; to provide for transfers; to create and enact a new section to chapter 60-01, a new section to chapter 60-02, and a new section to chapter 60-02.1 of the North Dakota Century Code, relating to the definition of agriculture commissioner and records confidentiality for warehousemen and grain buyers; to amend and reenact sections 4.1-01-02 and 49-02-01, subsection 1 of section 60-02-01, sections 60-02-02, 60-02-03, 60-02-04, 60-02-05.1, 60-02-07, 60-02-07.2, 60-02-09, 60-02-09.1, 60-02-10.1, 60-02-11, 60-02-14, 60-02-17, 60-02-24, 60-02-27, 60-02-35.1, 60-02-38, 60-02-40, 60-02-41, 60-02-42, 60-02.1-01, 60-02.1-02, 60-02.1-03, 60-02.1-04, 60-02.1-06, 60-02.1-07, 60-02.1-07.1, 60-02.1-08, 60-02.1-09, 60-02.1-11, 60-02.1-16, 60-02.1-17, 60-02.1-19, 60-02.1-22, 60-02.1-26, 60-02.1-27, 60-02.1-29, 60-02.1-30, 60-02.1-32, 60-02.1-33, 60-02.1-34, 60-02.1-35, 60-02.1-36, 60-02.1-37, 60-02.1-38, and 60-02.1-39, subsection 1 of section 60-04-01, and sections 60-04-03, 60-04-03.1, 60-04-03.2, 60-04-03.3, 60-04-04, 60-04-05, 60-04-06, 60-04-07, 60-04-08, 60-04-09, 60-04-10, 60-05-01, 60-05-02, 60-05-03, 60-05-04, 60-06-05, 60-06-06.1, 60-10-01, 60-10-02, 60-10-03, 60-10-05, 60-10-07, 60-10-08, 60-10-09, 60-10-10, 60-10-11, 60-10-12, 60-10-14, and 60-10-15 of the North Dakota Century Code, relating to the salary of the agriculture commissioner and moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner; to provide for a report to the legislative assembly; to provide a penalty; and to provide a continuing appropriation.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the agriculture commissioner for the purpose of defraying the expenses of the agriculture commissioner, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,372,949	$1,859,797	$14,232,746
Operating expenses	6,444,336	258,444	6,702,780
Capital assets	13,000	2,000	15,000
Grants	8,817,774	6,000	8,823,774
Board of animal health	865,718	0	865,718
Wildlife services	1,408,000	49,400	1,457,400
Crop harmonization board	75,000	0	75,000
Pipeline restoration and reclamation oversight program	200,000	0	200,000
Agricultural products utilization commission	0	3,760,417	3,760,417

Total all funds	$30,196,777	$5,936,058	$36,132,835
Less estimated income	21,087,676	4,234,730	25,322,406
Total general fund	$9,109,101	$1,701,328	$10,810,429
Full-time equivalent positions	73.00	5.00	78.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
National genomics center	$120,000	$0
Federal environmental law impact review	1,000,000	0
Master customer database	0	110,000
Agricultural products utilization commission	0	2,000,000
Total all funds	$1,120,000	$2,110,000
Less estimated income	1,120,000	2,000,000
Total general fund	$0	$110,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The agriculture commissioner shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. TRANSFER - ENVIRONMENT AND RANGELAND PROTECTION FUND - MINOR USE PESTICIDE FUND. The agriculture commissioner shall transfer $325,000 from the environment and rangeland protection fund to the minor use pesticide fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - ENVIRONMENT AND RANGELAND PROTECTION FUND. The estimated income line item in section 1 of this Act includes the sum of $6,725,799 from the environment and rangeland protection fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. ESTIMATED INCOME - GAME AND FISH FUND. The estimated income line item in section 1 of this Act includes the sum of $614,430 from the game and fish department operating fund for the purpose of defraying the expenses of various department of agriculture programs, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. ESTIMATED INCOME - STATE WATER COMMISSION - TRANSFER. The estimated income line item in section 1 of this Act includes the sum of $125,000 which the state water commission shall transfer to the agriculture commissioner for the wildlife services program, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. WATERBANK PROGRAM - MATCHING FUNDS. The salaries and wages line item in section 1 of this Act includes $50,000 from the general fund for matching funds for the North Dakota outdoor heritage fund grant provided for the waterbank program.

SECTION 8. ESTIMATED INCOME - PIPELINE RESTORATION AND RECLAMATION. The estimated income line item in section 1 of this Act includes the

sum of $200,000 from the abandoned oil and gas well plugging and site reclamation fund for the purpose of defraying the expenses of the pipeline restoration and reclamation program, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. TRANSFER - BANK OF NORTH DAKOTA PROFITS - AGRICULTURAL PRODUCTS UTILIZATION COMMISSION. The Bank of North Dakota shall transfer the sum of $2,000,000, or so much of the sum as may be necessary, from the Bank's current earnings and undivided profits to the agriculture commissioner for deposit in the agricultural products utilization commission fund during the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item.

SECTION 10. AMENDMENT. Section 4.1-01-02 of the North Dakota Century Code is amended and reenacted as follows:

4.1-01-02. Salary of agriculture commissioner.

The annual salary of the agriculture commissioner is one hundred ~~five~~sixteen thousand ~~four hundred ninety-one~~eight hundred thirty-six dollars through June 30, ~~2016~~2020, and one hundred ~~eight~~nineteen thousand ~~six~~seven hundred ~~fifty-six~~ fifty-seven dollars after that date.

SECTION 11. APPROPRIATION - GRAIN INSOLVENCY LITIGATION - ONE-TIME FUNDING - APPLICATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $100,000, or so much of the sum as may be necessary, to the agriculture commissioner for the purpose of paying the public service commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019, for the biennium beginning July 1, 2019, and ending June 30, 2021. This funding is considered a one-time funding item. Sections 60-02.1-38 and 60-04-10 do not apply to any expenses paid from the appropriation provided in this section.

SECTION 12. AMENDMENT. Section 49-02-01 of the North Dakota Century Code is amended and reenacted as follows:

49-02-01. General jurisdiction of the public service commission over public utilities.

The general jurisdiction of the commission shall extend to and include:

1. Contract and common carriers engaged in the transportation of persons and property, excluding air carriers.

2. Telecommunications companies engaged in the furnishing of telecommunications services as provided for in chapter 49-21.

3. Pipeline utilities engaged in the transportation of gas, oil, coal, and water.

4. Electric utilities engaged in the generation and distribution of light, heat, or power.

5. Gas utilities engaged in the distribution of natural, synthetic, or artificial gas.

6. All heating utilities engaged in the distribution of heat.

7. ~~Warehouse companies engaged in the marketing, storage, or handling of agricultural products.~~

8. All other public utilities engaged in business in this state or in any county, city, township, or other political subdivision of the state.

SECTION 13. A new section to chapter 60-01 of the North Dakota Century Code is created and enacted as follows:

Definition.

For purposes of this title, "commissioner" means the agriculture commissioner.

SECTION 14. AMENDMENT. Subsection 1 of section 60-02-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "~~Commission~~Commissioner" means the ~~public service commission~~agriculture commissioner.

SECTION 15. AMENDMENT. Section 60-02-02 of the North Dakota Century Code is amended and reenacted as follows:

60-02-02. ~~Commission~~Commissioner - Powers and duties.

The commissioner has the powers and duties ~~imposed by the provisions of~~enumerated under this chapter ~~and the powers conferred herein devolve upon the commission~~.

SECTION 16. AMENDMENT. Section 60-02-03 of the North Dakota Century Code is amended and reenacted as follows:

60-02-03. Duties and powers of the ~~commission~~commissioner.

The ~~commission shall have the duty and power to~~commissioner has the following powers and duties:

1. Exercise general supervision of the public warehouses of this state, including the handling, weighing, and storing of grain, and the management of public warehouses.

2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.

3. Examine and inspect, during ordinary business hours, any licensed warehouse, including all books, documents, and records.

4. Require the filing of reports pertaining to the operation of the warehouse.

5. Make all proper rules for carrying out and enforcing any law in this state regarding public warehouses.

SECTION 17. AMENDMENT. Section 60-02-04 of the North Dakota Century Code is amended and reenacted as follows:

60-02-04. Federal licensed inspector ~~- Appointed by commission~~.

The ~~commission~~commissioner may employ a federal licensed inspector whose duties are ~~hereinafter prescribed and such~~enumerated under this chapter and may employ other employees as ~~may be~~ necessary to carry out the provisions of this chapter.

SECTION 18. AMENDMENT. Section 60-02-05.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-05.1. Notice of procedures for resolving disputes over grain.

A public warehouse shall post a notice containing the procedures specified in section 60-02-05 for resolving disputes. The ~~commission~~commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each public warehouse. The public warehouseman shall post the notice in the grain inspection room of the warehouse. The notice must specifically mention ~~that~~ the procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

SECTION 19. AMENDMENT. Section 60-02-07 of the North Dakota Century Code is amended and reenacted as follows:

60-02-07. Public warehouse license - Fee - Financial statement.

A license must be obtained from the ~~commission~~commissioner for each public warehouse in operation in this state.

1. a. ~~The commission shall stagger by lot the expiration date of all licenses issued for the period beginning August 1, 2015, so that one-half of all the licenses issued expire on July 31, 2016, and one-half of all the licenses issued expire on July 31, 2017. Thereafter, all~~All licenses issued under this section must be for a period of two years and terminate on the thirty-first day of July in the year of expiration.

   b. (1) Notwithstanding the provisions of subdivision a, the ~~commission~~commissioner shall license a warehouse annually, for the first six years of the warehouse's operation.

   (2) An initial annual license application that becomes effective on or after June first does not expire until July thirty-first of the following calendar year.

2. No license may describe more than one public warehouse nor grant permission to operate any public warehouse other than the one described.

3. a. The annual license fee for a public warehouse is:

   (1) ~~Three~~Four hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];

   (2) ~~Four~~Five hundred fifty dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and

   (3) ~~Five~~Six hundred fifty dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].

b. The biennial license fee for a public warehouse is:

(1) ~~Six~~Seven hundred dollars for a warehouse having a maximum capacity of two hundred thousand bushels [7047.8 cubic meters];

(2) ~~Nine hundred~~One thousand dollars for a warehouse having a capacity of more than two hundred thousand bushels [7047.8 cubic meters] but not more than five hundred thousand bushels [17619.54 cubic meters]; and

(3) One thousand ~~one~~two hundred dollars for a warehouse having a capacity of more than five hundred thousand bushels [17619.54 cubic meters].

c. An application for an annual license renewal that is received after July fifteenth must include an additional one hundred dollar fee per warehouse. An application for a biennial license renewal that is received after July fifteenth must include an additional two hundred dollar fee per warehouse.

4. If a public warehouseman operates two or more warehouses in the same city or siding, in conjunction with each other and with the same working force, and keeps one set of books and records for all such warehouses, and issues one series of scale tickets, warehouse receipts, checks, and credit-sale contracts for the grain stored and purchased therein, only one license is required for the operation of all such warehouses. When two or more warehouses are operated under one license, the license fee is based upon the combined bushel capacity of the warehouses.

5. If required to obtain United States department of agriculture approval of the ~~commission's~~commissioner's warehouse inspection program, the ~~commission~~commissioner may require ~~that~~ the applicant submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this subsection is a confidential trade secret and is not a public record.

SECTION 20. AMENDMENT. Section 60-02-07.2 of the North Dakota Century Code is amended and reenacted as follows:

60-02-07.2. Receiving stations.

A licensed public warehouseman may establish a receiving station without a separate warehouse license for that facility if all of the following conditions are met:

1. The station is colocated with another licensed public warehouse, the operator of which will take delivery of the grain on behalf of the warehouseman who established the receiving station.

2. The storage space used by the receiving station is used solely by the receiving station and is not licensed as part of the warehouse that is located at that site.

3. The grain taken in by the receiving station is not commingled with other grain at that site.

4. The warehouseman establishing the station requests and receives ~~commission~~ permission from the commissioner to increase licensed capacity to include the space to be used at the receiving station.

5. Grain received at the receiving station is recorded on scale tickets issued by the warehouseman who established the station and is covered by that warehouseman's bond.

6. Warehouse-receipted grain received at the receiving station is available for redelivery to the receiptholder at that location even if the station has been closed. A charge for redelivery must be stated in the warehouseman's redelivery policy.

The storage space used by a receiving station need not be physically disconnected from the facilities of the other licensed warehouse located at that site.

SECTION 21. AMENDMENT. Section 60-02-09 of the North Dakota Century Code is amended and reenacted as follows:

60-02-09. Bond filed by public warehouseman.

Before any license is effective for any public warehouseman under this chapter, the applicant for the license shall file a bond with the ~~commission~~commissioner which must:

1. Be in a sum not less than five thousand dollars for any one warehouse.

2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commission that~~commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.

3. Run to the state of North Dakota for the benefit of all persons storing or selling grain in that warehouse.

4. Be conditioned:

   a. For the faithful performance of the licensee's duties as a public warehouseman.

   b. For compliance with the provisions of law and the rules of the ~~commission~~commissioner relating to the storage and purchase of grain by such warehouseman.

5. Specify the location of each public warehouse intended to be covered by such bond.

6. Be for the specific purpose of:

   a. Protecting the holders of outstanding receipts.

   b. Covering the costs incurred by the ~~commission~~commissioner in the administration of chapter 60-04 in the event of the licensee's insolvency.

7. Not accrue to the benefit of any person entering into a credit-sale contract with a public warehouseman.

8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commission~~commissioner shall set the amount of the bond and may require an increase in the amount of any bond, from time to time, as the ~~commission~~commissioner deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commission~~commissioner, and authorized to do business within the state. The ~~commission~~commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond ~~when~~if, in ~~its~~the commissioner's judgment, the cash, negotiable instrument, or personal surety bond properly will protect the holders of outstanding receipts. One bond only may be given for any line of elevators, mills, or warehouses, owned, controlled, or operated by one individual, firm, corporation, or limited liability company, and the bond must be construed to cover ~~such~~the elevators, mills, or warehouses, as a whole and not a specific amount for each.

SECTION 22. AMENDMENT. Section 60-02-09.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-09.1. Bond cancellation - Release of surety.

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commission~~commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the warehouseman files a new bond at least thirty days before liability ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commission~~commissioner. ~~When~~If a license is so suspended, the warehouseman shall give notice of such suspension to each receiptholder having grain stored in the warehouse. The warehouseman shall further notify each receiptholder having grain stored in the warehouse that the grain must be removed from the warehouse or ~~it~~the grain will be priced and redeemed in cash in accordance with section 60-02-41.

SECTION 23. AMENDMENT. Section 60-02-10.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-10.1. Revocation and suspension.

The ~~commission~~commissioner may suspend or revoke the license of any warehouseman for cause upon notice and hearing. Notwithstanding any other provisions of this chapter, the license of a warehouseman must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license the warehouseman may, upon the ~~commission's~~commissioner's approval, operate the warehouse and purchase or redeliver grain previously received, but may not receive additional grain for purchase, storage, shipping, or processing. Grain may be sold only with the prior approval of the ~~commission~~commissioner.

SECTION 24. AMENDMENT. Section 60-02-11 of the North Dakota Century Code is amended and reenacted as follows:

60-02-11. Scale ticket - Contents - Conversion.

1. a. Every public warehouseman, upon receiving grain into the warehouse, shall issue a uniform scale ticket for each load of grain received. The scale tickets must be numbered consecutively, and one copy of each ticket must be retained and remain as a permanent record. The original ticket must be delivered to the person from whom the grain is received, upon receipt of each load of grain.

   b. All scale tickets must be converted into cash, noncredit-sale contracts, credit-sale contracts, or warehouse receipts, within forty-five days after the grain is delivered to the warehouse, unless:

      (1) The person to whom the scale ticket is issued signs a form waiving all rights to trust benefits under section 60-04-03.1;

      (2) The form identifies by number each scale ticket to which the waiver applies; and

      (3) The form is signed by the warehouseman.

   c. The ~~commission~~commissioner shall prepare the waiver form required by subdivision b and make the form available to each warehouse.

   d. The warehouseman shall keep one copy of the signed waiver form with the records of the warehouse, provide one copy to the person who was issued the scale ticket and signed the form, and file one copy with the ~~commission~~commissioner.

2. Nothing in this chapter requires a warehouseman to receive grain for storage. A warehouseman shall publish and post, in a conspicuous place in the warehouse, a publication identifying whether storage will be available to patrons or whether grain will be accepted via cash or a credit-sale contract arrangement.

SECTION 25. AMENDMENT. Section 60-02-14 of the North Dakota Century Code is amended and reenacted as follows:

60-02-14. Warehouse receipts - Copy.

Provision ~~shall~~must be made for a stub record or copy of each warehouse receipt issued by a warehouseman, showing:

1. The serial number and date of receipt.

2. The kind and grade of grain.

3. The dockage and net weight of the grain.

The record or copy ~~shall~~must remain in the possession of the warehouseman for inspection by the ~~commission~~commissioner and persons properly interested.

SECTION 26. AMENDMENT. Section 60-02-17 of the North Dakota Century Code is amended and reenacted as follows:

60-02-17. Warehouse and storage contract - Storage rates - Terminal delivery.

1. A warehouse receipt must contain, either on its face or reverse side, the following warehouse and storage contract:

   This grain is received, insured, and stored subject to the laws and rules of the state of North Dakota, the terms of this contract, and the charges and conditions stated herein and as filed with the North Dakota ~~public service commission~~agriculture commissioner. Upon surrender of this receipt and payment or tender of all applicable charges, the amount, kind, and grade of grain identified in this receipt will be delivered to the person named above or the person's order as rapidly as due diligence, care, and prudence will permit. At the option of the holder of this receipt, the amount, kind, and grade of grain for which this receipt is issued, upon demand, must be delivered back to the holder at any terminal point customarily shipped to, or at the place where received, upon the payment of any charges for receiving, handling, storage, and insurance and in case of terminal delivery, the payment in addition to the above of the regular freight charges on the gross amount called for by this ticket or in lieu thereof, a receipt issued by a bonded warehouse or elevator company doing business at the terminal point. This receipt does not require the delivery of the identical grain specified herein, but an equal amount of grain of the same kind and grade must be delivered.

2. A warehouseman shall publish and post, in a conspicuous place in its warehouse, the fees that will be assessed for receiving, storing, processing, or redelivering grain and the termination date of its warehouse receipts. This publication must be filed with the ~~commission~~commissioner as a part of the warehouse license process or annual renewal. The fees and termination date must be stated on the warehouse receipt issued for the grain. The fees or termination date may be changed upon filing a revised publication with the ~~commission~~commissioner.

SECTION 27. AMENDMENT. Section 60-02-24 of the North Dakota Century Code is amended and reenacted as follows:

60-02-24. Reports to be made by public warehouseman - Penalty for failure.

Each licensed and bonded public warehouseman shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commission~~commissioner. The report must contain or be verified by a written declaration ~~that it~~the report is made under the penalties of perjury. The report may be called for more frequently if the ~~commission~~commissioner deems ~~it~~ necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commission~~commissioner may make the information available for use by other governmental entities, but the ~~commission~~commissioner may not release the information in a manner that jeopardizes the confidentiality of individual licensees.

2. File the report with the ~~commission~~commissioner not later than the last day of the following month, and failure to file this report promptly will be considered cause for revoking the warehouse license after due notice and hearing.

3. Keep a separate account of the grain business, if the warehouseman is engaged in handling or selling any other commodity, and under no circumstances ~~shall~~may the grain account and other accounts be mixed.

The ~~commission~~commissioner may refuse to renew a license to any public warehouseman who fails to make a required report.

SECTION 28. AMENDMENT. Section 60-02-27 of the North Dakota Century Code is amended and reenacted as follows:

60-02-27. Federal grades to control - Grades to be posted.

All public warehousemen shall purchase and store grain except dry edible beans in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in rules and regulations applicable thereto adopted by federal officials pursuant to law. ~~They~~Public warehousemen shall post in a conspicuous place in ~~their~~the public warehousemen's warehouse the official grades so established and also any change that may be made from time to time. Warehousemen of dry edible beans shall purchase, store, and deliver beans in accordance with ~~their~~the policy of the warehousemen which must be filed with the ~~commission~~commissioner and posted in a conspicuous place in ~~their~~the warehouse of the public warehousemen. Other grading standards may be used if mutually agreed to in writing by the warehouseman and the owner of the grain. However, the owner may demand the use of federal grading standards. The ~~commission~~commissioner, after hearing, may prohibit the use of nonfederal grades.

SECTION 29. AMENDMENT. Section 60-02-35.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02-35.1. Insurance - Cancellation - Suspension of license.

An insurance company shall give at least sixty days' notice to the ~~commission~~commissioner and the insured by certified mail return receipt requested before cancellation of an insurance policy required in section 60-02-35. Unless the warehouseman files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the warehouseman's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commission~~commissioner. ~~When~~If a license is so suspended, the warehouseman shall give notice of ~~such~~the suspension to each receiptholder having grain stored in the warehouse. The warehouseman shall further notify each receiptholder having grain stored in the warehouse ~~that~~ the grain must be removed from the warehouse or ~~it~~the grain will be priced and redeemed in cash in accordance with section 60-02-41.

SECTION 30. AMENDMENT. Section 60-02-38 of the North Dakota Century Code is amended and reenacted as follows:

60-02-38. Refund of license fee by ~~commission~~commissioner.

~~When~~If requested in writing, the ~~commission~~commissioner shall refund the license fee of a public warehouse, or so much as in ~~its~~the commissioner's judgment is just and reasonable, ~~when~~if satisfactory proof is furnished ~~that~~ the warehouse has been transferred to some other person, and the new owner has obtained a license for the same warehouse for the unexpired period for which the original license was issued. ~~When~~If a warehouse is destroyed by fire or other cause, the license fee may be prorated as the ~~commission~~commissioner may determine.

SECTION 31. AMENDMENT. Section 60-02-40 of the North Dakota Century Code is amended and reenacted as follows:

60-02-40. Transfer of warehouse - Redemption of receipts.

~~Whenever~~If a public warehouseman desires to transfer a warehouse, either by sale or lease to any other individual, firm, or corporation, the warehouseman shall:

1. Notify the ~~commission~~commissioner first of ~~its~~the warehouseman's intention to transfer the warehouse, giving the name and address of the proposed lessee or purchaser.

2. Furnish a statement of all proper claims that may be filed or pending against the warehouseman pertaining to the storage, inspection, and marketing of grain, together with a statement of:

   a. The number of bushels [cubic meters] of grain of each kind and grade in store in the warehouse;

   b. The number and amount of receipts outstanding; and

   c. The names and addresses of the receiptholders.

3. Serve notice by registered or certified mail, at least thirty days before the transfer, upon all receiptholders having claims against the warehouse to call for delivery of the grain covered by the receipts, and to pay all storage charges due, the warehouseman in such case to make no charge for redelivery. The ~~commission~~commissioner may waive the thirty-day notice period upon receipt of written consent of all receiptholders.

4. Transfer all stored grain undelivered at the expiration of such thirty-day period to ~~its~~the warehouseman's successor, if licensed, or to the nearest licensed warehouse for restorage, taking receipts for the same in favor of the owner of the grain so transferred.

5. Surrender to the ~~commission its~~commissioner the warehouseman's license for cancellation ~~and at such~~, at which time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission, whereupon, it~~commissioner, at which time, the commissioner, first being duly satisfied ~~that~~ all the outstanding receipts have been redeemed, or that the redemption ~~thereof~~of all outstanding receipts has been provided for, the ~~commission~~commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any warehouse will be recognized by the ~~commission~~commissioner except when made in accordance with the provisions of this section.

SECTION 32. AMENDMENT. Section 60-02-41 of the North Dakota Century Code is amended and reenacted as follows:

60-02-41. Going out of business - Redemption of receipts.

~~When~~If a public warehouseman ceases business through the destruction of a warehouse by fire or other cause, or through insolvency, ~~such~~the warehouseman shall redeem all outstanding unconverted scale tickets or warehouse receipts at the

price prevailing on the date the warehouse was destroyed or closed because of insolvency. The holder of such receipts, upon due notice, ~~must~~shall accept this price and surrender the receipts. Any public warehouseman who voluntarily ceases business or fails to renew an existing warehouse license or whose warehouse license is revoked shall notify the ~~commission~~commissioner and all outstanding receiptholders of such closing and redeem all outstanding unconverted scale tickets or warehouse receipts at the price prevailing on the date the warehouse closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the unconverted scale ticket or warehouse receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~must be settled in cash and priced on the market on the day of closing.

SECTION 33. AMENDMENT. Section 60-02-42 of the North Dakota Century Code is amended and reenacted as follows:

60-02-42. Cease and desist.

~~Whenever~~If an entity engages in an activity or practice ~~that is~~ contrary to the provisions of this chapter or related rules, the ~~commission~~commissioner, upon ~~its~~the commissioner's own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the ~~commission~~commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 34. A new section to chapter 60-02 of the North Dakota Century Code is created and enacted as follows:

Release of records - Confidentiality.

1. As a condition of licensure under section 60-02-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:

   a. The issuance or renewal of a public warehouse license; or

   b. An investigation after issuance or renewal of a public warehouse license.

2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:

   a. The issuance or renewal of a public warehouse license; or

   b. An investigation after issuance or renewal of a public warehouse license.

3. Any information obtained by the commissioner under this section is confidential and may be provided only:

   a. To federal authorities in accordance with federal law;

   b. To the attorney general, state agencies, and law enforcement agencies, for use in the pursuit of official duties; and

   c. As directed by an order of a court pursuant to a showing of good cause.

SECTION 35. AMENDMENT. Section 60-02.1-01 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-01. Definitions.

In this chapter, unless the context or subject matter otherwise requires:

1. "~~Commission~~Commissioner" means the ~~public service commission~~agriculture commissioner.

2. "Credit-sale contract" means a written contract for the sale of grain pursuant to which the sale price is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale and which contains the notice provided in subsection 7 of section 60-02.1-14. If a part of the sale price of a contract for the sale of grain is to be paid or may be paid more than thirty days after the delivery or release of the grain for sale, only such part of the contract is a credit-sale contract.

3. "Facility" means a structure in which grain purchased by a grain buyer is received or held.

4. "Facility-based grain buyer" means a grain buyer who operates a facility licensed under the United States Warehouse Act [7 U.S.C. 241-273] where grain is received.

5. "Grain" means wheat, durum, oats, rye, barley, buckwheat, flaxseed, speltz, safflower, sunflower seeds, tame mustard, peas, beans, soybeans, corn, clover, millet, alfalfa, and any other commercially grown grain or grass seed. "Grain" does not include grain or grass seeds owned by or in the possession of the grain buyer which have been cleaned, processed, and specifically identified for an intended use of planting for reproduction and for which a warehouse receipt has not been issued.

6. "Grain buyer" means any person, other than a public warehouseman as defined in chapter 60-02, who purchases or otherwise merchandises grain for compensation. The term does not include:

   a. A producer of grain who purchases grain from other producers to complete a carload or truckload in which the greater portion of the load is grain grown by the producer or on-farm feedlot operations in which at least fifty percent of the livestock is owned by the owner of the farm.

   b. A person who is permitted to sell seed under chapter 4.1-53, if that person buys grain only for processing and subsequent resale as seed.

   c. A person who is an authorized dealer or agent of a seed company holding a permit in accordance with section 4.1-53-38.

7. "Noncredit-sale contract" means a contract for the sale of grain other than a credit-sale contract.

8. "Receipts" means scale tickets, checks, or other memoranda given by a grain buyer for, or as evidence of, the receipt or sale of grain except when such memoranda was received as a result of a credit-sale contract.

9. "Roving grain buyer" means a grain buyer who does not operate a facility where grain is received.

SECTION 36. AMENDMENT. Section 60-02.1-02 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-02. ~~Commission~~Commissioner - Powers and duties.

The powers and duties ~~imposed and the powers conferred by this chapter devolve upon the commission~~of the commissioner are enumerated in this chapter.

SECTION 37. AMENDMENT. Section 60-02.1-03 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-03. Duties and powers of the ~~commission~~commissioner.

The ~~commission~~commissioner has the duty and power to:

1. Exercise general supervision of grain buyers of this state.

2. Investigate all complaints of fraud and injustice, unfair practices, and unfair discrimination.

3. Examine and inspect, during ordinary business hours, any books, documents, and records.

4. Make all proper rules for carrying out and enforcing any law in this state regarding grain buyers.

SECTION 38. AMENDMENT. Section 60-02.1-04 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-04. Federal licensed inspector ~~- Appointed by commission~~.

The ~~commission~~commissioner may employ a federal licensed inspector whose duties are ~~hereinafter prescribed, and such~~enumerated in this chapter and may employ other employees as ~~may be~~ necessary to carry out the provisions of this chapter.

SECTION 39. AMENDMENT. Section 60-02.1-06 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-06. Notice of procedures for resolving disputes over grain.

A facility-based grain buyer shall post a notice containing the procedures specified in section 60-02.1-05 for resolving disputes. The ~~commission~~commissioner shall prescribe the form of the notice and shall provide a copy of the notice to each facility-based grain buyer. The facility-based grain buyer shall post the notice in the grain inspection room of the facility. The notice must specifically mention ~~that~~ the procedure for resolving disputes applies to the grade, dockage, moisture content, and protein content of grain and to the quality factors of grain for which inspection rules and grades have not been adopted by the secretary of agriculture of the United States.

SECTION 40. AMENDMENT. Section 60-02.1-07 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-07. Grain buyer license - How obtained - Fee - Financial statement.

Grain buyers ~~must~~shall obtain an annual license from the ~~commission~~commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. A facility-based grain buyer ~~must~~shall obtain a license for each receiving location operated in the state. If a grain buyer operates two or more facilities in the same city or siding, in conjunction with each other and with the same working force, and where but one set of books and records is kept for all such facilities, and scale tickets and checks of but one series are issued for the grain, purchased, only one license is required for the operation of all such facilities. The annual license fee for a facility-based grain buyer is ~~three~~four hundred dollars and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee per receiving location.

If required to obtain United States department of agriculture approval of the ~~commission's~~commissioner's grain buyer inspection program, the ~~commission~~commissioner may require ~~that~~ grain buyers submit a current financial statement prepared in accordance with generally accepted accounting principles. A financial statement furnished under this section is a confidential trade secret and is not a public record.

SECTION 41. AMENDMENT. Section 60-02.1-07.1 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-07.1. Roving grain buyer license - How obtained - Fee.

Roving grain buyers that purchase, solicit, merchandise, or take possession of grain in this state ~~must~~shall obtain an annual license from the ~~commission~~commissioner. Except as provided in this section, each license expires on July thirty-first of each year. ~~When~~If a licensee's initial license is issued effective after May thirty-first, that license expires on July thirty-first of the following year. The annual license fee for a roving grain buyer is ~~two~~three hundred dollars, and a license renewal application that is received after July fifteenth must be assessed an additional one hundred dollar fee.

SECTION 42. AMENDMENT. Section 60-02.1-08 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-08. Bond filed by grain buyer.

Before any license is effective for any grain buyer under this chapter, the applicant for the license shall file a bond with the ~~commission~~commissioner which must:

1. Be in a sum not less than ~~five~~ten thousand dollars.

2. Be continuous, unless the corporate surety by certified mail notifies the licensee and the ~~commission that~~commissioner the surety bond will be canceled ninety days after receipt of the notice of cancellation.

3. Run to the state of North Dakota for the benefit of all persons selling grain to or through the grain buyer.

4. Be conditioned:

   a. For the faithful performance of the licensee's duties as a grain buyer.

b. For compliance with the provisions of law and the rules of the ~~commission~~commissioner relating to the purchase of grain by such grain buyer.

5. For facility-based grain buyers, specify the location of each facility intended to be covered by the bond.

6. Be for the specific purpose of:

   a. Protecting the sellers of grain.

   b. Covering the costs incurred by the ~~commission~~commissioner in the administration of the licensee's insolvency.

7. Not accrue to the benefit of any person entering ~~into~~ a credit-sale contract with a grain buyer.

8. The aggregate liability of the surety under a bond does not accumulate for each successive annual license renewal period during which the bond is in force but, for losses during any annual license renewal period, is limited in the aggregate to the bond amount stated or changed by appropriate endorsement or rider.

The ~~commission~~commissioner may require an increase in the amount of any bond~~, from time to time,~~ as ~~it~~the commissioner deems necessary to accomplish the purposes of this section. The surety on the bond must be a corporate surety company, approved by the ~~commission~~commissioner, and authorized to do business within the state. The ~~commission~~commissioner may accept cash, a negotiable instrument, or a bond executed by personal sureties in lieu of a surety bond when, in ~~its~~the commissioner's judgment, cash, a negotiable instrument, or a personal surety bond properly will protect the holders of outstanding receipts. Only one bond may be required for any series of facilities operated by a facility-based grain buyer, and the bond must be construed to cover those facilities as a whole and not a specific amount for each.

SECTION 43. AMENDMENT. Section 60-02.1-09 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-09. Bond cancellation - Release of surety.

The surety on a bond is released from all future liability accruing on the bond after the expiration of ninety days from the date of receipt by the ~~commission~~commissioner of notice of cancellation by the surety or on a later date specified by the surety. This provision does not operate to relieve, release, or discharge the surety from any liability already accrued or which accrues before the expiration of the ninety-day period. Unless the grain buyer files a new bond at least thirty days before liability ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new bond has been filed and approved by the ~~commission~~commissioner.

SECTION 44. AMENDMENT. Section 60-02.1-11 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-11. Revocation and suspension.

The ~~commission~~commissioner may suspend or revoke the license of any grain buyer for cause upon notice and hearing. Notwithstanding any other provisions of this

chapter, the license of a grain buyer must automatically be suspended for failure at any time to have or to maintain either a bond or insurance policy in the amount and type required. During a suspension of a license a facility-based grain buyer, upon the ~~commission's~~commissioner's approval, may operate its facility and purchase or redeliver grain previously received, but may not receive additional grain for purchase, shipping, or processing. Grain may be sold only with the prior approval of the ~~commission~~commissioner.

SECTION 45. AMENDMENT. Section 60-02.1-16 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-16. Records required to be kept by grain buyers.

Each grain buyer shall keep such accounts, records, and memoranda concerning the buyer's dealing as such grain buyer as ~~from time to time~~ may be required by the ~~commission~~commissioner and shall make such reports of purchases of grain as may be required by the rules ~~made~~adopted by the ~~commission~~commissioner. The ~~commission~~commissioner at all times ~~shall~~must have access to such accounts, records, and memoranda.

SECTION 46. AMENDMENT. Section 60-02.1-17 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-17. Reports to be made by grain buyers - Penalty for failure.

Each licensed and bonded grain buyer shall:

1. Prepare for each month a report giving facts and information called for on the form of report prepared by the ~~commission~~commissioner. The report must contain or be verified by a written declaration ~~that it~~the report is made under the penalties of perjury. The report may be called for more frequently if the ~~commission~~commissioner deems ~~it~~ necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commission~~commissioner may make this information available for use by other governmental entities, but the information may not be released by those entities in a manner that jeopardizes the confidentiality of individual licensees.

2. File the report with the ~~commission~~commissioner not later than the last day of the following month. Failure to file this report promptly will be considered cause for revoking the grain buyer license after due notice and hearing.

3. Keep a separate account of the grain business, if the grain buyer is engaged in handling or selling any other commodity, and under no circumstances may the grain account and other accounts be mixed.

The ~~commission~~commissioner may refuse to renew a license to any grain buyer who fails to make a required report.

SECTION 47. AMENDMENT. Section 60-02.1-19 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-19. Federal grades to control - Grades to be posted.

All grain buyers shall purchase grain, except dry edible beans, in accordance with the official grades established from time to time by the secretary of agriculture of the United States, except as otherwise provided in applicable rules and regulations

~~applicable thereto~~ adopted by federal officials pursuant to law. A facility-based grain buyer shall post in a conspicuous place in the buyer's facility the official grades so established and also any change that may be made from time to time. A grain buyer of dry edible beans shall purchase and deliver beans in accordance with the buyer's policy, which must be filed with the ~~commission~~commissioner and, if applicable, posted in a conspicuous place in the buyer's facility. Other grading standards may be used if mutually agreed to in writing by the grain buyer and the owner of the grain. However, the owner may demand the use of federal grading standards. After hearing, the ~~commission~~commissioner may prohibit the use of nonfederal grades.

SECTION 48. AMENDMENT. Section 60-02.1-22 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-22. Insurance - Cancellation - Suspension of license.

An insurance company shall give at least sixty days' notice to the ~~commission~~commissioner and the insured by registered mail return receipt requested before cancellation of an insurance policy required in section 60-02.1-21. Unless the grain buyer files proof of new or renewed insurance at least thirty days before the existing policy ceases, the ~~commission~~commissioner, without hearing, shall immediately suspend the grain buyer's license and the suspension may not be removed until a new policy has been filed and approved by the ~~commission~~commissioner.

SECTION 49. AMENDMENT. Section 60-02.1-26 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-26. Transfer of facility - Redemption of receipts.

~~Whenever~~If a facility-based grain buyer desires to transfer a facility, either by sale or lease to any other individual, firm, or corporation, the grain buyer shall:

1. Notify the ~~commission~~commissioner first of its intention to transfer the facility, giving the name and address of the proposed lessee or purchaser.

2. Provide related information as may be required by the ~~commission~~commissioner.

3. Surrender to the ~~commission~~commissioner the grain buyer's license for cancellation and at that time the proposed lessee or purchaser shall file in due form for a new license and tender a new bond for review by the ~~commission~~commissioner, whereupon, it first being duly satisfied that all the outstanding receipts have been redeemed, or that the redemption thereof has been provided for, the ~~commission~~commissioner may permit a new license to become effective for the lessee or purchaser.

No sale, lease, or transfer of any facility will be recognized by the ~~commission~~commissioner except when made in accordance with the provisions of this section.

SECTION 50. AMENDMENT. Section 60-02.1-27 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-27. Going out of business - Redemption of receipts.

~~When~~If a facility-based grain buyer ceases business through closure, the destruction of a facility by fire or other cause, or through insolvency, ~~such~~the grain

buyer shall redeem all outstanding receipts at the price prevailing on the date the facility was closed, destroyed, or became insolvent. The holder of ~~such~~the receipts, upon due notice, ~~must~~shall accept this price and surrender the receipts. Any facility-based grain buyer who voluntarily ceases business or fails to renew an existing grain buyer license or whose grain buyer license is revoked shall notify the ~~commission~~commissioner and all receiptholders of such closing and redeem all such receipts at the price prevailing on the date the business closed or at the option of the owner of the receipt redeliver the kind, grade, and quantity of grain called for by the receipt. On commingled grain the value of over and under deliveries in quantity, grade, and protein ~~shall~~must be settled in cash and priced on the market on the day of closing.

SECTION 51. AMENDMENT. Section 60-02.1-29 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-29. Appointment of ~~commission~~commissioner.

Upon the insolvency of any roving grain buyer, the ~~commission~~commissioner shall apply to the district court of Burleigh County for authority to take all action necessary to act as trustee of the trust fund described in section 60-02.1-30. If the insolvency involves a facility-based grain buyer, application must be to the district court of a county in which the licensee operates a licensed facility. Upon notice to the licensee as the court prescribes, but not exceeding twenty days, or upon waiver of notice in writing by the licensee, the court shall hear and determine the application in a summary manner. If the court determines that the licensee is insolvent within the meaning of this chapter and that it would be in the best interests of the receiptholders that the ~~commission~~commissioner secure and execute the trust, the court shall issue an order granting the application, without bond, and the ~~commission~~commissioner shall proceed to exercise ~~its~~the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~commissioner's application, the court may issue ex parte a temporary order to preserve or protect the assets of the trust fund until the court issues its order granting or denying the application.

SECTION 52. AMENDMENT. Section 60-02.1-30 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-30. Trust fund established.

Upon the insolvency of any licensee, a trust fund must be established for the benefit of noncredit-sale receiptholders and to pay the costs incurred by the ~~commission~~commissioner in the administration of the insolvency. The trust fund must consist of the following:

1. Nonwarehouse receipt grain of the insolvent licensee held in storage or the proceeds obtained from the conversion of such grain.

2. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee must be remitted to the ~~commission~~commissioner and included in the trust fund.

3. The proceeds of insurance policies on destroyed grain.

4. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for damages upon bond given by the licensee to ensure faithful performance of the duties of a licensee.

5. The claim for relief, and proceeds ~~therefrom~~from the claim for relief, for the conversion of any grain stored in the warehouse.

6. Unencumbered accounts receivable for grain sold prior to the filing of the claim that precipitated an insolvency.

7. Unencumbered equity in grain hedging accounts.

8. Unencumbered grain product assets.

SECTION 53. AMENDMENT. Section 60-02.1-32 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-32. Notice to receiptholders and credit-sale contract claimants.

Upon ~~its~~the commissioner's appointment, the ~~commission~~commissioner may take possession of relevant books and records of the licensee. If the insolvency involves a roving grain buyer, the ~~commission~~commissioner shall publish a notice of ~~its~~the commissioner's appointment once each week for two consecutive weeks in all daily newspapers in the state and may notify, by ordinary mail, the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, disclosed by the licensee's records. If the insolvency involves a facility-based grain buyer, the notice must be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located. The notice must require outstanding receiptholders and credit-sale contract claimants to file their claims with the ~~commission~~commissioner along with the receipts, contracts, or other evidence of the claims required by the ~~commission~~commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time set by the ~~commission~~commissioner, the ~~commission~~commissioner is relieved of further duty in the administration of the insolvency on behalf of the receiptholder or credit-sale contract claimant and the receiptholder may be barred from participation in the trust fund, and the credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

SECTION 54. AMENDMENT. Section 60-02.1-33 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-33. Remedy of receiptholders.

~~No~~A receiptholder ~~has~~does not have a separate claim for relief upon any insolvent licensee's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commission~~commissioner fails or refuses to apply for ~~its~~the commissioner's own appointment or unless the district court denies the application. This chapter does not prohibit any receiptholder, either individually or in conjunction with other receiptholders, from pursuing concurrently any other remedy against the person or property of the licensee.

SECTION 55. AMENDMENT. Section 60-02.1-34 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-34. ~~Commission~~Commissioner to marshall trust assets.

Upon ~~its~~the commissioner's appointment, the ~~commission~~commissioner shall marshall all of the trust fund assets. The ~~commission~~commissioner may maintain suits in the name of the state of North Dakota for the benefit of all receiptholders against the licensee's bonds, insurers of grain, any person who may have converted any grain, and any person who may have received preferential treatment by being paid by the insolvent licensee after the first default.

SECTION 56. AMENDMENT. Section 60-02.1-35 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-35. Power of ~~commission~~commissioner to prosecute or compromise claims.

The ~~commission~~commissioner may:

1. Prosecute any action provided in sections 60-02.1-28 through 60-02.1-38 in any court in this state or in any other state.

2. Appeal from any adverse judgment to the courts of last resort.

3. Settle and compromise any action ~~when~~if it will be in the best interests of the receiptholders.

4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.

5. Upon payment of the amount of any settlement or of the full amount of any bond, exonerate the person so paying from further liability growing out of the action.

SECTION 57. AMENDMENT. Section 60-02.1-36 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-36. Money received by trustee - Deposited in Bank of North Dakota.

All funds received by the ~~commission~~commissioner as trustee must be deposited in the Bank of North Dakota.

SECTION 58. AMENDMENT. Section 60-02.1-37 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-37. Report of trustee to court - Approval - Distribution.

1. Upon the receipt and evaluation of claims, the ~~commission~~commissioner shall file with the court a report showing the amount and validity of each claim after recognizing:

   a. Relevant liens or pledges.

   b. Relevant assignments.

   c. Relevant deductions due to advances or offsets accrued in favor of the licensee.

   d. In case of relevant cash claims or checks, the amount of the claim.

e. In case of a relevant credit-sale contract or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.

2. The report must also contain the proposed reimbursement to the ~~commission~~commissioner for the expenses of administering the insolvency, the proposed distribution of the trust fund assets to receiptholders, less expenses incurred by the ~~commission~~commissioner in the administration of the insolvency, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants. If the trust fund is insufficient to redeem all receiptholder claims in full, the report should list the funds as prorated.

3. The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~commissioner's report should not be approved and distribution of the trust fund be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~commissioner by certified mail upon the licensee and the surety and by ordinary mail upon all persons having claims filed with the ~~commission~~commissioner.

4. Any aggrieved person having an objection to the ~~commission's~~commissioner's report shall file the objection with the court and serve copies on the ~~commission~~commissioner, the licensee, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.

5. Following the hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund, payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~commissioner from ~~its~~the commissioner's trust.

SECTION 59. AMENDMENT. Section 60-02.1-38 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-38. Filing fees and court costs - Expenses.

The ~~commission~~commissioner may not be required to pay any filing fee or other court costs or disbursements. The attorney general may appoint outside legal counsel to assist the ~~commission~~commissioner in the prosecution of the action and the cost of employing outside counsel must be paid from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission, its~~commissioner, the commissioner's employees, and others engaged in carrying out the provisions of sections 60-02.1-28 through 60-02.1-38, must be reimbursed to the ~~commission~~commissioner from the trust fund and credit-sale contract indemnity funds as appropriate.

SECTION 60. AMENDMENT. Section 60-02.1-39 of the North Dakota Century Code is amended and reenacted as follows:

60-02.1-39. Cease and desist.

~~Whenever~~If an entity engages in an activity or practice that is contrary to the provisions of this chapter or related rules, the ~~commission~~commissioner, upon ~~its~~the commissioner's own motion without complaint, with or without hearing, may order the entity to cease and desist from the activity until further order of the

~~commission~~commissioner. Such orders may include any corrective action up to and including license suspensions. Cease and desist orders must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 61. A new section to chapter 60-02.1 of the North Dakota Century Code is created and enacted as follows:

Release of records - Confidentiality.

1. As a condition of licensure under section 60-02.1-07, an applicant shall agree to provide to the commissioner, upon request, any financial record the commissioner deems relevant for purposes related to:

   a. The issuance or renewal of a grain buyer license; or

   b. An investigation after issuance or renewal of a grain buyer license.

2. As a condition of licensure, an applicant shall file a records release with the commissioner, authorizing the commissioner to obtain from any source any financial record the commissioner deems relevant for purposes related to:

   a. The issuance or renewal of a grain buyer license; or

   b. An investigation after issuance or renewal of a grain buyer license.

3. Any information obtained by the commissioner under this section is confidential and may be provided only:

   a. To federal authorities in accordance with federal law;

   b. To the attorney general, state agencies, and law enforcement agencies for use in the pursuit of official duties; and

   c. As directed by an order of a court pursuant to a showing of good cause.

SECTION 62. AMENDMENT. Subsection 1 of section 60-04-01 of the North Dakota Century Code is amended and reenacted as follows:

1. "~~Commission~~Commissioner" means the ~~public service commission~~agriculture commissioner.

SECTION 63. AMENDMENT. Section 60-04-03 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03. Appointment of ~~commission~~commissioner.

Upon the insolvency of any warehouseman, the ~~commission~~commissioner shall apply to the district court of a county in which the warehouseman operates a licensed warehouse for authority to take all action necessary and appropriate to secure and act as trustee of the trust fund described in section 60-04-03.1. Upon such notice to the warehouseman as the court shall prescribe, but not exceeding twenty days, or upon waiver of such notice in writing by the warehouseman, the court shall proceed to hear and determine such application in a summary manner. If it shall appear to the court ~~that such~~the warehouseman is insolvent within the meaning of this chapter and ~~that~~ it would be for the best interests of the receiptholders that the

~~commission~~commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon~~at which time the ~~commission~~commissioner shall proceed to exercise ~~its~~the commissioner's authority without further direction from the court.

Upon the filing of the ~~commission's~~commissioner's application, the court may issue ex parte such temporary order as may be necessary to preserve or protect the assets of the trust fund, or the value ~~thereof~~of the trust fund, until the court issues ~~its~~an order granting or denying the application.

SECTION 64. AMENDMENT. Section 60-04-03.1 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.1. Trust fund established.

1. Upon the insolvency of any warehouseman, a trust fund ~~shall~~must be established:

   a. For the benefit of noncredit-sale receiptholders of the insolvent warehouseman, other than those who have waived their rights as beneficiaries of the trust fund in accordance with section 60-02-11; and

   b. To pay the costs incurred by the ~~commission~~commissioner in the administration of this chapter.

2. The trust fund consists of the following:

   a. The grain in the warehouse of the insolvent warehouseman or the proceeds as obtained through the sale of such grain;

   b. The proceeds, including accounts receivable, from any grain sold from the time of the filing of the claim that precipitated an insolvency until the ~~commission~~commissioner is appointed trustee;

   c. The proceeds of insurance policies upon grain destroyed in the elevator;

   d. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for damages upon any bond given by the warehouseman to ensure faithful performance of the duties of a warehouseman;

   e. The claims for relief, and proceeds ~~therefrom~~from the claims for relief, for the conversion of any grain stored in the warehouse;

   f. Unencumbered accounts receivable for grain sold ~~prior to~~before the filing of the claim that precipitated an insolvency;

   g. Unencumbered equity in grain hedging accounts; and

   h. Unencumbered grain product assets.

SECTION 65. AMENDMENT. Section 60-04-03.2 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.2. Possession of grain.

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner shall seek possession of the grain to be included in the trust fund. Upon ~~its~~the commissioner's possession of any grain in the warehouse, the ~~commission~~commissioner shall sell such grain and apply the proceeds to the trust fund.

SECTION 66. AMENDMENT. Section 60-04-03.3 of the North Dakota Century Code is amended and reenacted as follows:

60-04-03.3. Joinder of surety - Deposit of proceeds.

The surety on the warehouseman's bond must be joined as a party to the insolvency proceeding upon a motion by the ~~commission when~~commissioner if the ~~commission~~commissioner believes ~~that~~ proceeds from the warehouseman's bond may be needed to redeem outstanding receipts issued by the warehouseman. ~~When~~If it appears in the best interests of the receiptholders, the court may order the surety to deposit the penal sum of the bond, or so much ~~thereof~~of the sum as may be deemed necessary, into the trustee's trust account pending a final determination of the surety's liability under the bond.

SECTION 67. AMENDMENT. Section 60-04-04 of the North Dakota Century Code is amended and reenacted as follows:

60-04-04. Notice to receiptholders and credit-sale contract claimants.

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner may take possession of relevant books and records of the warehouseman. The ~~commission~~commissioner shall cause a notice of ~~its~~the commissioner's appointment to be published once each week for two consecutive weeks in a newspaper in the county in which the warehouse is located and may notify by ordinary mail the holders of record of outstanding receipts and those who are potential credit-sale contract claimants, as shown by the warehouseman's records. The notices must require outstanding receiptholders and credit-sale contract claimants to file their claims against the warehouseman with the ~~commission~~commissioner along with the receipts, contracts, or any other evidence of the claims as required by the ~~commission~~commissioner. If an outstanding receiptholder or credit-sale contract claimant fails to submit a claim within forty-five days after the last publication of the notice or a longer time as prescribed by the ~~commission~~commissioner, the ~~commission~~commissioner is relieved of further duty or action under this chapter on behalf of the receiptholder or credit-sale contract claimant and the receiptholder or credit-sale contract claimant may be barred from payment for any amount due. Outstanding receiptholders and credit-sale contract claimants are not parties to the insolvency action unless admitted by the court upon a motion for intervention.

SECTION 68. AMENDMENT. Section 60-04-05 of the North Dakota Century Code is amended and reenacted as follows:

60-04-05. Remedy of receiptholders.

~~No~~A receiptholder ~~has~~does not have a separate claim for relief upon the warehouseman's bond, nor for insurance, nor against any person converting grain, nor against any other receiptholder, except through the trustee, unless, upon demand of five or more receiptholders, the ~~commission~~commissioner fails or refuses to apply for ~~its~~the commissioner's own appointment from the district court or unless the district court denies the application for appointment. This chapter does not prohibit or prevent any receiptholder, either individually or in conjunction with other receiptholders, from

pursuing concurrently such other remedy against the person or property of ~~such~~the warehouseman, for the whole, or any deficiency occurring in the redemption, of the receipts.

SECTION 69. AMENDMENT. Section 60-04-06 of the North Dakota Century Code is amended and reenacted as follows:

60-04-06. ~~Commission~~Commissioner to marshall trust assets.

Upon ~~its~~the commissioner's appointment by the district court, the ~~commission~~commissioner may maintain suits at law or in equity, or any special proceeding, in the name of the state of North Dakota, upon ~~its~~the commissioner's own relation, but for the benefit of all such receiptholders against:

1. The insurers of grain;

2. The warehouseman's bond;

3. Any person who may have converted any grain; or

4. Any receiptholder who ~~shall have~~ received more than ~~its~~the receiptholder's just and pro rata share of grain,

for the purpose of marshalling all of the trust fund assets and distributing the same among the receiptholders. The ~~commission~~commissioner shall seek possession of any grain in the warehouse before recourse is had against the insurers of grain, and the remedy against the insurers of grain ~~shall~~must be exhausted before recourse is had against the bond, and against the bond before recourse is had against the person honestly converting grain, unless the ~~commission shall deem~~commissioner deems it necessary to the redemption of the receipts that all the above remedies be pursued at the same time.

SECTION 70. AMENDMENT. Section 60-04-07 of the North Dakota Century Code is amended and reenacted as follows:

60-04-07. Power of ~~commission~~commissioner to prosecute or compromise claims.

The ~~commission~~commissioner may:

1. Prosecute any action provided in this chapter in any court in this state or in any other state.

2. Appeal from any adverse judgment to the courts of last resort.

3. Settle and compromise any action ~~whenever~~if it is in the best interests of the receiptholders.

4. Settle and compromise any action ~~when~~if it is in the best interests of the credit-sale contract claimants.

5. Upon payment of the amount of the compromise or of the full amount of any insurance policy, bond, or conversion claim, exonerate the person so compromising or paying in full from further liability growing out of the action.

SECTION 71. AMENDMENT. Section 60-04-08 of the North Dakota Century Code is amended and reenacted as follows:

60-04-08. Money received by trustee - Deposited in Bank of North Dakota.

All moneys collected and received by the ~~commission~~commissioner as trustee under this chapter, pending the marshalling of the fund, ~~shall~~must be deposited in the Bank of North Dakota.

SECTION 72. AMENDMENT. Section 60-04-09 of the North Dakota Century Code is amended and reenacted as follows:

60-04-09. Report of trustee to court - Approval - Distribution.

Upon the receipt and evaluation of claims filed with ~~it~~the commissioner, the ~~commission~~commissioner shall file with the court a report showing the amount and validity of each claim after recognizing:

1. Any proper liens or pledges ~~thereon~~on the claims.

2. Assignments ~~thereof~~of the claims.

3. Deductions ~~therefrom~~from the claims by reason of advances or offsets accrued in favor of the warehouseman.

4. In case of cash claims or checks, the amount ~~thereof~~of the claims or checks.

5. In the case of scale tickets or warehouse receipts, the amount ~~thereof~~ based upon the market price prevailing on the date the ~~commission~~commissioner first received a copy of the written demand required by section 60-04-02.

6. In the case of a credit-sale or noncredit-sale contract, the amount remaining to be paid based on the terms of the contract.

The report must also contain the proposed reimbursement to the ~~commission~~commissioner for the expenses of administering the insolvency, a proposed distribution of the trust fund assets, less expenses incurred by the ~~commission~~commissioner in the administration of this chapter, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants as ~~their~~the interests of the claimants are determined. If the trust fund is insufficient to redeem all receiptholder claims in full, the fund must be shown prorated in the report in the manner the ~~commission~~commissioner deems fair and equitable.

The court shall set a hearing and the appropriate notice for interested persons to show cause why the ~~commission's~~commissioner's report should not be approved and credit-sale contract indemnity fund payments and distribution of the trust fund be made as proposed, and payments from the credit-sale contracts be made as proposed. Copies of the report and notice of hearing must be served by the ~~commission~~commissioner by certified mail upon the warehouseman and the surety and by ordinary mail upon all persons having claims filed with the ~~commission~~commissioner.

Any aggrieved person having an objection to the ~~commission's~~commissioner's report shall file the objection with the court and serve copies on the ~~commission~~commissioner, the warehouseman, and the surety at least twenty days before the hearing. Failure to file and serve objections in the time set is a waiver of the objection.

Following hearing, the court shall approve or modify the report and issue an order directing payment of the necessary bond proceeds, distribution of the trust fund,

payments from the credit-sale contract indemnity fund, and discharge of the ~~commission~~commissioner from ~~its~~the commissioner's trust.

SECTION 73. AMENDMENT. Section 60-04-10 of the North Dakota Century Code is amended and reenacted as follows:

60-04-10. Filing fees and court costs - Expenses.

In any action in a state court in this state, the ~~commission shall~~commissioner may not be required to pay any filing fee or other court costs or disbursements if the fees accrue to the county or to the state. The attorney general may employ outside legal services to assist the ~~commission~~commissioner in the prosecution of such action as in the attorney general's judgment may be necessary and the ~~commission~~commissioner shall deduct the expenses of the same from the trust fund and the credit-sale contract indemnity fund as appropriate. All other necessary expenses incurred by the ~~commission~~commissioner in carrying out the provisions of this chapter, including adequate insurance to protect the ~~commission, its~~commissioner, the commissioner's employees, and others engaged in carrying out the provisions of this chapter, must be reimbursed to the ~~commission~~commissioner from the trust fund and credit-sale indemnity funds as appropriate.

SECTION 74. AMENDMENT. Section 60-05-01 of the North Dakota Century Code is amended and reenacted as follows:

60-05-01. Public elevators and warehouses - ~~Commission~~Commissioner may require uniform accounting system.

The ~~public service commission~~commissioner may require every association, copartnership, corporation, or limited liability company conducting a public elevator or warehouse in this state to adopt a uniform accounting system established by ~~such commission~~the commissioner.

SECTION 75. AMENDMENT. Section 60-05-02 of the North Dakota Century Code is amended and reenacted as follows:

60-05-02. Examination of financial accounts of elevator or warehouse by competent examiner - Request by percentage of stockholders.

The ~~commission~~commissioner may install, and ~~whenever~~if requested by not less than fifteen percent of the partners, stockholders, or members of any association, copartnership, corporation, or limited liability company conducting such public elevator or warehouse, shall install, the uniform system of accounting mentioned in section 60-05-01. The ~~commission~~commissioner on ~~its~~the commissioner's own motion may, or on request of the required percentage of partners, stockholders, or members, the ~~commission~~commissioner shall, send a competent examiner to examine the books and financial accounts of ~~such~~the elevator or warehouse. ~~Whenever~~If a request for the examination of the accounts of any association, copartnership, corporation, or limited liability company has been made to the ~~commission~~commissioner, as provided for in this section, ~~an examination thereafter shall~~subsequent examinations must be made at least once every year until the ~~commission shall be~~commissioner is requested to discontinue such examination by resolution adopted by the partners, stockholders, or members at any annual meeting. ~~When~~If such examination has been made, the examiner shall report immediately the results ~~thereof~~of the examination to the president and the secretary of such association, copartnership, corporation, or limited liability company and to the ~~commission~~commissioner.

SECTION 76. AMENDMENT. Section 60-05-03 of the North Dakota Century Code is amended and reenacted as follows:

60-05-03. Certificate issued by ~~commission~~commissioner after ~~its~~ examination of accounts.

If the ~~commission~~commissioner is satisfied from ~~its~~the commissioner's examination that the person, association, copartnership, corporation, or limited liability company examined is solvent and ~~its~~the method of doing business is such as is likely to be beneficial to all of its members or persons interested therein, the ~~commission~~commissioner shall issue a certificate, countersigned by the examiner, to the agent or manager. Such certificate ~~shall~~must be kept posted conspicuously in the warehouse or elevator of such person, association, copartnership, corporation, or limited liability company and ~~shall~~must state:

1. That said methods of doing business are sound.

2. That such person, association, copartnership, corporation, or limited liability company is solvent.

3. That its books and accounts are kept properly.

If the affairs and methods of doing business of such person, association, copartnership, corporation, or limited liability company ~~shall~~do not seem sound or satisfactory to the ~~commission, it~~commissioner, the commissioner shall issue a certificate or statement, countersigned by the person who made the examination, stating in what particular and in what respect the business methods practiced or methods of keeping books and accounts of such person, association, copartnership, corporation, or limited liability company are not deemed safe. The ~~commission~~commissioner shall mail a copy of ~~said~~the statement or certificate to each of such shareholders or stockholders as may have requested the ~~commission~~commissioner to make such examination. The ~~commission~~commissioner also shall send a copy ~~thereof~~ to the president and the secretary of such association, copartnership, corporation, or limited liability company.

SECTION 77. AMENDMENT. Section 60-05-04 of the North Dakota Century Code is amended and reenacted as follows:

60-05-04. Fees of examiner for installing and examining accounting system.

For making installation of a uniform accounting system and examining the financial accounts of an elevator or public warehouse, an association, copartnership, corporation, or limited liability company shall pay the examiner a reasonable fee, as determined by the ~~commission~~commissioner. In case any such association, copartnership, corporation, or limited liability company shall wrongfully refuse or neglect to pay such fees, then the ~~commission~~commissioner may cancel the license to do business. All such fees ~~shall~~must be paid into the state treasury. The expenses incurred by the examiner under the provisions of this chapter shall be paid out of the appropriations made by the legislative assembly for this purpose and such expenses ~~shall~~must be audited and paid in the same manner as other expenses are audited and paid.

SECTION 78. AMENDMENT. Section 60-06-05 of the North Dakota Century Code is amended and reenacted as follows:

60-06-05. Sidetracks to be provided ~~by railroad company on its land~~.

Every railroad company or corporation organized under the laws of this state or doing business ~~therein~~in this state, upon application in writing, shall provide reasonable sidetrack facilities and running connections between its main track and elevators and warehouses upon or contiguous to its right of way at such stations. Every such railroad corporation shall permit connections to be made and maintained in a reasonable manner with its sidetracks to and from any warehouse or elevator without reference to its size, cost, or capacity, ~~where~~if grain or potatoes are or may be stored. The railroad company is not required to construct or furnish any sidetracks except upon its own land or right of way. Such elevators and warehouses may not be constructed within one hundred feet [30.48 meters] of any existing structure and must be at safe fire distance from the station buildings so as not to conflict essentially with the safe and convenient operation of the road. ~~Where~~If stations are ten miles [16.09 kilometers] or more apart the railroad company, ~~when~~if required so to do by the ~~public service commission~~commissioner, shall construct and maintain a sidetrack for the use of shippers between such stations.

SECTION 79. AMENDMENT. Section 60-06-06.1 of the North Dakota Century Code is amended and reenacted as follows:

60-06-06.1. Determination - ~~Appropriation~~Expenses.

Any party may petition the ~~public service commission~~commissioner to determine rights governed under this chapter. The ~~commission~~commissioner shall determine the matter in accordance with chapter 28-32 and the parties' rights of appeal are as limited by chapter 28-32. The value of a leaseholder's improvements may not be considered in determining a reasonable lease rate or selling price. The parties to such a proceeding shall pay the expenses of the proceeding, as determined by the ~~commission~~commissioner, directly to the entities owed. The ~~commission~~commissioner may adopt rules to carry out this section.

SECTION 80. AMENDMENT. Section 60-10-01 of the North Dakota Century Code is amended and reenacted as follows:

60-10-01. Credit-sale contracts - Assessment on grain - Submission of assessment.

An assessment at the rate of two-tenths of one percent is placed on the value of all grain sold in this state under a credit-sale contract, as provided for in sections 60-02-19.1 and 60-02.1-14. The licensee purchasing the grain shall note the assessment on the contract required under sections 60-02-19.1 and 60-02.1-14 and shall deduct the assessment from the purchase price payable to the seller. The licensee shall submit any assessment collected under this section to the ~~public service commission~~commissioner no later than thirty days after each calendar quarter. The ~~commission~~commissioner shall deposit the assessments received under this section in the credit-sale contract indemnity fund.

SECTION 81. AMENDMENT. Section 60-10-02 of the North Dakota Century Code is amended and reenacted as follows:

60-10-02. Credit-sale contract indemnity fund - Creation - Continuing appropriation.

There is created in the state treasury the credit-sale contract indemnity fund. The state treasurer shall invest available moneys in the fund in accordance with section 21-10-07 and in cooperation with the ~~public service commission~~commissioner and shall deposit any income earned through the investments into the fund. The fund and earnings of the fund are appropriated to the ~~public service commission~~commissioner

on a continuing basis to be used exclusively to carry out the intent and purpose of this chapter.

SECTION 82. AMENDMENT. Section 60-10-03 of the North Dakota Century Code is amended and reenacted as follows:

60-10-03. Credit-sale contract indemnity fund - Suspension of assessment.

At the end of the calendar quarter in which the credit-sale contract indemnity fund reaches a level of six million dollars, the ~~public service commission~~commissioner shall suspend collection of the assessment required by this chapter. If after suspension of collection the balance in the fund is less than three million dollars, the ~~public service commission~~commissioner shall require collection of the assessment.

SECTION 83. AMENDMENT. Section 60-10-05 of the North Dakota Century Code is amended and reenacted as follows:

60-10-05. Credit-sale contract indemnity fund - Availability of money.

Upon the insolvency of a licensed warehouse or a grain buyer and a declaration ~~that~~ the ~~public service commission~~commissioner serve as the trustee, the ~~public service commission~~commissioner shall make the proceeds of the credit-sale contract indemnity fund available for use in meeting the licensee's obligations with respect to the reimbursement of any person who sold grain to the licensee under a credit-sale contract and who was not fully compensated in accordance with the contract.

SECTION 84. AMENDMENT. Section 60-10-07 of the North Dakota Century Code is amended and reenacted as follows:

60-10-07. Credit-sale contract indemnity fund - Prorated claims.

If claims for indemnity payments from the credit-sale contract indemnity fund exceed the amount in the fund, the ~~public service commission~~commissioner shall prorate the claims and pay the prorated amounts. As future assessments are collected, the ~~public service commission~~commissioner shall continue to forward indemnity payments to each eligible person until the person receives the maximum amount payable in accordance with this chapter.

SECTION 85. AMENDMENT. Section 60-10-08 of the North Dakota Century Code is amended and reenacted as follows:

60-10-08. Reimbursement for later insolvencies.

The ~~public service commission~~commissioner shall ensure ~~that~~ all persons eligible for payment from the indemnity fund as a result of an insolvency are fully compensated to the extent permitted by this chapter before any payments from the indemnity fund are initiated as a result of a later insolvency. The chronological order of insolvencies is determined by the date the ~~public service commission~~commissioner is appointed trustee under section 60-02.1-29 or 60-04-03.

SECTION 86. AMENDMENT. Section 60-10-09 of the North Dakota Century Code is amended and reenacted as follows:

60-10-09. Credit-sale contract indemnity fund - Reimbursement for administrative expenses.

Any expense incurred by the ~~public service commission~~commissioner in administrating the credit-sale contract indemnity must be reimbursed from the fund before any other claim for indemnity is paid.

SECTION 87. AMENDMENT. Section 60-10-10 of the North Dakota Century Code is amended and reenacted as follows:

60-10-10. Credit-sale contract indemnity fund assessment - Failure to collect assessment - Penalty.

Any person who knowingly or intentionally refuses or fails to collect the assessment required under this chapter from producers or to submit any assessment collected from producers to the ~~public service commission~~commissioner for deposit in the credit-sale contract indemnity fund is guilty of a class A misdemeanor.

SECTION 88. AMENDMENT. Section 60-10-11 of the North Dakota Century Code is amended and reenacted as follows:

60-10-11. Revocation and suspension.

The ~~commission~~commissioner may suspend or revoke the license of any licensee for cause upon notice and hearing for violation of this chapter.

SECTION 89. AMENDMENT. Section 60-10-12 of the North Dakota Century Code is amended and reenacted as follows:

60-10-12. Cease and desist.

If a person engages in an activity or practice that is contrary to this chapter or rules adopted by the ~~commission~~commissioner, the ~~commission~~commissioner, upon ~~its~~the commissioner's own motion without complaint and with or without a hearing, may order the person to cease and desist from the activity until further order of the ~~commission~~commissioner. The order may include any corrective action up to and including license suspension. A cease and desist order must be accompanied by a notice of opportunity to be heard on the order within fifteen days of the issuance of the order.

SECTION 90. AMENDMENT. Section 60-10-14 of the North Dakota Century Code is amended and reenacted as follows:

60-10-14. Subrogation.

Money paid from the credit-sale contract indemnity fund in satisfaction of a valid claim constitutes a debt obligation of the person against whom the claim was made. The ~~commission~~commissioner may take action on behalf of the fund against a person to recover the amount of payment made, plus costs and attorney's fees. Any recovery for reimbursement to the fund must include interest computed at the weight average prime rate charged by the Bank of North Dakota. Upon payment of a claim from the credit-sale contract indemnity fund, the claimant shall subrogate ~~its~~the interest of the claimant, if any, to the ~~commission~~commissioner in a cause of action against all parties, to the amount of the loss that the claimant was reimbursed by the fund.

SECTION 91. AMENDMENT. Section 60-10-15 of the North Dakota Century Code is amended and reenacted as follows:

60-10-15. Unlicensed facility-based grain buyer.

This chapter also applies to a facility-based grain buyer, as defined in section 60-02.1-01, which is licensed under the United States Warehouse Act but which does not possess a state grain buyer license. The ~~commission~~commissioner has the duty and power to examine and inspect, during regular business hours, all books, documents, and records related to collections and remittances pertaining to the credit-sale contract indemnity fund. In the case of insolvency, credit-sale contract payments to valid claimants must be reduced by an amount equal to the credit-sale contract indemnity payments received from payments administered by the United States department of agriculture.

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Filed May 2, 2019

CHAPTER 35

SENATE BILL NO. 2010

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the insurance commissioner; to create and enact section 26.1-22-03.1 of the North Dakota Century Code, relating to North Dakota reserve fund use of producers; to amend and reenact subsection 2 of section 26.1-01-07, section 26.1-01-09, subdivision c of subsection 8 of section 26.1-04-03, subsection 2 of section 26.1-04-06, sections 26.1-21-03, 26.1-21-17, 26.1-22-03, and 26.1-23.1-01, and subsection 2 of section 26.1-25-16 of the North Dakota Century Code, relating to the state fire and tornado fund, the state bonding fund, fees chargeable by the insurance commissioner, the salary of the insurance commissioner, insurance rebates, and government self-insurance pools; to provide for a legislative management study; to provide a statement of legislative intent; to provide for a report; to provide a continuing appropriation; to provide for a penalty; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the insurance commissioner for the purpose of defraying the expenses of the insurance commissioner, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$8,549,567	($399,569)	$8,149,998
Operating expenses	2,179,777	(413,102)	1,766,675
Total special funds	$10,729,344	($812,671)	$9,916,673
Full-time equivalent positions	46.00	(5.00)	41.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Health care analysis	$0	$200,000
Total special funds	$0	$200,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The insurance commissioner shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION. There is appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of $18,818,030, or so much of the sum as may be necessary, to the insurance

commissioner for the purpose of providing payments, in accordance with provisions of section 18-04-05, to North Dakota fire departments in the amount of $17,989,505 and payments to the North Dakota firefighter's association in the amount of $828,525, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. UNSATISFIED JUDGMENT FUND. Section 1 of this Act includes $29,703 from the state unsatisfied judgment fund to pay unsatisfied judgment fund administrative expenses for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. AMENDMENT. Subsection 2 of section 26.1-01-07 of the North Dakota Century Code is amended and reenacted as follows:

2. Nonprofit health service corporations and health maintenance organizations are subject to the same fees as any other insurance company. County mutual insurance companies and benevolent societies are liable only for the fees mentioned in subdivisions b, f, g, and ~~k~~h of subsection 1.

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

26.1-01-09. Salary of commissioner.

The annual salary of the commissioner is ~~one hundred two thousand six hundred eighty-nine dollars through June 30, 2016~~one hundred seven thousand eight hundred eighty-five dollars through June 30, 2020, and ~~one hundred five thousand seven hundred seventy~~one hundred ten thousand five hundred eighty-two dollars thereafter.

SECTION 7. AMENDMENT. Subdivision c of subsection 8 of section 26.1-04-03 of the North Dakota Century Code is amended and reenacted as follows:

c. Notwithstanding any other provision in this subsection, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subdivision, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subdivision, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotion article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subdivision, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain ~~a quote or~~ a contract of insurance.

SECTION 8. AMENDMENT. Subsection 2 of section 26.1-04-06 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an

insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain ~~a quote or~~ a contract of insurance.

SECTION 9. AMENDMENT. Section 26.1-21-03 of the North Dakota Century Code is amended and reenacted as follows:

26.1-21-03. Commissioner may employ or contract for assistants - Continuing appropriation.

The commissioner may employ assistants or contract for the services of assistants from the North Dakota insurance reserve fund as may be necessary to operate the state bonding fund. ~~The salaries of all employees together with all other expenditures for the operation of the fund must remain within the appropriations made by the legislative assembly for these purposes and must be paid by warrant-check drawn on the state treasury prepared by the office of management and budget after the approval of expense vouchers by the office of the budget~~Moneys in the reserve fund of the state bonding fund are appropriated to the commissioner on a continuing basis for the purpose of employing or contracting for services as provided under this section.

SECTION 10. AMENDMENT. Section 26.1-21-17 of the North Dakota Century Code is amended and reenacted as follows:

26.1-21-17. Allowed liability claims payable from fund - Administrative expenses - Methods of payment.

A claim allowed against the fund must be paid upon warrants drawn upon the state treasurer against the fund. The warrant must be prepared by the office of management and budget pursuant to the directions of the commissioner. Payments for administrative expenses of the state bonding fund must be made from the reserve fund of the state bonding fund or must be made within the limitations of legislative appropriations upon warrant-checks prepared by the office of management and budget after the approval of vouchers by the commissioner.

SECTION 11. AMENDMENT. Section 26.1-22-03 of the North Dakota Century Code is amended and reenacted as follows:

26.1-22-03. Employment of assistants - Expenditures from fund - Continuing appropriation.

To carry out this chapter, the commissioner may utilize any information on file in the state fire marshal's department and any of the employees of the commissioner

and the commissioner may employ necessary assistants or contract for services of assistants from the North Dakota insurance reserve fund and may incur necessary expenses. All expenditures made for these purposes, other than services contracted and paid for by moneys from the fund and any necessary expenses paid from moneys from the reserve balance within the fund, must remain within the limits of legislative appropriations and must be paid out of the fund upon warrants prepared by the office of management and budget drawn upon the state treasurer after the approval of vouchers by the office of the budget. Moneys from the reserve balance within the fund are appropriated to the commissioner on a continuing basis for the purposes of this section.

SECTION 12. Section 26.1-22-03.1 of the North Dakota Century Code is created and enacted as follows:

26.1-22-03.1. North Dakota insurance reserve fund - Producers - Commission.

The North Dakota insurance reserve fund may use the services of producers licensed under this title to assist policyholders. Any commission paid to a producer under this section must be paid out of the premium income of the fund and must be assessed against the policyholders that benefit from the producer.

SECTION 13. AMENDMENT. Section 26.1-23.1-01 of the North Dakota Century Code is amended and reenacted as follows:

26.1-23.1-01. Government self-insurance pools - Regulation - Reinsurance.

1. Any two or more entities that have united to self-insure against their legal liability under chapter 32-12.1 or any state agency that unites with another state agency or political subdivision, or both, to self-insure against their legal liabilities are subject to the provisions of this chapter with the exception of a city and its park district established pursuant to chapter 40-49. Government self-insurance pools may only provide coverage of the following types for pool members, their officers, employees, and agents:

    a. Casualty insurance, including general, public officials, and professional liability coverages.

    b. Automobile insurance, including motor vehicle liability insurance coverage, security for motor vehicles owned or operated as required by chapter 26.1-41, and protection against other liability and laws associated with the ownership of motor vehicles and automobile physical damage coverages.

    c. Property insurance, including inland marine coverage, money and securities coverage, and extra expense coverage. However, this subdivision does not authorize government self-insurance pools to write those types of insurance coverages offered by the state fire and tornado fund under the provisions of chapter 26.1-22 as they existed on December 31, 1988, unless a government self-insurance pool enters a contract with the commissioner to provide services for the state fire and tornado fund under section 26.1-22-03.

    d. Other coverages authorized by the commissioner and necessary to a pool's membership.

2. A government self-insurance pool may not expose itself to loss on any single risk or hazard in an amount exceeding ten percent of the amount of its admitted assets unless the pool obtains excess insurance or reinsurance with insurance companies approved for such business by the insurance commissioner.

SECTION 14. AMENDMENT. Subsection 2 of section 26.1-25-16 of the North Dakota Century Code is amended and reenacted as follows:

2. Notwithstanding any other provision in this section, if the cost does not exceed an aggregate retail value of one hundred dollars per person per year, an insurance producer may give a gift, prize, promotional article, logo merchandise, meal, or entertainment activity directly or indirectly to a person in connection with marketing, promoting, or advertising the business. As used in this subsection, "person" means the named insured, policy owner, or prospective client or the spouse of any of these individuals, but the term does not include a certificate holder, child, or employee of the named insured, policy owner, or prospective client. Subject to the limits of this subsection, an insurance producer may give a gift card for specific merchandise or services such as a meal, gasoline, or car wash but may not give cash, a cash card, any form of currency, or any refund or discount in premium. An insurance producer may not condition the giving of a gift, prize, promotional article, logo merchandise, meal, or entertainment activity on obtaining a quote or a contract of insurance. Notwithstanding the limitation in this subsection, an insurance producer may make a donation to a nonprofit organization that is exempt from federal taxation under Internal Revenue Code section 501(c)(3) [26 U.S.C. 501(c)(3)] in any amount as long as the donation is not given as an inducement to obtain ~~a quote or~~ a contract of insurance.

SECTION 15. REPORT TO THE LEGISLATIVE MANAGEMENT - INSURANCE DEPARTMENT ANALYSIS OF HEALTH CARE - HOSPITAL REPORTING - PENALTY. During the 2019-20 interim, the insurance department shall assist the legislative management with the interim study of health insurance premium trends as approved by the sixty-sixth legislative assembly in House Bill No. 1106. During the interim, the insurance department shall conduct a detailed analysis of health care in the state and submit the report to the legislative management. During the interim, upon request of the insurance department, hospitals in cities with a population exceeding ten thousand shall provide the insurance department requested data regarding billing and payment information, financial information, management information, and other information the insurance department deems necessary to complete a detailed analysis of health care in the state. The department may not request data that include personally identifiable information and the hospitals may provide data in the aggregate. If a hospital fails, without just cause, to provide the insurance department with requested data as required under this section, the insurance commissioner may charge the hospital a civil penalty of up to one thousand dollars per day the hospital is in violation.

SECTION 16. LEGISLATIVE INTENT - INSURANCE TAX DISTRIBUTION FUND PAYMENTS TO FIRE DEPARTMENTS. It is the intent of the sixty-sixth legislative assembly that, when feasible, fire departments utilize increased payments from the insurance tax distribution fund to improve their insurance service office rating.

SECTION 17. LEGISLATIVE MANAGEMENT STUDY - HEALTH INSURANCE - PRE-EXISTING CONDITIONS. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of state guaranteed issue provisions for health insurance. The study must include

consideration of protections for individuals with pre-existing conditions and consideration of whether to restructure the comprehensive health association of North Dakota. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 18. LEGISLATIVE MANAGEMENT STUDY - VOLUNTEER FIREFIGHTER PENSION. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of establishing a pension for volunteer firefighters. The study must include a review of firefighter needs in the state and benefits provided to volunteer firefighters in other states. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 19. EMERGENCY. Sections 9, 10, 11, 12, and 13 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 36

SENATE BILL NO. 2011

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the securities department; and to amend and reenact subsection 5 of section 10-04-03 of the North Dakota Century Code, relating to collection of fees, civil penalties, and other moneys collected under the Securities Act.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from other income, to the securities department for the purpose of defraying the expenses of the securities department, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$1,848,667	$314,891	$2,163,558
Operating expenses	506,047	87,514	593,561
Total all funds	$2,354,714	$402,405	$2,757,119
Less estimated income	170,000	2,587,119	2,757,119
Total general fund	$2,184,714	($2,184,714)	$0
Full-time equivalent positions	9.00	1.00	10.00

SECTION 2. AMENDMENT. Subsection 5 of section 10-04-03 of the North Dakota Century Code is amended and reenacted as follows:

5. A special fund is established in the state treasury and designated as the securities department special fund. All fees, civil penalties, or other moneys collected under this chapter must be deposited in the ~~general fund of the state treasury~~securities department special fund, except funds permitted to be deposited into the investor education and technology fund under subsection 4 or civil penalties collected from enforcement actions for the purpose of distribution to aggrieved investors, which may be deposited in the investor restitution fund. Funds in the investor restitution fund are appropriated to the securities commissioner on a continuing basis for distribution to aggrieved investors.

   a. The moneys deposited in the securities department special fund are reserved for use by the securities department to defray the expenses of the department in the discharge of administrative and regulatory powers and duties of the department as prescribed by law. Deposits under this subdivision are subject to the applicable laws relating to the appropriations of state funds and to the deposit and expenditure of state moneys. The securities commissioner is responsible for the proper expenditure of these moneys as provided by law.

b. The office of management and budget shall transfer any balance in the securities department special fund in excess of the amounts necessary for department expenditures pursuant to the department's biennial appropriation to the general fund.

Approved April 15, 2019

Filed April 15, 2019

CHAPTER 37

SENATE BILL NO. 2012

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of human services; to create and enact two new sections to chapter 50-06 of the North Dakota Century Code, relating to peer support specialist certification and the establishment of a community behavioral health program; to amend and reenact subsection 9 of section 50-06.4-10 and sections 50-24.1-31, 50-24.1-37, and 54-27-25 of the North Dakota Century Code, relating to the brain injury advisory council, optional medical assistance for children, the Medicaid expansion program, and tobacco settlement trust fund allocations; to provide a statement of legislative intent; to provide for transfers; to provide for a legislative management report; to provide for a legislative management study; to provide an exemption; to provide an effective date; to provide an expiration date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of human services for the purpose of defraying the expenses of its various divisions, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

MANAGEMENT

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$26,280,139	($6,057,639)	$20,222,500
Operating expenses	116,315,826	31,908,694	148,224,520
Capital assets	0	50,000	50,000
Grants	204,000	(204,000)	0
Total all funds	$142,799,965	$25,697,055	$168,497,020
Less estimated income	85,679,558	18,127,188	103,806,746
Total general fund	$57,120,407	$7,569,867	$64,690,274

Subdivision 2.

PROGRAM AND POLICY

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$62,782,944	$6,211,929	$68,994,873
Operating expenses	125,299,436	25,662,147	150,961,583
Capital assets	10,000	0	10,000
Grants	441,420,827	11,933,680	453,354,507
Grants - medical assistance	2,373,678,247	368,479,473	2,742,157,720
Total all funds	$3,003,191,454	$412,287,229	$3,415,478,683

Less estimated income	1,945,157,519	287,410,619	2,232,568,138
Total general fund	$1,058,033,935	$124,876,610	$1,182,910,545

Subdivision 3.

FIELD SERVICES

	Base Level	Adjustments or Enhancements	Appropriation
Human service centers	$196,049,489	$8,651,654	$204,701,143
Institutions	140,421,224	4,025,921	144,447,145
Total all funds	$336,470,713	$12,677,575	$349,148,288
Less estimated income	138,543,705	(4,458,085)	134,085,620
Total general fund	$197,927,008	$17,135,660	$215,062,668

Subdivision 4.

COUNTY SOCIAL SERVICE FINANCING

	Base Level	Adjustments or Enhancements	Appropriation
County social services	$0	$173,700,000	$173,700,000
Total special funds	$0	$173,700,000	$173,700,000

Subdivision 5.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$1,313,081,350	$149,582,137	$1,462,663,487
Grand total special funds	2,169,380,782	474,779,722	2,644,160,504
Grand total all funds	$3,482,462,132	$624,361,859	$4,106,823,991
Full-time equivalent positions	2,162.23	68.00	2,230.23

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Medicaid expansion - fee schedule enhancement	$226,000,000	$0
County social service pilot program	160,700,000	0
Child care licensing and data system	3,000,000	0
Health information network and care coordination	40,800,000	0
Children's behavioral health services pilot project	150,000	0
Technology projects	0	13,785,658
Capital projects - life skills and transition center	0	4,277,165
Capital projects - state hospital	0	2,493,500
Medically complex children provider funding adjustment	0	977,603
Hyperbaric oxygen therapy grant	0	335,000
State hospital study	0	200,000
Total all funds	$430,650,000	$22,068,926
Less estimated income	404,500,000	20,556,323
Total general fund	$26,150,000	$1,512,603

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of human services shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Peer support certification.

The behavioral health division shall establish and implement a program for the certification of peer support specialists. In developing the program, the division shall:

1. Define a peer support specialist;

2. Establish eligibility requirements for certification;

3. Establish application procedures and standards for the approval or disapproval of applications for certification;

4. Enter reciprocity agreements with other states as deemed appropriate to certify nonresident applicants registered under the laws of other states having requirements for peer support specialists; and

5. Establish continuing education and certification renewal requirements.

SECTION 4. A new section to chapter 50-06 of the North Dakota Century Code is created and enacted as follows:

Community behavioral health program.

1. The department of human services shall establish and implement a community behavioral health program to provide comprehensive community-based services for individuals who have serious behavioral health conditions.

2. In developing the program, the department shall:

   a. Establish a referral and evaluation process for access to the program.

   b. Establish eligibility criteria that includes consideration of behavioral health condition severity.

   c. Establish discharge criteria and processes.

   d. Develop program oversight and evaluation processes that include outcome and provider reporting metrics.

   e. Establish a system through which the department:

      (1) Contracts with and pays behavioral health service providers.

      (2) Supervises, supports, and monitors referral caseloads and the provision of services by contract behavioral health service providers.

(3) Requires contract behavioral health service providers to accept eligible referrals and to provide individualized care delivered through integrated multidisciplinary care teams.

(4) Provides payments to contract behavioral health service providers on a per-month per-referral basis based on a pay-for-performance model that includes consideration of identified outcomes and the level of services required.

SECTION 5. AMENDMENT. Subsection 9 of section 50-06.4-10 of the North Dakota Century Code is amended and reenacted as follows:

9. The department shall ~~provide the council with administrative~~contract with a private, nonprofit agency that does not provide brain injury services, to facilitate and provide support services to the council.

[8] **SECTION 6. AMENDMENT.** Section 50-24.1-31 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-31. Optional medical assistance for families of children with disabilities.

The department of human services shall establish and implement a buyin program under the federal Family Opportunity Act enacted as part of the Deficit Reduction Act of 2005 [Pub. L. 109-171; 120 Stat. 4; 42 U.S.C. 1396] to provide medical assistance and other health coverage options to families of children with disabilities and whose net income does not exceed two hundred fifty percent of the federal poverty line.

SECTION 7. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective January 1, 2014, through July 31, ~~2019~~2021 - Contingent repeal - See note)

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty ~~level, based on modified adjusted gross income~~line published by the federal office of management and budget applicable to the household size.

2. The department ~~of human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.

3. The department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.

4. The contract between the department and the private carrier must:

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[8] Section 50-24.1-31 was also amended by section 33 of House Bill No. 1115, chapter 408.

a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:

(1) Be available on the department's website; and

(2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.

b. Provide full transparency of all costs and all rebates in aggregate.

c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.

d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.

e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.

5. The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

6. Provider reimbursement rate information received by the department under this section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 8. AMENDMENT. Section 50-24.1-37 of the North Dakota Century Code is amended and reenacted as follows:

50-24.1-37. Medicaid expansion - Legislative management report. (Effective January 1, 2014, through July 31, ~~2019~~2021 - Contingent repeal - See note)

1. The department of human services shall expand medical assistance coverage as authorized by the federal Patient Protection and Affordable Care Act [Pub. L. 111-148], as amended by the Health Care and Education Reconciliation Act of 2010 [Pub. L. 111-152] to individuals under sixty-five years of age with income below one hundred thirty-eight percent of the federal poverty ~~level, based on modified adjusted gross income~~line published by the federal office of management and budget applicable to the household size.

2. The department ~~of human services~~ shall inform new enrollees in the medical assistance expansion program that benefits may be reduced or eliminated if federal participation decreases or is eliminated.

3. ~~The~~Except for pharmacy services, the department shall implement the expansion by bidding through private carriers or utilizing the health insurance exchange.

4. ~~The contract between the department and the private carrier must:~~

   ~~a. Provide a reimbursement methodology for all medications and dispensing fees which identifies the minimum amount paid to pharmacy providers for each medication. The reimbursement methodology, at a minimum, must:~~

      ~~(1) Be available on the department's website; and~~

      ~~(2) Encompass all types of pharmacy providers regardless of whether the pharmacy benefits are being paid through the private carrier or contractor or subcontractor of the private carrier under this section.~~

   ~~b. Provide full transparency of all costs and all rebates in aggregate.~~

   ~~c. Allow an individual to obtain medication from a pharmacy that provides mail order service; however, the contract may not require mail order to be the sole method of service and must allow for all contracted pharmacy providers to dispense any and all drugs included in the benefit plan and allowed under the pharmacy provider's license.~~

   ~~d. Ensure that pharmacy services obtained in jurisdictions other than this state and its three contiguous states are subject to prior authorization and reporting to the department for eligibility verification.~~

   ~~e. Ensure the payments to pharmacy providers do not include a required payback amount to the private carrier or one of the private carrier's contractors or subcontractors which is not representative of the amounts allowed under the reimbursement methodology provided in subdivision a.~~

~~5.~~ The contract between the department and the private carrier must provide the department with full access to provider reimbursement rates. The department shall consider provider reimbursement rate information in selecting a private carrier under this section. Before August first of each even-numbered year, the department shall submit a report to the legislative management regarding provider reimbursement rates under the medical assistance expansion program. This report may provide cumulative data and trend data but may not disclose identifiable provider reimbursement rates.

~~6.~~5. Provider reimbursement rate information received by the department under this ~~section and any information provided to the department of human services or any audit firm by a pharmacy benefit manager under this~~ section is confidential, except the department may use the reimbursement rate information to prepare the report to the legislative management as required under this section.

SECTION 9. AMENDMENT. Section 54-27-25 of the North Dakota Century Code is amended and reenacted as follows:

54-27-25. Tobacco settlement trust fund - Interest on fund - Uses. (Effective through June 30, 2019)

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:

   a. Transfers to a community health trust fund to be administered by the state department of health. The state department of health may use funds as appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. Transfers under this subsection must equal fifty-five percent of total annual transfers from the tobacco settlement trust fund. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.

2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be used as appropriated by the legislative assembly.

3. Transfers to the funds under this section must be made within thirty days of receipt by the state.

Tobacco settlement trust fund - Interest on fund - Uses. (Effective after June 30, 2019)

1. There is created in the state treasury a tobacco settlement trust fund. The fund consists of the tobacco settlement dollars obtained by the state under subsection IX(c)(1) of the master settlement agreement and consent agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Except as provided in subsection 2, moneys received by the state under subsection IX(c)(1) must be deposited in the fund. ~~Interest earned on the fund must be credited to the fund and deposited in the fund. The principal and interest of the fund may be appropriated to the attorney general for the purpose of enforcing the master settlement agreement and any disputes with the agreement. All remaining principal and interest of the fund must be allocated as follows:~~

~~a. Transfers~~Moneys in the fund must be transferred within thirty days of receipt by the state to a community health trust fund ~~to be administered by the state department of health. The state department of health may use funds as~~. Moneys in the fund may be appropriated for community-based public health programs and other public health programs, including programs with emphasis on preventing or reducing tobacco usage in this state. ~~Transfers under this subsection must equal ten percent of total annual transfers from the tobacco settlement trust fund.~~

~~b. Transfers to the common schools trust fund to become a part of the principal of that fund. Transfers under this subsection must equal forty-five percent of total annual transfers from the tobacco settlement trust fund.~~

~~c. Transfers to the water development trust fund to be used to address the long-term water development and management needs of the state. Transfers under this subsection must equal forty-five percent of the total annual transfers from the tobacco settlement trust fund.~~

2. There is created in the state treasury a tobacco prevention and control trust fund. The fund consists of the tobacco settlement dollars obtained by the state under section IX(c)(2) of the agreement adopted by the east central judicial district court in its judgment entered December 28, 1998 [Civil No. 98-3778] in State of North Dakota, ex rel. Heidi Heitkamp v. Philip Morris, Inc. Interest earned on the fund must be credited to the fund and deposited in the fund. Moneys received into the fund are to be used as appropriated by the legislative assembly.

~~3. Transfers to the funds under this section must be made within thirty days of receipt by the state.~~

SECTION 10. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority between line items within subdivisions 1, 2, and 3 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2020, any transfer made in excess of $50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 11. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from line items within subdivisions 1, 2, and 3 of section 1 of this Act to subdivision 4 of section 1 of this Act for the biennium beginning July 1, 2019, and ending June 30, 2021, as requested by the department of human services. The department of human services shall notify the legislative council of any transfer made pursuant to this section. The department shall report to the budget section after June 30, 2020, any transfer made in excess of $50,000 and to the appropriations committees of the sixty-seventh legislative assembly regarding any transfers made pursuant to this section.

SECTION 12. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line items in subdivisions 1 and 3 of section 1 of this Act include the sum of $11,490,695 from the strategic investment and improvements fund for information technology and capital projects.

SECTION 13. ESTIMATED INCOME - HUMAN SERVICE FINANCE FUND. The estimated income line item in subdivision 4 of section 1 of this Act includes the sum of $173,700,000 from the human service finance fund for state-paid economic assistance and social and human services.

SECTION 14. ESTIMATED INCOME - TOBACCO PREVENTION AND CONTROL TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $6,000,000 from the tobacco prevention and control trust fund for defraying expenses in the medical services division.

SECTION 15. ESTIMATED INCOME - COMMUNITY HEALTH TRUST FUND. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $32,400,000 from the community health trust fund for defraying expenses in the medical services division.

SECTION 16. ESTIMATED INCOME - HEALTH CARE TRUST FUND - NURSING HOME OPERATING MARGIN ADJUSTMENT. The estimated income line item in subdivision 2 of section 1 of this Act includes the sum of $1,000,000 from the health care trust fund and $1,062,000 from other funds derived from federal funds. These funds must be used to increase the nursing facility operating margin up to 4.4 percent for the period beginning January 1, 2020, and ending June 30, 2021. Notwithstanding any other provision of law, the draft appropriations acts submitted to the legislative assembly for the 2021-23 biennium pursuant to section 54-44.1-06 may not contain a nursing facility operating margin in excess of 3.74 percent.

SECTION 17. EXPENDITURES MAY NOT EXCEED APPROPRIATION - MEDICAL ASSISTANCE EXPANSION PROGRAM.

1. Subdivision 2 of section 1 of this Act includes the sum of $567,367,511, of which $60,776,487 is from the general fund, for the medical assistance expansion program for the biennium beginning July 1, 2019, and ending June 30, 2021. The expenditures for individuals eligible for the medical assistance expansion program may not exceed this amount. For purposes of this section:

    a. Expenditures do not include those made for individuals identified as medically frail and who receive services through the traditional Medicaid program administered by the department of human services for which there is a separate appropriation of $5,185,101 included in subdivision 2 of section 1 of this Act.

    b. Expenditures do not include prescription drugs for the medical assistance expansion program population which is administered by the department of human services through its fee-for-service Medicaid program for which there is a separate appropriation of $52,548,356 included in subdivision 2 of section 1 of this Act.

    c. Expenditures do not include funding from the federal health insurance provider fee for which a separate appropriation of $9,619,987 is included in subdivision 2 of section 1 of this Act.

2. The department of human services may exceed appropriations for increases in medical assistance expansion program caseload and for the addition of coverage consistent with the traditional Medicaid 1915i state plan.

3. The managed care organization under contract with the department to manage the medical assistance expansion program shall reimburse providers

within the same provider type and specialty at consistent levels and with consistent methodology and may not provide incentive, quality, or supplemental payments to providers, unless part of a value-based program offered to all eligible providers and approved by the department. The managed care organization may consider urban and rural providers as different provider types. Critical access hospitals may not be paid less than one hundred percent of Medicare allowable costs.

4. The managed care organization and the department of human services shall ensure payments to Indian or Tribal 638 health care providers, federally qualified health centers, and rural health clinics meet the federally required minimum levels of reimbursement.

5. The department of human services shall ensure providers within the same provider type and specialty are reimbursed at consistent levels and with consistent methodology and shall ensure the capitation rates under risk contracts are actuarially sound and are adequate to meet managed care organization contractual requirements regarding availability of services, assurance of adequate capacity and services, and coordination and continuity of care.

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;

2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;

3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative assembly affects the balance of inpatient, residential, and community-based services;

4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and

5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to October 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan.

SECTION 19. REVISED PAYMENT METHODOLOGY FOR NURSING FACILITY SERVICES - REPORT TO LEGISLATIVE MANAGEMENT. The department of human services shall develop an implementation plan for a revised payment methodology for nursing facility services that must include recommendations for:

1. Methods of reimbursement for nursing facility cost categories including direct patient care, administrative expenses, and capital assets;

2. Considerations regarding establishing peer groups for payments based on factors such as geographical location or nursing facility size;

3. The feasibility and desirability of equalizing payments for nursing facilities in the same peer group, including the time frame for equalization; and

4. Payment incentives related to care quality or operational efficiency.

The executive director of the department of human services and representatives of the nursing home industry shall appoint a committee to advise the department on the development of the revised payment methodology for nursing facility services. Before October 1, 2020, the department shall report to the legislative management regarding the plan to implement the revised payment methodology. The estimated costs related to the implementation of the revised payment methodology must be included in the department's 2021-23 biennium budget request submitted to the sixty-seventh legislative assembly.

SECTION 20. HYPERBARIC OXYGEN THERAPY PILOT PROGRAM GRANT. Subdivision 2 of subsection 1 of this Act includes the sum of $335,000 from the general fund for the purpose of providing a grant to an entity to develop a hyperbaric oxygen therapy pilot program.

SECTION 21. ADAPTIVE SKIING GRANT - EXEMPTION. Subdivision 2 of section 1 of this Act includes the sum of $200,000 from the general fund for a grant for an adaptive skiing program affiliated with a winter park that is located in a county of less than 10,000 individuals. The requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or payments made under this section.

SECTION 22. PERMANENT HOUSING PROGRAM GRANTS - EXEMPTION - REPORT TO LEGISLATIVE MANAGEMENT. Subdivision 3 of section 1 of this Act includes the sum of $925,000 from the general fund to provide grants to entities to provide services to individuals experiencing chronic homelessness in the northeast and southeast human service regions. The requirements of chapter 54-44.4 do not apply to the selection of grantees, the grant awards, or payments made under this section. The department of human services' oversight for these services is limited to receiving information relating to annual service numbers and the expenditure of appropriated funds for these services. The department shall develop and implement standardized processes for the distribution of the permanent housing grants.

The funds identified for permanent housing grants may be used only for services not reimbursed by other funding sources. The department of human services, in cooperation with the grant recipients, shall provide reports to the legislative management during the 2019-20 interim regarding the services provided by the programs, the nonidentifiable demographics of the individuals receiving services, and the other funding or reimbursement being used to support the programs.

SECTION 23. SCHOOL BEHAVIORAL HEALTH GRANTS. Subdivision 2 of section 1 of this Act includes the sum of $1,500,000 from the general fund for the purpose of providing behavioral health services and support grants to school districts to address student behavioral health needs. To be eligible to receive a student behavioral health grant, a school district must submit a plan to the department of human services detailing the school district's collaboration with other regional school districts regarding student behavioral health needs and the use of grant funding to develop student behavioral heath interventions. A school district may not use grant funding to duplicate or fund existing services. The department of human services

shall provide student behavioral health grants only during the second year of the 2019-21 biennium.

SECTION 24. SCHOOL BEHAVIORAL HEALTH PROGRAM. Subdivision 2 of section 1 of this Act includes the sum of $300,000 from the general fund for a school behavioral health program. The department of human services shall use a portion of this funding for behavioral health pilot projects in a rural school and a tribal school.

SECTION 25. EXEMPTION. The amount appropriated for the replacement of the Medicaid management information system and related projects in chapter 50 of the 2007 Session Laws and chapter 38 of the 2011 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from these appropriations approved under section 54-44.1-11 for continuation into the 2009-11 biennium, then the 2011-13 biennium, then the 2013-15 biennium, then the 2015-17 biennium, and then the 2017-19 biennium are available for the completion of the Medicaid management information system and related projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 26. EXEMPTION. The amount appropriated for the modification of the department of human services' eligibility systems in chapter 578 of the 2011 Special Session Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2013-15 biennium, then the 2015-17 biennium, and then the 2017-19 biennium are available for the completion of the modification of the eligibility systems project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 27. EXEMPTION. The amount appropriated for the development of the electronic health records system in chapter 12 of the 2013 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under section 54-44.1-11 for continuation into the 2015-17 biennium and then the 2017-19 biennium are available for the completion of the electronic health records system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 28. EXEMPTION. The sum of $3,000,000 of federal funds appropriated for the development of the child care licensing and data system in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the child care licensing and data system during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. EXEMPTION. The sum of $40,800,000 of federal and other funds appropriated for the development of the health information network and care coordination project in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the health information network and care coordination project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 30. EXEMPTION. The amount appropriated for the development of the electronic visit verification project in chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for the completion of the electronic visit verification project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 31. EXEMPTION. The sum of $728,207 from the general fund appropriated for the department's operating expenses for the legal advisory unit in

chapter 11 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation may be used for the Ireland lawsuit or its settlement during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 32. EXEMPTION. The sum of $150,000 from the general fund appropriated for the purpose of establishing a children's prevention and early intervention behavioral health services pilot project in chapter 333 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available to be used for the completion of the children's prevention and early intervention behavioral health services pilot project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 33. CONVEYANCE OF LAND AUTHORIZED - STATE HOSPITAL - EXEMPTION. The state of North Dakota by and through the department of human services may convey real property associated with the state hospital in Stutsman County to the department of corrections and rehabilitation. The department of human services may convey building 2404, formerly known as the nursing residence building and Tompkins building, and surrounding property on the terms and conditions determined appropriate by the department of human services and the attorney general. Sections 54-01-05.2 and 54-01-05.5 do not apply to this conveyance.

SECTION 34. CAPITAL PROJECTS AND PAYMENTS. During the period beginning with the effective date of this Act, and ending June 30, 2021, the department of human services is authorized to expend funds for the following capital projects and payments:

1. The construction of a heating system and plant building at the state hospital;

2. The renovation of the cedar grove and maplewood buildings at the life skills and transition center, including the construction of a structure to connect the buildings;

3. The demolition of the refectory and pleasant view buildings at the life skills and transition center; and

4. The payment of special assessments at the state hospital.

SECTION 35. DEVELOPMENTAL DISABILITIES CASE MANAGEMENT. The department of human services shall provide case management services for individuals with a developmental disability within the ratio provided pursuant to North Dakota Administrative Code for the biennium beginning July 1, 2019, and ending June 30, 2021. If case management services for individuals with a developmental disability exceed the ratio requirement provided in the North Dakota Administrative Code, the department of human services may hire temporary staff or the department of human services may propose a change to North Dakota Administrative Code to meet the ratio requirement.

SECTION 36. BEHAVIORAL HEALTH PROVIDER PROCESS AND OUTCOME MEASURES. Behavioral health service providers that receive funding from the department of human services shall submit process and outcome measures to the department of human services for programs and services supported by state funding during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 37. TELEPHONE SUPPORT AND DIRECTORY SERVICES. The vendor of telephone and directory services, under contract with the department of

human services, shall include private behavioral health service providers in the vendor's directory at no cost to the private behavioral health service providers during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 38. ADULT COMPANION SERVICES. The department of human services shall include adult companion services as an allowable service under the home and community-based services Medicaid waiver, effective for dates of service on or after January 1, 2020.

SECTION 39. ADULT RESIDENTIAL RATES - REBASING. The department of human services shall rebase adult residential rates, effective for dates of service on or after January 1, 2020. The department of human services shall request cost information from adult residential providers who are enrolled as Medicaid home and community-based waiver providers and serve clients who receive memory care services or have a traumatic brain injury.

SECTION 40. TARGETED CASE MANAGEMENT - SERIOUS EMOTIONAL DISTURBANCE. The department of human services shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious emotional disturbance for dates of service beginning on or after October 1, 2019. If this expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, the department shall request a deficiency appropriation from the sixty-seventh legislative assembly for any shortfall.

SECTION 41. TARGETED CASE MANAGEMENT - SERIOUS MENTAL ILLNESS. The department of human services shall expand the types of providers recognized as Medicaid providers of targeted case management for individuals with a serious mental illness for dates of service beginning on or after October 1, 2019. If this expansion results in expenditures that exceed the amount appropriated to the department of human services for this service, the department shall request a deficiency appropriation from the sixty-seventh legislative assembly for any shortfall.

SECTION 42. WITHDRAWAL MANAGEMENT. The department of human services shall include withdrawal management as a covered service in the Medicaid state plan during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 43. IMPLEMENTATION OF 1915i MEDICAID STATE PLAN. The department of human services shall implement and manage a 1915i Medicaid state plan amendment for children and adults, for the period beginning July 1, 2020, and ending June 30, 2021. The requirements of chapter 54-44.4 do not apply to the addition of coverage consistent with the traditional Medicaid 1915i state plan to the managed care contract between the department of human services and the Medicaid expansion managed care organization. The department of human services and the Medicaid managed care organization shall ensure the appropriate contract amendment is adopted for coverage to begin July 1, 2020.

SECTION 44. HOME AND COMMUNITY-BASED SERVICES TARGETED POPULATION. The department of human services shall adopt rules, on or before January 1, 2021, establishing a process and requirements to involve public and private entities in identifying individuals who are at serious risk of accessing Medicaid-funded long-term care in a nursing facility and inform them about home and community-based services options.

SECTION 45. AUTISM SPECTRUM DISORDER TASK FORCE. The department of human services shall consult with the autism spectrum disorder task force at the November 2019 task force meeting to evaluate biennium autism spectrum disorder

Medicaid waiver expenditures to date. Based on input from the task force, the department may expand the number of slots or increase the ages covered by the autism spectrum disorder Medicaid waiver for the remainder of the 2019-21 biennium.

SECTION 46. AUTISM SPECTRUM DISORDER VOUCHER PROGRAM. The department of human services shall propose changes to North Dakota administrative code to seek additional flexibility for the administration of the autism spectrum disorder voucher program to ensure more families can be served within available appropriations. The proposed administrative code changes should consider changes that include a voucher that is solely for technology support and one that is for in-home supports; adding case management or parent-to-parent support as an allowable service for voucher funds; and reducing the amount of time during which a household may use approved voucher funds.

SECTION 47. IMPLEMENTATION OF BEHAVIORAL HEALTH STUDY RECOMMENDATIONS - REPORT TO LEGISLATIVE MANAGEMENT. Before August 1, 2020, the department of human services shall provide a report to the legislative management regarding the implementation of the human services research institute report recommendations.

SECTION 48. LEGISLATIVE MANAGEMENT STUDY - HEALTH CARE DELIVERY SYSTEM. During the 2019-20 interim, the legislative management shall consider studying the delivery of health care in the state. The study must review the needs and future challenges of the North Dakota health care delivery system, including rural access to primary health care, the use of emergency medical services, strategies to better serve residents, and the role of health care services in the future development of the state. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 49. LEGISLATIVE INTENT - UTILIZATION RATE ADJUSTMENTS. It is the intent of the sixty-sixth legislative assembly that the department of human services seek a deficiency appropriation from the sixty-seventh legislative assembly for any expenditures that exceed appropriated amounts as a result of reductions made in estimated utilization rates during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 50. EFFECTIVE DATE. Section 8 of this Act becomes effective on January 1, 2020.

SECTION 51. EXPIRATION DATE. Section 7 of this Act is effective through December 31, 2019, and after that date is ineffective.

SECTION 52. EMERGENCY. The sum of $6,770,665 in subdivision 3 of section 1 of this Act for capital projects at the state hospital and life skills and transition center and section 34 of this Act are declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 38

SENATE BILL NO. 2013

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the department of public instruction, the state library, the school for the deaf, and the North Dakota vision services - school for the blind; to amend and reenact sections 15.1-02-02, 15.1-18-10, and 15.1-21-02.6 of the North Dakota Century Code, relating to the salary of the superintendent of public instruction, teaching licenses, and the North Dakota scholarship; to provide for a report to the legislative assembly; to provide for a legislative management study; to provide exemptions; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of public instruction, the state library, the school for the deaf, and North Dakota vision services - school for the blind for the purpose of defraying the expenses of those agencies, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

DEPARTMENT OF PUBLIC INSTRUCTION

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$17,439,176	$587,859	$18,027,035
Operating expenses	30,165,005	3,805,942	33,970,947
Integrated formula payments	1,750,204,163	347,998,266	2,098,202,429
Grants - special education	19,300,000	4,700,000	24,000,000
Grants - transportation	55,400,000	1,100,000	56,500,000
Grants - other grants	254,062,705	33,000,000	287,062,705
Grants - program grants	6,210,000	1,470,000	7,680,000
Grants - passthrough grants	2,898,000	(34,236)	2,863,764
PowerSchool	5,500,000	0	5,500,000
Transportation efficiency	30,000	(30,000)	0
National board certification	120,000	(12,000)	108,000
State automated reporting system rewrite	0	1,200,000	1,200,000
Total all funds	$2,141,329,049	$393,785,831	$2,535,114,880
Less estimated income	705,727,065	108,026,678	813,753,743
Total general fund	$1,435,601,984	$285,759,153	$1,721,361,137
Full-time equivalent positions	91.75	(2.50)	89.25

Subdivision 2.

STATE LIBRARY

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$4,152,758	$147,577	$4,300,335
Operating expenses	1,604,075	17,842	1,621,917
Grants	2,109,028	124,500	2,233,528
Total all funds	$7,865,861	$289,919	$8,155,780
Less estimated income	2,247,560	126,801	2,374,361
Total general fund	$5,618,301	$163,118	$5,781,419
Full-time equivalent positions	28.75	(1.00)	27.75

Subdivision 3.

SCHOOL FOR THE DEAF

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$7,588,749	$466,195	$8,054,944
Operating expenses	2,026,543	(320,957)	1,705,586
Capital assets	158,678	270,000	428,678
Grants	180,000	(140,000)	40,000
Total all funds	$9,953,970	$275,238	$10,229,208
Less estimated income	2,465,444	234,914	2,700,358
Total general fund	$7,488,526	$40,324	$7,528,850
Full-time equivalent positions	45.61	(1.00)	44.61

Subdivision 4.

NORTH DAKOTA VISION SERVICES - SCHOOL FOR THE BLIND

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$4,660,995	$274,296	$4,935,291
Operating expenses	773,206	42,615	815,821
Capital assets	39,192	260,500	299,692
Total all funds	$5,473,393	$577,411	$6,050,804
Less estimated income	1,079,247	253,568	1,332,815
Total general fund	$4,394,146	$323,843	$4,717,989
Full-time equivalent positions	28.50	(0.60)	27.90

Subdivision 5.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$1,453,102,957	$286,286,438	$1,739,389,395
Grand total special funds	711,519,316	108,641,961	820,161,277
Grand total all funds	$2,164,622,273	$394,928,399	$2,559,550,672

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Department of public instruction		
Regional education association merger grants	$100,000	$0
North Dakota governor's school science, technology, engineering, and mathematics programs	220,000	0
English language learner grants	500,000	0
Rapid enrollment grants	6,000,000	0
Integrated formula payments	185,000,000	0
State automated reporting system rewrite	0	1,200,000
State school aid formula rewrite	0	200,000
Total department of public instruction - all funds	$191,820,000	$1,400,000
Total department of public instruction - estimated income	191,820,000	1,200,000
Total department of public instruction - general fund	$0	$200,000
School for the deaf		
Extraordinary repairs	$675,000	$250,000
Equipment	28,000	20,000
Video equipment and software	30,000	0
Total school for the deaf - estimated income	$733,000	$270,000
North Dakota vision services - school for the blind		
Special assessments payoff	$10,000	$0
Heating and cooling upgrade	35,500	0
Replace water line	60,000	0
Carpet and reception upgrade	30,000	0
West wing roof repair	0	39,000
Other repairs	0	18,500
Daily living skills area remodel	0	25,000
South wing restroom remodel	0	120,000
Garage door replacement	0	16,000
Gymnasium floor replacement	0	42,000
Adaptive technology equipment	0	20,000
Total school for the blind - estimated income	$135,500	$280,500
Grand total - all funds	$192,688,500	$1,950,500
Grand total - estimated income	192,688,500	1,750,500
Grand total - general fund	$0	$200,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of public instruction, school for the deaf, and North Dakota vision services - school for the blind shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. APPROPRIATION - ESTIMATED INCOME - TUITION APPORTIONMENT. The sum of $377,764,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, is from the state tuition fund in the state treasury. Any additional amount in the state tuition fund that becomes available for distribution to public schools is appropriated to the department of public instruction for that purpose for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - FOUNDATION AID STABILIZATION FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes $111,200,000 from the foundation aid stabilization fund in the state treasury, of which $110,000,000 is for integrated formula payments and $1,200,000 is for a rewrite of

the state automated reporting system, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. EXEMPTION - FUNDING TRANSFER - AUTHORIZATION. Notwithstanding section 54-16-04, the superintendent of public instruction may transfer up to $4,000,000 from the integrated formula payments line item to the grants - special education line item, for the biennium beginning July 1, 2017, and ending June 30, 2019, for the purposes of providing special education grants. The superintendent of public instruction shall notify the office of management and budget of any transfer made pursuant to this section.

SECTION 6. EXEMPTION - ADVANCED PLACEMENT PROGRAMS. Up to $600,000 of the unexpended amount remaining from the appropriation for integrated formula payments, as authorized in subdivision 1 of section 1 of chapter 12 of the 2017 Session Laws, is not subject to the provisions of section 54-44.1-11 at the end of the 2017-19 biennium, and may be continued into the 2019-21 biennium for the purpose of providing advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics programs.

SECTION 7. INTEGRATED FORMULA PAYMENTS AND SPECIAL EDUCATION CONTRACTS EXPENDITURE AUTHORITY. The superintendent of public instruction may expend funds included in the integrated formula payments and grants - special education contracts line items in subdivision 1 of section 1 of this Act for paying grants for educational services that were due in the 2017-19 biennium but which were not filed, claimed, or properly supported by the education provider until after June 30, 2019. To be reimbursed under this section, claims must be properly supported and filed with the superintendent of public instruction by June 30, 2020.

SECTION 8. GRANTS - SPECIAL EDUCATION DEFICIENCY AUTHORIZATION. If funds provided to the superintendent of public instruction in subdivision 1 of section 1 of this Act for grants - special education, for the biennium beginning July 1, 2019, and ending June 30, 2021, are not sufficient to meet special education contract obligations, the superintendent of public instruction shall request supplemental funding from the sixty-seventh legislative assembly.

SECTION 9. GIFTED AND TALENTED PROGRAM - MEDICAID MATCHING FUNDING - DISTRIBUTION.

1. The sum of $800,000, included in the integrated formula payments line item in subdivision 1 of section 1 of this Act, must be distributed to reimburse school districts or special education units for gifted and talented programs upon the submission of an application that is approved in accordance with guidelines adopted by the superintendent of public instruction. The superintendent of public instruction shall encourage cooperative efforts for gifted and talented programs among school districts and special education units.

2. State school aid payments for special education must be reduced by the amount of matching funds required to be paid by school districts or special education units for students participating in the Medicaid program. Special education funds equal to the amount of the matching funds required to be paid by the school district or special education unit must be paid by the superintendent of public instruction to the department of human services on behalf of the school district or unit.

SECTION 10. TRANSPORTATION GRANTS - DISTRIBUTION.

1. During each year of the 2019-21 biennium, the superintendent of public instruction shall calculate the payment to which each school district is entitled based on the state transportation formula as it existed on June 30, 2001, except that the superintendent shall provide reimbursement at the rate of:

   a. One dollar and eleven cents per mile for school buses having a capacity of ten or more passengers;

   b. Fifty-two cents per mile for vehicles having a capacity of nine or fewer passengers;

   c. Fifty cents per mile, provided;

      (1) The student being transported is a student with a disability, as defined in chapter 15.1-32;

      (2) The student's individualized education program plan requires that the student attend a public or a nonpublic school located outside the student's school district of residence;

      (3) The student is transported by an adult member of the student's family;

      (4) The student is transported in a vehicle furnished by the student's parents;

      (5) The student's transportation is paid for by the student's parents; and

      (6) The reimbursement does not exceed two round trips daily between the student's home and school.

   d. Fifty cents per mile, one way, provided:

      (1) The student being transported resides more than two miles from the public school that the student attends;

      (2) The student is transported by an adult member of the student's family;

      (3) The student is transported in a vehicle furnished by the student's parents; and

      (4) The student's transportation is paid for by the student's parents.

   e. Thirty cents per student for each one-way trip.

2. The superintendent of public instruction shall use the latest available student enrollment count in each school district in applying the provisions of subsection 1.

3. This section does not authorize the reimbursement of any costs incurred in providing transportation for student attendance at extracurricular activities or events.

SECTION 11. PROGRAM GRANT POOL - CONTINUING EDUCATION GRANTS - FUNDING - DISTRIBUTION. The grants - program grants line item in subdivision 1

of section 1 of this Act includes $1,500,000 for a program grant pool. The superintendent of public instruction shall use the funding provided for various grant programs, including up to $125,000, or so much of the sum as may be necessary, for continuing education grants, for the biennium beginning July 1, 2019, and ending June 30, 2021.

1. The superintendent of public instruction shall award grants in amounts up to $1,200 to eligible recipients in chronological order, based on the date of an individual's application. An eligible recipient must:

   a. (1) Be licensed to teach by the education standards and practices board;

      (2) Have taught in this state during each of the last three school years; and

      (3) Be enrolled at an institution of higher education in this state in either a master of education program in educational leadership or a program leading to a specialist diploma in educational leadership;

   b. Be pursuing the requirements for a certificate in career development facilitation; or

   c. Be pursuing a school counselor credential.

2. If any of the amount appropriated for this purpose remains after the superintendent of public instruction has awarded grants to all eligible recipients, the superintendent shall distribute that amount as an additional per student payment on a prorated basis, according to the latest available average daily membership of each school district.

SECTION 12. PASSTHROUGH GRANTS - APPLICATION - DISTRIBUTION - REPORTING. The grants - passthrough grants line item in subdivision 1 of section 1 of this Act includes $2,863,764 for passthrough grants. The superintendent of public instruction shall determine the manner in which each passthrough grant is distributed but no more than one-half of the funding may be provided each year of the biennium. Annually grantees, as a condition of receiving the grant, must establish performance measures to be reviewed by the superintendent of public instruction. Grantees shall report annually to the superintendent of public instruction regarding performance based on the measures. The superintendent may not distribute the grant payment for the second year of the biennium until the grantee submits the annual report for the first year of the biennium. The superintendent of public instruction shall report to the appropriations committees of the sixty-seventh legislative assembly regarding funds granted, performance measures established for each grantee, and whether grantees met performance expectations.

SECTION 13. REGIONAL EDUCATION ASSOCIATIONS - GRANTS-DISTRIBUTION. The integrated formula payments line item in subdivision 1 of section 1 of this Act includes $500,000 from the general fund for the purpose of providing annual grants to regional education associations for the biennium beginning July 1, 2019, and ending June 30, 2021. An annual grant of $35,714 is provided to each regional education association that exists as of July 1, 2019. Regional education associations that merge during the 2019-21 biennium are entitled to the annual grants that would have been paid to each of the member associations.

SECTION 14. EXEMPTION - INDIRECT COST ALLOCATION. Notwithstanding section 54-44.1-15, the department of public instruction may deposit indirect cost recoveries in its operating account.

SECTION 15. STATE AID TO PUBLIC LIBRARIES. The grants line item in subdivision 2 of section 1 of this Act includes $1,737,528 for aid to public libraries, of which no more than one-half may be expended during the fiscal year ending June 30, 2020.

SECTION 16. EXEMPTION - SCHOOL FOR THE DEAF - HIGHER EDUCATION INTERPRETER GRANT PROGRAM DISTRIBUTION. The grants line item in subdivision 3 of section 1 of this Act is for the purpose of providing grants to assist institutions under the control of the state board of higher education with the cost of interpreters and real-time captioning for students who are deaf or hard of hearing, for the biennium beginning July 1, 2019, and ending June 30, 2021. Moneys appropriated for this program are not subject to section 54-44.1-11. Funds must be distributed pursuant to the provisions of this section:

1. The school for the deaf shall develop a formula to determine the grant amount for which an institution is eligible. The formula must be based on an uniform hourly reimbursement.

2. To obtain a grant under this section, an institution shall submit to the school for the deaf, at the time and in the manner directed by the school, invoices showing the amount expended for interpreters and real-time captioning for students who are deaf or hard of hearing.

3. The school for the deaf may not distribute more than fifty percent of the amount appropriated during the first year of the biennium.

4. If any grant moneys remain undistributed at the end of the biennium, the school for the deaf shall provide additional prorated grants to institutions that incurred, during the biennium, hourly expenses in excess of the formula reimbursement level.

5. At the request of an institution under the control of the state board of higher education, the school for the deaf shall consult with the institution and provide advice regarding the provision of services most appropriate to meet a student's needs.

SECTION 17. AMENDMENT. Section 15.1-02-02 of the North Dakota Century Code is amended and reenacted as follows:

15.1-02-02. Salary.

The annual salary of the superintendent of public instruction is ~~one hundred sixteen thousand nine hundred three dollars through June 30, 2016, and one hundred twenty thousand four hundred ten dollars thereafter~~one hundred twenty-two thousand eight hundred ten dollars through June 30, 2020, and one hundred twenty-five thousand eight hundred eighty dollars thereafter.

[9] **SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and technology education at any grade level from kindergarten through grade eight, provided the individual:

   a. Is licensed to teach by the education standards and practices board;

   b. Is approved to teach in that area by the education standards and practices board; and

   c. Meets all requirements set forth in rule by the superintendent of public instruction.

2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.

3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.

4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:

   a. Has a permit issued by the board and has a high school diploma; and

   b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; <u>or</u>

      (2) Possesses a certificate, permit, or degree in the subject area to be taught~~; or~~

      ~~(3) Achieves a passing score on the Praxis content test~~.

SECTION 19. AMENDMENT. Section 15.1-21-02.6 of the North Dakota Century Code is amended and reenacted as follows:

15.1-21-02.6. North Dakota scholarship - Amount - Applicability.

1. a. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of seven hundred fifty dollars for each semester during which the student is enrolled full time at an accredited

[9] Section 15.1-18-10 was also amended by section 1 of House Bill No. 1531, chapter 163, section 18 of Senate Bill No. 2015, chapter 40, and section 5 of Senate Bill No. 2265, chapter 149.

institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.

b. The state board of higher education shall provide to any student certified as being eligible by the superintendent of public instruction either a North Dakota academic scholarship or a North Dakota career and technical education scholarship in the amount of five hundred dollars for each quarter during which the student is enrolled full time at an accredited institution of higher education in this state, maintains a cumulative grade point average of 2.75, and maintains progress toward degree completion.

2. The state board shall monitor each scholarship recipient to ensure that the student meets the academic and other requirements of this section. Upon determining that a recipient student has failed to meet the requirements of this section, the board shall provide notification to the student within ten days.

3. A student is not entitled to receive more than six thousand dollars under this section.

4. The state board of higher education shall forward the scholarship directly to the institution in which the student is enrolled.

5. a. (1) This section does not require a student to be enrolled in consecutive semesters.

(2) This section does not require a student to be enrolled in consecutive quarters.

b. A scholarship under this section is valid only for six academic years after the student's graduation from high school and may be applied to a graduate program.

6. A scholarship under this section is available to any eligible resident student who fulfills the requirements of section 15.1-21-02.4 or 15.1-21-02.5 and who:

a. Graduates from a high school in this state;

b. Graduates from a high school in a bordering state under chapter 15.1-29;

c. Graduates from a nonpublic high school in a bordering state while residing with a custodial parent in this state; or

d. Completes a program of home education supervised in accordance with chapter 15.1-23.

7. a. For purposes of North Dakota scholarship eligibility under this section, "full-time" has the same meaning as the term is defined by the institution the student is attending.

b. <u>A student who is enrolled less than full-time may retain scholarship eligibility if the student is in the final semester or quarter before graduation. The waiver of the full-time enrollment status requirement for scholarship eligibility may not apply to a student more than once.</u>

c. For the purpose of North Dakota scholarship eligibility under this section, "progress toward degree completion" means earning the following minimum number of credits after each semester or quarter term disbursement to qualify for the subsequent disbursement:

(1) Twenty-four credits after disbursement two;

(2) Thirty-nine credits after disbursement three;

(3) Fifty-four credits after disbursement four;

(4) Sixty-nine credits after disbursement five;

(5) Eighty-four credits after disbursement six; and

(6) Ninety-nine credits after disbursement seven.

SECTION 20. LEGISLATIVE MANAGEMENT STUDY - TRANSPORTATION. During the 2019-20 interim, the legislative management shall consider studying school transportation, including district routes, expenditures, reimbursement, and possible efficiencies. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 21. LEGISLATIVE MANAGEMENT STUDY - DUAL-CREDIT - ADVANCED PLACEMENT - DISTANCE EDUCATION COURSES. During the 2019-20 interim, the legislative management shall consider studying dual-credit, advanced placement, and distance education courses. The study must include a review of early enrollment placement testing and the qualifications for dual-credit and advanced placement courses. The study also must include a review of the costs and amounts of funding necessary to provide all students access to dual-credit, advanced placement, and distance education courses, as well as the types of courses available and the delivery methods necessary to provide all students with access. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 22. EMERGENCY. Section 5 of this Act is declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 39

SENATE BILL NO. 2014

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the committee on protection and advocacy; and to provide a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the committee on protection and advocacy for the purpose of defraying the expenses of the committee on protection and advocacy, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Protection and advocacy operations	$6,447,600	$859,100	$7,306,700
Total all funds	$6,447,600	$859,100	$7,306,700
Less estimated income	3,488,601	505,534	3,994,135
Total general fund	$2,958,999	$353,566	$3,312,565
Full-time equivalent positions	27.50	1.00	28.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Polycom machine	$0	$8,000
Accrued leave payments	0	132,550
Total all funds	$0	$140,550
Total other funds	0	68,000
Total general funds	$0	$72,550

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2021-23 biennium. The protection and advocacy project shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 40

SENATE BILL NO. 2015

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the various divisions under the supervision of the director of the office of management and budget; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer; to create and enact a new section to chapter 21-10 of the North Dakota Century Code, relating to the recognition of legacy fund earnings; to amend and reenact section 6-09-49, section 15.1-18-10 as amended by section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, sections 48-10-02 and 48-10-03, subsection 2 of section 54-06-24, section 54-06-30, and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, of the North Dakota Century Code, section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, sections 1, 2, and 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, and section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, relating to the infrastructure revolving loan fund, specialty area teacher qualifications, capitol grounds planning commission spending limits and authority to accept gifts, the state employee suggestion incentive program, state employee performance bonuses, the salary of the secretary of state, higher education line item transfer authority, a department of commerce nonresident nurse employment recruitment program; and a statewide plan for individuals in institutions for mental disease; to repeal section 54-06-24 of the North Dakota Century Code, relating to the state employee suggestion incentive program; to provide compensation guidelines; to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study; to provide for a report; to provide an exemption; to provide an effective date; and declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of management and budget, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$21,596,832	$306,984	$21,903,816
Operating expenses	14,051,438	1,755,988	15,807,426
Emergency commission contingency fund	600,000	(100,000)	500,000
Capital assets	973,477	3,863,648	4,837,125
Grants	54,000	0	54,000
Guardianship grants	1,328,600	621,400	1,950,000
Prairie public broadcasting	1,200,000	0	1,200,000
Community service supervision grants	350,000	0	350,000

Litigation funding pool	0	3,500,000	3,500,000
State student internship program	0	250,000	250,000
Total all funds	$40,154,347	$10,198,020	$50,352,367
Less estimated income	9,434,087	7,702,428	17,136,515
Total general fund	$30,720,260	$2,495,592	$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Surplus property building	$800,000	$0
Theodore Roosevelt center grant	500,000	0
Cybersecurity remediation pool	1,000,000	0
Extraordinary repairs	0	1,900,000
Capitol south entrance project	0	2,000,000
Special assessments on capitol grounds	0	320,000
Litigation funding pool	0	3,500,000
Assessments of state lands and facilities	0	500,000
Risk management technology project	0	170,000
State student internship program	0	250,000
Electronic procurement study	0	50,000
Total all funds	$2,300,000	$8,690,000
Total special funds	1,800,000	8,390,000
Total general fund	$500,000	$300,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The office of management and budget shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. FULL-TIME EQUIVALENT POSITION AUTHORIZATION - ATTORNEY GENERAL. The attorney general is authorized one assistant attorney general full-time equivalent position to assist in litigation relating to voter identification, for the biennium beginning July 1, 2019, and ending June 30, 2021. The attorney general shall request funding transfers from the litigation funding pool line item in section 1 of this Act for salaries and wages costs of the position.

SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of $764,400,000 from the strategic investment and improvements fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 5. TRANSFER - TAX RELIEF FUND TO GENERAL FUND. The office of management and budget shall transfer the sum of $8,600,000 from the tax relief fund to the general fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. TRANSFER - TAX RELIEF FUND TO HUMAN SERVICE FINANCE FUND. The office of management and budget shall transfer the sum of $173,700,000 from the tax relief fund to the human service finance fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 7. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND TO PRELIMINARY PLANNING REVOLVING FUND. The office of management and budget shall transfer the sum of $100,000 from the strategic investment and improvements fund to the preliminary planning revolving fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. TRANSFER - STATE STUDENT INTERNSHIP PROGRAM TO STATE AGENCIES. The office of management and budget shall transfer funds from the state student internship program line item appropriated in section 1 of this Act to eligible state agencies for student internships during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. TRANSFER - LITIGATION POOL TO STATE AGENCIES. The office of management and budget shall transfer funds from the litigation funding pool line item appropriated in section 1 of this Act to eligible state agencies for litigation expenses during the biennium beginning July 1, 2019, and ending June 30, 2021. The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04.

SECTION 10. GRANTS AND SPECIAL ITEMS. Section 1 of this Act includes appropriation authority which may only be used for the following grants and special items:

Boys and girls club work	$53,000
Unemployment insurance	$2,000,000
Capitol grounds planning commission	$25,000
Statewide memberships and related expenses	$625,064

SECTION 11. ESTIMATED INCOME - ONE-TIME FUNDING - CAPITOL BUILDING FUND. The estimated income line item in section 1 of this Act includes $4,220,000 of one-time funding from the capitol building fund. Of the $4,220,000, $2,000,000 in the capital assets line item is for a capitol building south entrance project, $1,900,000 in the capital assets line item is for extraordinary repairs, and $320,000 in the operating expenses line item is for special assessments associated with the capitol grounds. The funding for the capitol building south entrance project may be used to enclose the existing tunnel for a new public entrance with integrated security systems, to improve accessibility, and to address related exterior landscaping and elevation changes.

SECTION 12. ESTIMATED INCOME - ONE-TIME FUNDING - RISK MANAGEMENT FUND. The capital assets line item and the estimated income line item in section 1 of this Act includes $170,000 of one-time funding from the risk management fund for an information technology project.

SECTION 13. ESTIMATED INCOME - ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in section 1 of this Act includes $4,000,000 of one-time funding from the strategic investment and improvements fund. Of the $4,000,000, $500,000 in the operating expenses line item is for an assessment of state lands and facilities, and $3,500,000 in the litigation funding pool line item is for a litigation funding pool.

SECTION 14. PRAIRIE PUBLIC BROADCASTING GRANT - MATCHING FUNDS. The prairie public broadcasting line item and the general fund appropriation in section 1 of this Act includes $200,000 for a grant of up to $200,000 to prairie public broadcasting for essential equipment needs. The $200,000 may be awarded only to the extent prairie public broadcasting provides one dollar of matching funds

from nonstate sources for each dollar provided by the office of management and budget.

SECTION 15. EXEMPTION - FISCAL MANAGEMENT. The amount appropriated for the fiscal management division, as contained in section 1 of chapter 14 of the 2017 Session Laws is not subject to the provisions of section 54-44.1-11. Any unexpended funds from this appropriation are available for continued development and operating costs of the statewide systems, including accounting, management, and payroll, during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 16. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES.

1. The 2019-21 biennium compensation adjustments for permanent state employees are to average 2 percent with a minimum of $120 per month and a maximum of $200 per month per eligible employee for the first year of the biennium and are to average 2.5 percent for the second year. The increases for the first year of the biennium are to be given beginning with the month of July 2019, to be paid in August 2019, and for the second year of the biennium are to be given beginning with the month of July 2020, to be paid in August 2020. Except for minimum and maximum amounts, increases for eligible state employees are to be based on documented performance and are not to be the same percentage increase for each employee.

2. Agencies may use salaries and wages funding available due to vacant positions and employee turnover to provide additional salary increases for selected employees to address salary compression issues or to enhance merit-based increases for employees essential to the effective operations of the agency. The biennial cost of any additional salary increases must be within the agency's current salaries and wages funding level. An agency may not request any additional funding for the 2021-23 biennium to continue the additional salary increases.

3. The office of management and budget shall develop guidelines for use by state agencies for providing compensation adjustments for classified state employees. The guidelines must follow the compensation philosophy statement under section 54-44.3-01.2.

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

SECTION 17. AMENDMENT. Section 6-09-49 of the North Dakota Century Code is amended and reenacted as follows:

6-09-49. Infrastructure revolving loan fund - Continuing appropriation.

1. The infrastructure revolving loan fund is a special fund in the state treasury from which the Bank of North Dakota shall provide loans to political subdivisions<u>, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority</u> for essential infrastructure projects. The Bank shall administer the infrastructure revolving loan fund. The maximum term of a loan made under this section is thirty years. A loan made from the fund under this section must have an interest rate that does not exceed two percent per year.

2. For purposes of this section, "essential infrastructure projects" means capital construction projects for the following:

   a. The Red River valley water supply project;

   b. New or replacement of existing water treatment plants;

   ~~b.~~c. New or replacement of existing wastewater treatment plants;

   ~~c.~~d. New or replacement of existing sewer lines and water lines; and

   ~~d.~~e. New or replacement of existing storm water and transportation infrastructure, including curb and gutter construction.

3. In processing political subdivision loan applications under this section, the Bank shall calculate the maximum loan amount for which a qualified applicant may qualify, not to exceed fifteen million dollars per loan. The Bank shall consider the applicant's ability to repay the loan when processing the application and shall issue loans only to applicants that provide reasonable assurance of sufficient future income to repay the loan.

4. The Bank shall deposit in the infrastructure revolving loan fund all payments of interest and principal paid under loans made from the infrastructure revolving loan fund. The Bank may use a portion of the interest paid on the outstanding loans as a servicing fee to pay for administrative costs which may not exceed one-half of one percent of the amount of the interest payment. All moneys transferred to the fund, interest upon moneys in the fund, and payments to the fund of principal and interest are appropriated to the Bank on a continuing basis for administrative costs and for loan disbursement according to this section.

5. The Bank may adopt policies and establish guidelines to administer this loan program in accordance with the provisions of this section and to supplement and leverage the funds in the infrastructure revolving loan fund. Additionally, the Bank may adopt policies allowing participation by local financial institutions.

[10] **SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. AMENDMENT. Section 15.1-18-10 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2265, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

15.1-18-10. Specialty areas - Teacher qualification.

Notwithstanding the requirements of this chapter:

1. An individual may teach art, business education, computer education, a foreign language, music, physical education, special education, and

[10] Section 15.1-18-10 was also amended by section 1 of House Bill No. 1531, chapter 163, section 18 of Senate Bill No. 2013, chapter 38, and section 5 of Senate Bill No. 2265, chapter 149.

technology education at any grade level from kindergarten through grade eight, provided the individual:

a. Is licensed to teach by the education standards and practices board;

b. Is approved to teach in that area by the education standards and practices board; and

c. Meets all requirements set forth in rule by the superintendent of public instruction.

2. An individual may teach Native American languages provided the individual is an eminence-credentialed teacher.

3. An individual may teach in the areas of trade, industry, technical occupations, or health occupations, provided the individual has been issued a license to teach in such areas by the education standards and practices board.

4. An individual may teach in any subject, except elementary education, special education, mathematics, science, language arts, and social studies, if the individual:

a. Has a permit issued by the board and has a high school diploma; ~~and~~

b. (1) Possesses at least four thousand hours over five years of relevant work experience in the subject area to be taught; or

(2) Possesses a certificate, permit, or degree in the subject area to be taught; and

c. Enrolls in the North Dakota teacher support system approved mentor program, expensed to the sending district.

SECTION 19. A new section to chapter 21-10 of the North Dakota Century Code is created and enacted as follows:

Recognition of legacy fund earnings for budget purposes.

For purposes of the development of the state budget, the legislative assembly shall recognize legacy fund earnings transferred to the general fund at the end of each biennium in accordance with section 26 of article X of the Constitution of North Dakota as part of the general fund beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made at the end of the biennium.

SECTION 20. AMENDMENT. Section 48-10-02 of the North Dakota Century Code is amended and reenacted as follows:

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

The capitol grounds planning commission shall have general powers to superintend the administration of the capitol building fund, its interest and income fund, and its investments and properties. It may cause any lands now held in such

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

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

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

SECTION 21. AMENDMENT. Section 48-10-03 of the North Dakota Century Code is amended and reenacted as follows:

48-10-03. Powers and duties of the commission - Authority to accept gifts - Continuing appropriation.

The capitol grounds planning commission shall confer with the state council on the arts with respect to the artistic value of monuments, memorials, or works of art to be constructed on the capitol grounds and with qualified consultants retained by it to select sites for buildings, facilities, monuments, memorials, or works of art to be constructed on the capitol grounds. The commission shall develop and modify long-term plans for the development of the capitol grounds. The commission shall approve or disapprove the basic style and exterior construction of any building, facility, monument, memorial, or work of art constructed on the capitol grounds. Except as otherwise provided by this section, the commission has exclusive authority to accept or reject gifts of any type or class of property for exterior placement on the capitol grounds or for the improvement of the exterior construction of any building or facility on the capitol grounds, including landscaping and improvements to the capitol grounds. Any gifts of money accepted pursuant to this section must be deposited in the capitol building fund and are appropriated on a continuing basis to the commission for purposes consistent with this section. No construction or placement of an item on the capitol grounds may be undertaken without the approval of the commission, unless the construction or placement is authorized by the legislative assembly. If the legislative assembly by law or resolution authorizes the construction or placement of an item on the capitol grounds, the commission shall approve the site, basic style, and exterior construction of the item within a reasonable period of time.

The commission shall advise the director of the office of management and budget and the legislative council on matters relating to the physical and aesthetic features of

the interior of all buildings on the capitol grounds. The commission must be called in and shall meet whenever major interior changes, including new construction, remodeling, or renovation of any kind, are proposed or considered for the buildings or facilities on the capitol grounds. The commission must be consulted before the purchase or installation of furniture or fixtures in public areas of the capitol and other buildings on the capitol grounds. The commission shall perform any other duties as may be prescribed by law.

SECTION 22. AMENDMENT. Subsection 2 of section 54-06-24 of the North Dakota Century Code is amended and reenacted as follows:

2. ~~A~~Before July 1, 2019, a state employee may submit a recommendation or proposal to reduce expenditures within the employee's agency to a suggestion incentive committee. The suggestion incentive committee shall administer the employee suggestion incentive program created under this section and review all recommendations or proposals for reduction of expenditures. The suggestion incentive committee may consider whether the recommendation or proposal to reduce expenditures within the employee's agency applies to any other state agency. The suggestion incentive committee shall notify the office of management and budget of any recommendation that affects an agency other than the employing agency. The governor shall appoint five state agency heads to the suggestion incentive committee for four-year staggered terms to commence on August first in the year of appointment and to continue until the successors are appointed.

SECTION 23. AMENDMENT. Section 54-06-30 of the North Dakota Century Code is amended and reenacted as follows:

54-06-30. State employee performance bonus program - Criteria - Limitations.

State agencies may provide monetary performance bonuses to their employees under this section.

1. State agencies may pay bonuses under this section if:

   a. The agency has had a written employee performance evaluation policy in place for more than one year before paying the bonus;

   b. The written employee performance evaluation policy required in subdivision a must have at least three levels of performance criteria; and

   c. The agency performance bonus program adopted under this section must be a written policy and must be communicated to each employee in the agency. Development of the written policy must include input from employees.

2. State employees are eligible to receive a bonus under this section only if:

   a. The employee has held a position in state government for at least one year before a bonus is paid;

   b. The employee's overall annual performance evaluation satisfies the agency's performance bonus program criteria for receiving a bonus; and

c. The employee is a full-time or part-time regular nonprobationary employee holding a regularly funded nontemporary position.

3. An employee may not receive more than one performance bonus per fiscal year and may not receive more than one thousand five hundred dollars in bonuses per fiscal year.

4. ~~Except as provided in this subsection, agencies may pay bonuses under this section during a fiscal year to not more than the number of employees equal to twenty-five percent of the employees employed by the agency on July first at the beginning of each state fiscal year. Upon a showing of special circumstances, North Dakota human resource management services may approve pay bonuses above the twenty-five percent limitation in this subsection. North Dakota human resource management services shall report any exceptions granted under this subsection to the budget section of the legislative management.~~ Each agency must fund the performance bonus program from within its agency budget for salaries and wages.

5. Bonuses paid under this section may not be included in an employee's base salary for purposes of calculating any wage or salary increase.

6. Bonuses paid under this section are not fiscal irregularities under section 54-14-03.1.

[11] **SECTION 24. AMENDMENT.** Section 54-09-05 of the North Dakota Century Code as amended in section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

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

The annual salary of the secretary of state is one hundred seven thousand eight hundred eighty-five dollars through June 30, ~~2019~~2020, and one hundred ten thousand five hundred eighty-two dollars thereafter.

SECTION 25. AMENDMENT. Section 23 of House Bill No. 1003, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. TRANSFER AUTHORITY - LEGISLATIVE MANAGEMENT REPORT. Notwithstanding section 54-16-04, the state board of higher education may transfer appropriation authority from the operations to the capital assets and capital building fund line items within subdivisions 2 through 14 of section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021. During the biennium beginning July 1, 2019, and ending June 30, 2021, the state board of higher education may transfer appropriation authority from the capital assets to the operations line item within subdivisions 2 through 14 of section 1 of this Act after an institution has matched and used seventy-five percent of the funding in the capital assets line item appropriated from the general fund for institution extraordinary repairs pursuant to section 25 of this Act. The board shall report any transfer of funds under this section to the office of management and budget and the legislative management.

[11] Section 54-09-05 was also amended by section 5 of Senate Bill No. 2002, chapter 27.

SECTION 26. AMENDMENT. Section 23 of House Bill No. 1014, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 23. AMENDMENT. Section 7 of House Bill No. 1435, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 7. TRANSFER - BANK OF NORTH DAKOTA PROFITS - STATEWIDE INTEROPERABLE RADIO NETWORK FUND. ~~After other moneys in the statewide interoperable radio network fund, the transfer of $20,000,000 from the strategic investment and improvements fund, and the $80,000,000 line of credit have been used, the~~The industrial commission shall transfer the sum of $20,000,000 from the current earnings and accumulated undivided profits of the Bank of North Dakota to the statewide interoperable radio network fund, during the period beginning with the effective date of this Act, and ending June 30, 2021. Before the industrial commission transfers any current earnings and accumulated undivided profits from the Bank of North Dakota to the statewide interoperable radio network fund, $25,000,000 of the line of credit must be used.

SECTION 27. AMENDMENT. Section 1 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

~~**SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:~~

	~~Base Level~~	~~Adjustments or Enhancements~~	~~Appropriation~~
~~Salaries and wages~~	~~$12,995,788~~	~~$221,498~~	~~$13,217,286~~
~~Operating expenses~~	~~15,477,622~~	~~2,620,581~~	~~18,098,203~~
~~Grants~~	~~48,910,416~~	~~8,928,111~~	~~57,838,527~~
~~Discretionary funds~~	~~2,200,000~~	~~(50,000)~~	~~2,150,000~~
~~Agricultural products utilization commission~~	~~3,152,915~~	~~(3,152,915)~~	~~0~~
~~North Dakota trade office~~	~~2,000,000~~	~~(400,000)~~	~~1,600,000~~
~~Partner programs~~	~~1,939,845~~	~~(377,314)~~	~~1,562,531~~
~~Entrepreneurship grants and vouchers~~	~~1,950,000~~	~~998,467~~	~~2,948,467~~
~~Intermodal container shipping fees~~			
~~Total all funds~~	~~$88,626,586~~	~~$10,088,428~~	~~$98,715,014~~
~~Less estimated income~~			
~~Total general fund~~	~~$30,342,680~~	~~$9,949,041~~	~~$40,291,721~~
~~Full-time equivalent positions~~	~~66.40~~	~~(4.60)~~	~~61.80~~

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the department of commerce for the purpose of defraying the expenses of the department of commerce, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,995,788	$221,498	$13,217,286
Operating expenses	15,477,622	2,620,581	18,098,203
Grants	48,910,416	8,628,111	57,538,527
Discretionary funds	2,200,000	(50,000)	2,150,000
Agricultural products utilization commission	3,152,915	(3,152,915)	0
North Dakota trade office	2,000,000	(400,000)	1,600,000
Partner programs	1,939,845	(377,314)	1,562,531
Entrepreneurship grants and vouchers	1,950,000	998,467	2,948,467
Intermodal container shipping fees	0	1,300,000	1,300,000
Total all funds	$88,626,586	$9,788,428	$98,415,014
Less estimated income	58,283,906	139,387	58,423,293
Total general fund	$30,342,680	$9,649,041	$39,991,721
Full-time equivalent positions	66.40	(4.60)	61.80

SECTION 28. AMENDMENT. Section 2 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

~~**SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:~~

~~One-Time Funding Description~~	~~2017-19~~	~~2019-21~~
~~Flood impact grants/loans~~	~~$5,201,752~~	~~$0~~
~~Unmanned aircraft system~~	~~2,000,000~~	~~2,225,000~~
~~Base retention grants~~	~~600,000~~	~~0~~
~~Enhanced use lease grant~~	~~3,000,000~~	~~3,000,000~~
~~Workforce grants to tribally controlled community colleges~~	~~500,000~~	~~500,000~~
~~Census 2020 program~~	~~0~~	~~1,000,000~~
~~Workforce safety grant~~	~~0~~	~~1,000,000~~
~~Entrepreneurship grants and vouchers~~	~~0~~	~~2,000,000~~
~~Sculpture maintenance grants~~	~~0~~	~~75,000~~
~~Nonresident nurse employment recruitment~~	~~0~~	~~800,000~~
~~Intermodal container transportation shipping fees~~	~~0~~	~~1,300,000~~
~~Job development and economic growth grant~~	~~0~~	~~25,000~~
~~Total all funds~~	~~$11,301,752~~	~~$11,925,000~~
~~Less estimated income~~	~~10,301,752~~	~~4,300,000~~
~~Total general fund~~	~~$1,000,000~~	~~$7,625,000~~

~~The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.~~

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Flood impact grants/loans	$5,201,752	$0
Unmanned aircraft system	2,000,000	2,225,000
Base retention grants	600,000	0
Enhanced use lease grant	3,000,000	3,000,000
Workforce grants to tribally controlled community colleges	500,000	500,000
Census 2020 program	0	1,000,000
Workforce safety grant	0	1,000,000
Entrepreneurship grants and vouchers	0	2,000,000
Sculpture maintenance grants	0	75,000
Nonresident nurse employment recruitment	0	500,000
Intermodal container transportation shipping fees	0	1,300,000
Job development and economic growth grant	0	25,000
Total all funds	$11,301,752	$11,625,000
Less estimated income	10,301,752	4,300,000
Total general fund	$1,000,000	$7,325,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The department of commerce shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 29. AMENDMENT. Section 17 of House Bill No. 1018, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 17. NONRESIDENT NURSE EMPLOYMENT RECRUITMENT PROGRAM - ONE-TIME FUNDING. The grants line item in section 1 of this Act includes ~~$800,000~~$500,000 from the general fund for the purpose of establishing a nonresident nurse employment recruitment program. The department of commerce shall provide up to $4,000 in incentives for each nonresident licensed nurse who signs a written agreement to work at least four years in a North Dakota licensed health care facility. Any licensed health care facility receiving funds from this program must provide two dollars of incentive matching funds for each one dollar provided by the department. This funding is considered a one-time funding item.

SECTION 30. AMENDMENT. Section 18 of Senate Bill No. 2012, as approved by the sixty-sixth legislative assembly, is amended and reenacted as follows:

SECTION 18. PLACEMENT OF INDIVIDUALS IN INSTITUTIONS FOR MENTAL DISEASE - REPORT TO LEGISLATIVE MANAGEMENT. During the biennium beginning July 1, 2019, and ending June 30, 2021, the department of human services shall develop a statewide plan to address acute psychiatric and residential care needs. The statewide plan must address the following:

1. The size and use of the state hospital;

2. The potential need for state-operated or private acute facilities in areas of the state outside the city of Jamestown;

3. The potential to expand private providers' offering of acute psychiatric care and residential care to fulfill the identified need, including how the implementation of services authorized by the sixty-sixth legislative

assembly affects the balance of inpatient, residential, and community-based services;

4. The impact of department efforts to adjust crisis services and other behavioral health services provided by the regional human service centers; and

5. The potential use of available Medicaid authorities, including waivers or plan amendments.

Prior to ~~October~~July 1, 2020, the department shall report to the legislative management on the statewide plan, along with any legislation required to implement the plan.

SECTION 31. REPEAL. Section 54-06-24 of the North Dakota Century Code is repealed.

SECTION 32. LEGACY FUND EARNINGS - LEGISLATIVE MANAGEMENT COMMITTEE.

1. During the 2019-20 interim, the legacy fund earnings committee is created and is composed of the following members:

   a. The majority and minority leaders of the house of representatives and the senate, or their designees;

   b. The chairmen of the finance and taxation standing committees of the house of representatives and the senate, or their designees;

   c. The chairmen of the appropriations committees of the house of representatives and the senate, or their designees;

   d. Two members of the legacy and budget stabilization fund advisory board, appointed by their respective majority leaders; and

   e. The chairman of the legislative management, or the chairman's designee.

2. The legislative management shall designate the chairman of the committee.

3. The committee shall study the potential uses of legacy fund earnings, including the use of earnings to provide tax relief, provide for reinvestment of legacy fund earnings, fund research and technological advancements, promote economic growth and diversification, and promote workforce development and career and technical education.

4. The committee may consider public input on the use of legacy fund earnings and review the operation of other funds, such as Norway's sovereign wealth fund.

5. The legislative management shall report its findings and recommendations, together with any legislation required to implement those recommendations, to the legislative management.

SECTION 33. LEGISLATIVE MANAGEMENT STUDY - OLMSTEAD COMMISSION. During the 2019-20 interim, the legislative management shall consider studying issues related to the Olmstead commission. The study must include

consideration of the implementation of the new Olmstead commission structure and any emerging Olmstead issues related to services for elderly individuals and individuals with behavioral health issues, physical disabilities, or intellectual disabilities. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 34. LEGISLATIVE MANAGEMENT STUDY - CHARITABLE GAMING LAWS. During the 2019-20 interim, the legislative management shall consider studying the state's charitable gaming laws. The study must include:

1. An evaluation of whether charitable gaming is being expanded properly; whether the addition of new games, such as sports betting and historic horse racing, is appropriate; and whether such expansion should be approved by the voters;

2. An evaluation regarding the appropriate limitations, restrictions, and oversight if new games are added;

3. An evaluation of whether a portion of gaming proceeds should be deposited in the gambling disorder prevention and treatment fund; and

4. A review of whether the laws regarding taxation, eligible uses for proceeds, gambling sites and locations, limitations, enforcement, conduct and play of charitable gaming are fair, adequate, and appropriate.

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

SECTION 35. LEGISLATIVE MANAGEMENT STUDY - OTHER USES OF VETERANS' HOME FACILITIES. During the 2019-20 interim, the legislative management shall consider studying the feasibility and desirability of developing other allowable revenue generating uses of the veterans' home facilities and grounds in addition to the purposes identified in section 37-15-02. The study must include an analysis of potential revenue generating activities for the veterans' home facilities and grounds, including a review of the effect on any federal requirements. The legislative management shall reports its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 36. EFFECTIVE DATE. Section 31 of this Act becomes effective July 1, 2021.

SECTION 37. EMERGENCY. Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure.

Approved May 2, 2019

Filed May 2, 2019

CHAPTER 41

SENATE BILL NO. 2016

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the office of the adjutant general; to provide an appropriation to the state treasurer; to amend and reenact sections 37-07.1-03 and 37-07.2-01 and subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code, relating to the national guard tuition waiver, national guard tuition grants, and the state share of oil and gas taxes deposited in the state disaster relief fund; to provide for a transfer; to provide for a report; to provide a statement of legislative intent; to provide an exemption; to provide an effective date; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the office of the adjutant general for the purpose of defraying the expenses of the office of the adjutant general, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

NATIONAL GUARD

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$6,666,525	$167,241	$6,833,766
Operating expenses	3,525,934	(758,613)	2,767,321
Capital assets	224,046	0	224,046
Grants	318,553	(107,637)	210,916
Civil air patrol	299,580	5,554	305,134
Tuition, recruiting, and retention	2,617,500	2,164,572	4,782,072
Air guard contract	8,098,582	472,547	8,571,129
Army guard contract	57,717,944	(10,777,931)	46,940,013
Veterans' cemetery	881,284	95,622	976,906
Reintegration program	1,261,384	(210,216)	1,051,168
Camp Grafton expansion	0	600,000	600,000
Total all funds	$81,611,332	($8,348,861)	$73,262,471
Less estimated income	65,174,778	(10,360,121)	54,814,657
Total general fund	$16,436,554	$2,011,260	$18,447,814

Subdivision 2.

DEPARTMENT OF EMERGENCY SERVICES

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$12,551,119	($1,564,688)	$10,986,431
Operating expenses	6,988,451	2,370,376	9,358,827

Capital assets	0	660,000	660,000
Grants	16,889,159	(615,734)	16,273,425
Disaster costs	51,445,841	(14,890,756)	36,555,085
Radio communications	0	785,000	785,000
Total all funds	$87,874,570	($13,255,802)	$74,618,768
Less estimated income	78,424,702	(12,754,317)	65,670,385
Total general fund	$9,449,868	($501,485)	$8,948,383

Subdivision 3.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$25,886,422	$1,509,775	$27,396,197
Grand total special funds	143,599,480	(23,114,438)	120,485,042
Grand total all funds	$169,485,902	($21,604,663)	$147,881,239
Full-time equivalent positions	234.00	(12.00)	222.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
National guard readiness center	$33,000,000	$0
Emergency response equipment	569,000	660,000
Camp Grafton expansion	0	600,000
Uninterruptible power supply battery replacement	0	20,000
Computer-aided dispatch equipment	0	516,000
Message switch system upgrade	0	335,000
Dispatching service fee shortfall	0	1,212,253
Dakota access pipeline law enforcement	21,000,000	0
Mobile repeaters and programming radios	300,000	0
Total all funds	$54,869,000	$3,343,253
Total other funds	54,869,000	3,162,253
Total general fund	$0	$181,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The adjutant general shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. VETERANS' CEMETERY MAINTENANCE FUND - APPROPRIATION. In addition to the amount appropriated to the adjutant general in the veterans' cemetery line item in subdivision 1 of section 1 of this Act, there is appropriated any additional funds that are received and deposited in the veterans' cemetery maintenance fund pursuant to sections 37-03-14 and 39-04-10.10 for the operation of the North Dakota veterans' cemetery for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. APPROPRIATION - 2017-19 BIENNIUM - STATE DISASTER RELIEF FUND - STATE TREASURER - DISTRIBUTIONS TO NON-OIL-PRODUCING COUNTIES. Due to extraordinary snowfall in 2019 in the eastern part of the state and due to the excessive cost of road maintenance in the western part of the state, there is appropriated out of any moneys in the state disaster

relief fund in the state treasury, not otherwise appropriated, the sum of $8,100,000, or so much of the sum as may be necessary, to the state treasurer for the purpose of providing distributions to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county, for the period beginning with the effective date of this Act, and ending June 30, 2019. In June 2019, the state treasurer shall distribute $8,100,000, or so much of the sum as may be necessary, to non-oil-producing counties for the benefit of the organized and unorganized townships within each non-oil-producing county. The distribution to each non-oil-producing county must provide for an allocation of $5,000 to each organized and unorganized township within the county. The amount allocated to organized townships under this section must be paid by the county treasurer to each organized township. The amount allocated to unorganized townships under this section must be credited by the county treasurer to a special fund for unorganized township roads. The distributions under this section must be used for the maintenance and improvement of township paved and unpaved roads and bridges. A township is not eligible for an allocation of funds under this section if the township does not maintain any township roads. For the purposes of this section, a "non-oil-producing county" means a county that has received no allocation of funding or a total allocation of funding under subsection 2 of section 57-51-15 of less than $5,000,000 for the period beginning September 1, 2017, and ending August 31, 2018.

SECTION 5. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes $600,000 of one-time funding from the strategic investment and improvements fund for the camp Grafton expansion. The estimated income line item in subdivision 2 of section 1 of this Act includes $1,902,253 of one-time funding from the strategic investment and improvements fund for computer-aided dispatch equipment, message switch system upgrades, and 911 dispatching service operations due to a revenue shortfall.

SECTION 6. CAMP GRAFTON EXPANSION - LEGISLATIVE INTENT. It is the intent of the sixty-sixth legislative assembly that:

1. The adjutant general purchase options during the period beginning with the effective date of this Act and ending June 30, 2021, for the purchase or long-term lease of land for the camp Grafton expansion, including the purchase of no more than one thousand six hundred acres and the long-term lease of the remainder, not to exceed six thousand acres in total.

2. If the adjutant general secures options to purchase or lease all necessary land for the camp Grafton expansion, the sixty-seventh legislative assembly provide funding and authority for the purchase or long-term lease of land for the camp Grafton expansion during the biennium beginning July 1, 2021, and ending June 30, 2023.

3. The adjutant general not use eminent domain for the expansion of camp Grafton.

SECTION 7. AMENDMENT. Section 37-07.1-03 of the North Dakota Century Code is amended and reenacted as follows:

37-07.1-03. Tuition waiver - Terms.

A qualifying member of the national guard who enrolls in any state-controlled school, subject to rules adopted by the adjutant general, is entitled to receive a ~~twenty-five~~thirty-five percent waiver of the tuition from the state-controlled school,

conditioned on the adjutant general having sufficient appropriations for tuition reimbursement under section 37-07.1-06.2. The tuition waiver is valid only so long as the member of the national guard maintains satisfactory performance with the guard, meets the qualification requirements of rules adopted by the adjutant general, and pursues a course of study in a manner that satisfies the normal requirements of the school.

SECTION 8. AMENDMENT. Section 37-07.2-01 of the North Dakota Century Code is amended and reenacted as follows:

37-07.2-01. National guard ~~tuition~~member grants and tuition waivers - Terms ~~of grants~~.

~~Any~~

1. Subject to legislative appropriation and rules adopted by the adjutant general, a qualifying member of the national guard who enrolls in an accredited postsecondary institution in North Dakota which is not controlled by the state may~~, subject to the limitations of available appropriated funds and subject to national guard rules adopted by the adjutant general,~~ receive a grant in an amount not to exceed the cost of tuition and fees for similar courses and credit hours for ~~each~~a qualifying member of the national guard who is enrolled ~~at a~~in the North Dakota university system ~~school~~institution with the highest tuition and fee rate.

2. Any accredited postsecondary institution that ~~agrees to participate in such a~~is not controlled by the state and which participates in the national guard member grant program ~~must~~shall waive twenty-five percent of the tuition ~~for~~that otherwise would be charged to each enrolled, qualifying member of the national ~~guardsmen~~guard. ~~These grants must be distributed according to rules promulgated by the adjutant general and are available only so~~

3. The adjutant general shall adopt rules for distributing grants under this section and establishing qualification requirements for grant recipients.

4. A member of the national guard may receive a grant under this section only as long as the member maintains satisfactory performance with the national guard, meets the qualification requirements of the rules adopted under this section, and pursues a course of study ~~which satisfies~~satisfying the normal requirements of the ~~school~~postsecondary institution in which the member is enrolled.

5. For purposes of calculating the grant amount under subsection 1, the "cost of tuition and fees for similar courses and credit hours for a qualifying member of the national guard who is enrolled in the North Dakota university system institution with the highest tuition and fee rate" may not be reduced by more than twenty-five percent pursuant to section 37-07.1-03.

[12] **SECTION 9. AMENDMENT.** Subsection 6 of section 57-51.1-07.5 of the North Dakota Century Code is amended and reenacted as follows:

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[12] Section 57-51.1-07.5 was also amended by section 5 of House Bill No. 1066, chapter 504.

6. The next ~~twenty~~fifteen million dollars into the state disaster relief fund, but not in an amount that would bring the unobligated balance in the fund to more than ~~twenty~~fifteen million dollars; and

SECTION 10. MAINTENANCE AND REPAIRS - TRANSFERS. The director of the office of management and budget may transfer up to $500,000 of appropriation authority to the operating expenses and capital assets line items contained in section 1 of this Act from the various other line items contained in section 1 of this Act, as requested by the adjutant general to provide for the maintenance and repair of state-owned armories in this state during the biennium beginning July 1, 2019, and ending June 30, 2021. The adjutant general shall notify the legislative council of any transfers made pursuant to this section.

SECTION 11. EXEMPTION. Any amounts carried over in the radio communications line item for the state radio tower package, in section 7 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11 and any unexpended funds are available for completing these projects or for technology upgrade costs required to implement the statewide interoperable radio network during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 12. EXEMPTION. The amount appropriated in the tuition, recruiting, and retention line item in subdivision 1 of section 1 of chapter 15 of the 2017 Session Laws is not subject to section 54-44.1-11, and any unexpended funds from this appropriation may be used to provide tuition assistance, recruiting, and retention incentives to eligible members of the North Dakota national guard during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 13. EXEMPTION. Any amounts carried over pursuant to section 11 of chapter 15 of the 2017 Session Laws which are unexpended as of June 30, 2019, are not subject to section 54-44.1-11 and are available for payment of adjusted compensation to veterans. Any unexpended funds from this appropriation must be transferred to the veterans' cemetery trust fund during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 14. EXEMPTION. The amount of $300,000 from the strategic investment and improvements fund appropriated in the operating expenses line item in subdivision 2 of section 1 of chapter 15 of the 2017 Session Laws for mobile repeaters and programming radios is not subject to section 54-44.1-11 and any unexpended funds from this appropriation may be used to complete this project during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 15. EFFECTIVE DATE. Section 9 of this Act is effective for taxable events occurring after June 30, 2019.

SECTION 16. EMERGENCY. Sections 4, 5, and 6 and the camp Grafton expansion and tuition, recruiting, and retention line items in subdivision 1 of section 1 of this Act are declared to be an emergency measure.

Approved April 22, 2019

Filed April 23, 2019

CHAPTER 42

SENATE BILL NO. 2017

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the game and fish department; and to amend and reenact section 20.1-02-16.1 of the North Dakota Century Code, relating to the game and fish fund.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the game and fish fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the game and fish department for the purpose of defraying the expenses of the game and fish department, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$29,854,874	$1,642,862	$31,497,736
Operating expenses	15,338,130	611,039	15,949,169
Capital assets	6,080,956	(163,065)	5,917,891
Grants - Game and fish	9,650,184	(1,103,019)	8,547,165
Land habitat and deer depredation	17,824,177	(164,168)	17,660,009
Noxious weed control	725,000	0	725,000
Missouri River enforcement	283,857	4,211	288,068
Grants, gifts, and donations	802,201	(268,469)	533,732
Nongame wildlife conservation	120,000	(20,000)	100,000
Lonetree reservoir	1,798,119	36,743	1,834,862
Wildlife services	500,000	0	500,000
Shooting sports grant program	250,000	0	250,000
Total special funds	$83,227,498	$576,134	$83,803,632
Full-time equivalent positions	163.00	0.00	163.00

SECTION 2. ONE-TIME FUNDING. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium:

One-Time Funding Description	2017-19	2019-21
Airplane purchase	$250,000	$0
Pipeline protest law enforcement support	423,724	0
Electronic payment processing system	75,000	0
Total special funds	$748,724	$0

SECTION 3. GRANTS, GIFTS, AND DONATIONS LINE ITEM. The grants, gifts, and donations line item in section 1 of this Act includes up to $400,000 received by the game and fish department for surface damage, easements, or reclamation on department owned or managed properties as a result of mineral exploration and extraction activities.

[13] **SECTION 4. AMENDMENT.** Section 20.1-02-16.1 of the North Dakota Century Code is amended and reenacted as follows:

20.1-02-16.1. Game and fish fund - Use - Required balance - Budget section approval.

All income of the state game and fish department deposited by the director with the state treasurer must be credited to the state game and fish fund and the fund may be used only by the department. All money derived from the investment of the fund, special accounts, or portions of the fund must be credited to the game and fish department private land habitat and access improvement fund. The department shall spend moneys in the game and fish fund within the limits of legislative appropriations, only to the extent the balance of the fund is not reduced below fifteen million dollars, unless otherwise authorized by the budget section. Investment of up to fifteen million dollars of the balance of the game and fish fund may be made under the supervision of the state investment board and the moneys must be invested by the investing authority according to the laws relating to state investments. The department shall notify the state investment board of the amount available for investment.

Approved April 26, 2019

Filed April 26, 2019

[13] Section 20.1-02-16.1 was also amended by section 4 of Senate Bill No. 2055, chapter 438, and section 2 of Senate Bill No. 2293, chapter 198.

CHAPTER 43

SENATE BILL NO. 2018

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the state historical society for the purpose of defraying the expenses of the state historical society, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$13,595,892	$699,924	$14,295,816
Operating expenses	3,885,894	55,691	3,941,585
Capital assets	1,747,653	637,889	2,385,542
Grants	600,000	0	600,000
Exhibits	0	372,000	372,000
Cultural heritage grants	0	500,000	500,000
Total all funds	$19,829,439	$2,265,504	$22,094,943
Less estimated income	3,155,795	123,457	3,279,252
Total general fund	$16,673,644	$2,142,047	$18,815,691
Full-time equivalent positions	75.00	0.00	75.00

SECTION 2. ONE-TIME FUNDING - REPORT. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Double Ditch historic site repairs	$1,000,000	$0
Historic site and extraordinary repairs	0	1,000,000
Exhibit and collections care	0	372,000
Auditorium chairs	0	160,000
Total all funds	$1,000,000	$1,532,000
Less estimated income	1,000,000	85,000
Total general fund	$0	$1,447,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The state historical society shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. REVOLVING FUND - APPROPRIATION. All fees collected by the state historical society and deposited in the revolving fund established pursuant to section 55-03-04 are appropriated to the state historical society for the purposes

provided in chapter 55-03, for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. GIFTS, GRANTS, AND BEQUESTS - APPROPRIATION. All gifts, grants, devises, bequests, donations, and assignments received by the state historical society and deposited with the state treasurer pursuant to section 55-01-04 are appropriated to the state historical society for the purposes provided in section 55-01-04, for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved April 24, 2019

Filed April 24, 2019

CHAPTER 44

SENATE BILL NO. 2019

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the parks and recreation department; to amend and reenact section 55-08-07.1 of the North Dakota Century Code, relating to the state parks and recreation concession revolving fund; to provide for a report to the legislative assembly; to provide for a transfer; to provide for an exemption; to provide for a contingent loan authorization; to provide a contingent appropriation; to provide for a legislative management study; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, to the parks and recreation department for the purpose of defraying the expenses of the parks and recreation department, for providing funding to the Lewis and Clark interpretive center, and for providing a grant to the International Peace Garden, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

Subdivision 1.

PARKS AND RECREATION DEPARTMENT

	Base Level	Adjustments or Enhancements	Appropriation
Administration	$2,668,728	($63,729)	$2,604,999
Park operations and maintenance	20,570,558	3,355,161	23,925,719
Recreation	7,039,554	2,284,006	9,323,560
Total all funds	$30,278,840	$5,575,438	$35,854,278
Less estimated income	17,389,561	5,968,174	23,357,735
Total general fund	$12,889,279	($392,736)	$12,496,543
Full-time equivalent positions	62.50	(1.00)	61.50

Subdivision 2.

INTERNATIONAL PEACE GARDEN

	Base Level	Adjustments or Enhancements	Appropriation
International Peace Garden	$876,329	$2,000,000	$2,876,329
Total all funds	$876,329	$2,000,000	$2,876,329
Less estimated income	0	2,000,000	2,000,000
Total general fund	$876,329	$0	$876,329

Subdivision 3.

LEWIS AND CLARK INTERPRETIVE CENTER

	Base Level	Adjustments or Enhancements	Appropriation
Lewis and Clark interpretive center	$1,250,687	$53,688	$1,304,375
Total all funds	$1,250,687	$53,688	$1,304,375
Less estimated income	362,019	(27,901)	334,118
Total general fund	$888,668	$81,589	$970,257

Subdivision 4.

BILL TOTAL

	Base Level	Adjustments or Enhancements	Appropriation
Grand total general fund	$14,654,276	($311,147)	$14,343,129
Grand total special funds	17,751,580	10,940,273	28,691,853
Grand total all funds	$32,405,856	$10,629,126	$43,034,982

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriations in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Double ditch historic site repairs grant	$500,000	$0
Recreational opportunities on sovereign lands grant	500,000	0
Pipeline protest law enforcement support	200,000	0
Electronic payment processing system loan proceeds	88,000	0
Extraordinary repairs	0	634,126
Capital projects	0	1,755,000
International Peace Garden capital projects	0	2,000,000
Additional equipment	0	622,000
State park survey	0	150,000
Recreation mapping	0	75,000
Traffic counters	0	75,000
Total all funds	$1,288,000	$5,311,126
Less estimated income	1,288,000	5,311,126
Total general fund	$0	$0

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2021-23 biennium. The parks and recreation department shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. GAME AND FISH OPERATING FUND - TRANSFER - BOAT RAMP OPERATION AND MAINTENANCE. The sum of $122,000, or so much of the sum as may be necessary, included in the park operations and maintenance line item in subdivision 1 of section 1 of this Act, is from the game and fish operating fund, or federal or other funds available to the game and fish department, and must be transferred to the parks and recreation department for maintenance, operating, and extraordinary repairs expenses relating to boat ramps at state parks for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 4. ESTIMATED INCOME - DEPARTMENT OF TRANSPORTATION GRANT. The estimated income line item in subdivision 3 of section 1 of this Act, includes $100,000 of grant funding from the department of transportation for the purpose of defraying expenses for the Lewis and Clark interpretive center.

SECTION 5. ADDITIONAL INCOME - APPROPRIATION. In addition to the amounts appropriated in section 1 of this Act, any additional federal funds or other funds that become available are appropriated to the parks and recreation department for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 6. EXEMPTION - INTERNATIONAL PEACE GARDEN - REQUIREMENTS. Any funds remaining in the International Peace Garden line item for repair of the peace tower at the International Peace Garden, in subdivision 2 of section 30 of chapter 15 of the 2013 Session Laws are not subject to section 54-44.1-11, and any unexpended funds are available for capital projects during the biennium beginning July 1, 2019, and ending June 30, 2021. Funding available for use by the International Peace Garden in this section is subject to the International Peace Garden raising one-to-one matching funds from nonstate of North Dakota sources consistent with the 2013 North Dakota legislative language. The parks and recreation department shall review and accept engineering proposals and specifications before committing additional funds to the project and shall assist with bidding and construction of any work associated with this section.

SECTION 7. EXEMPTION - PARK ENHANCEMENTS. Any funds remaining for park enhancements in subdivision 1 of section 1 of chapter 53 of the 2015 Session Laws are not subject to section 54-44.1-11, and any unexpended funds are available for park enhancement projects during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 8. EXEMPTION - SOVEREIGN LANDS. Any funds remaining for recreation opportunities on sovereign lands in section 1 of chapter 18 of the 2017 Session Laws are not subject to section 54-44.1-11, and any unexpended funds are available for recreation opportunities on sovereign lands during the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 9. REQUIREMENTS - MATCHING FUNDS - GRANTS. Of the funds continued in section 1 of chapter 18 of the 2017 Session Laws as referenced in section 5 of chapter 18 of the 2017 Session Laws, the parks and recreation department shall provide a grant of up to $250,000 to a nonprofit organization for the development of a community event space and visitor center in an area previously affected by river flooding. An entity receiving a grant pursuant to this section must provide one dollar of matching funds from nonstate sources for every dollar of grant funding received.

SECTION 10. REQUIREMENTS - MATCHING FUNDS - INTERNATIONAL PEACE GARDEN CAPITAL PROJECTS. The International Peace Garden line item in subdivision 2 of section 1 of this Act includes $2,000,000 for capital projects. Expenditure of these funds is subject to one-to-one matching funds being raised from nonstate sources. The parks and recreation department shall review and accept engineering proposals and specifications before committing funds to projects and shall assist with bidding and construction of any work associated with this section.

SECTION 11. ESTIMATED INCOME - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND. The estimated income line item in subdivision 1 of section 1 of this Act includes the sum of $1,755,000, from the strategic investment and improvements fund and the estimated income line item in subdivision 2 of

section 1 of this Act includes $2,000,000 from the strategic investment and improvements fund, for parks capital projects and International Peace Garden capital projects.

SECTION 12. CONTINGENT LOAN AUTHORIZATION - CONTINGENT APPROPRIATION - INTERNATIONAL PEACE GARDEN. The parks and recreation department may borrow from the Bank of North Dakota, $3,000,000, or so much of the sum as may be necessary, which is appropriated to the parks and recreation department for matching nonstate funds that may become available, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds authorized in this section may be borrowed and spent only upon certification by the director of the parks and recreation department to the director of the office of management and budget that the province of Manitoba or other entity has made available funds for capital projects at the International Peace Garden, during the biennium beginning July 1, 2019, and ending June 30, 2021. Expenditure of the funds appropriated in this section is subject to one dollar of matching funds from the province of Manitoba or other nonstate sources for each one dollar of state funds. The parks and recreation department shall request from the sixty-seventh legislative assembly an appropriation to repay any outstanding loans authorized in this section. The funding in this section is a one-time funding item.

SECTION 13. AMENDMENT. Section 55-08-07.1 of the North Dakota Century Code is amended and reenacted as follows:

55-08-07.1. State parks and recreation concession revolving fund.

1. The director shall maintain a state parks and recreation concession revolving fund to be used for the following:

~~1.~~ a. Procurement and maintenance of an inventory of food, nonintoxicating beverages, and other merchandise and supplies of a suitable nature for the operation of concession stands, including payment of costs and travel expenses necessarily incurred to obtain or sell such items.

~~2.~~ b. Repair, replacement, construction, and maintenance of concession buildings, facilities, and properties contained therein.

2. The parks and recreation department may transfer any unobligated funds from the state parks and recreation concession revolving fund to the state parks operating fund.

SECTION 14. LEGISLATIVE MANAGEMENT STUDY - LEWIS AND CLARK INTERPRETIVE CENTER OPERATIONS. During the 2019-20 interim, the legislative management shall study the feasibility and desirability of reducing Lewis and Clark interpretive center fees and consider alternatives to address the sustainability of the parks and recreation department's operations of the Lewis and Clark interpretive center. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 15. LEGISLATIVE MANAGEMENT STUDY - PUBLIC ACCESS AND USE OF REAL PROPERTY OWNED BY THE STATE OF NORTH DAKOTA. During the 2019-20 interim, the legislative management shall study the public access and use of real property located between the Missouri River and the Missouri River correctional center, owned by the state of North Dakota, under the control of the department of corrections and rehabilitation, and the impact of transferring the

property to the parks and recreation department. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-seventh legislative assembly.

SECTION 16. EMERGENCY. Section 9 of this Act is declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 45

SENATE BILL NO. 2020

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the state water commission; to amend and reenact subsection 3 of section 61-02-78 and section 61-02-79 of the North Dakota Century Code, relating to the infrastructure revolving loan fund and the authorization of a Bank of North Dakota line of credit; to provide for Red River valley water supply requirements; to provide an exemption; to provide for a report to the legislative management; to provide conditions on appropriations; to provide a statement of legislative intent; and to provide for a pilot project.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from federal funds and other income, to the state water commission for the purpose of defraying the expenses of the state water commission, for the period beginning with the effective date of this Act, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$19,659,298	$172,688	$19,831,986
Operating expenses	58,044,691	11,711,062	69,755,753
Capital assets	124,819,442	56,119,316	180,938,758
Project carryover	274,867,897	33,465,921	308,333,818
New projects	169,782,147	(169,782,147)	0
Water supply - grants	0	128,000,000	128,000,000
Rural water supply - grants	0	37,200,000	37,200,000
Fargo area flood control including the Fargo Moorhead diversion	0	66,500,000	66,500,000
Mouse River flood control	0	82,500,000	82,500,000
Flood control projects other than Fargo area flood control including the Fargo Moorhead diversion	0	48,000,000	48,000,000
General water - grants	0	27,093,776	27,093,776
Total special funds	$647,173,475	$320,980,616	$968,154,091
Full-time equivalent positions	93.00	(3.00)	90.00

SECTION 2. ONE-TIME FUNDING - REPORT TO THE SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Line of credit - Bank of North Dakota	$75,000,000	$75,000,000
Payoff of outstanding debt	0	25,900,000
Total special funds	$75,000,000	$100,900,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2019-21 biennium. The state water commission shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the period beginning with the effective date of this Act, and ending June 30, 2021.

SECTION 3. EXEMPTION - GRANTS - WATER-RELATED PROJECTS - CARRYOVER AUTHORITY. Section 54-44.1-11 does not apply to funding for grants or water-related projects included in the project carryover, water supply - grants, rural water supply - grants, Fargo area flood control including the Fargo Moorhead diversion, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants line items in section 1 of this Act. However, this exclusion is only in effect for two years after June 30, 2021. Any unexpended funds appropriated from the resources trust fund after that period has expired must be transferred to the resources trust fund and any unexpended funds appropriated from the water development trust fund after that period has expired must be transferred to the water development trust fund.

SECTION 4. ADDITIONAL INCOME - APPROPRIATION - BUDGET SECTION APPROVAL. In addition to the amounts appropriated in section 1 of this Act, any additional amounts in the resources trust fund and water development trust fund which become available are appropriated, subject to budget section approval, to the state water commission for the purpose of defraying the expenses of that agency, for the biennium beginning July 1, 2019, and ending June 30, 2021. Before approving any request, the budget section shall determine:

1. Approving additional appropriations will not negatively affect the sixty-seventh legislative assembly's ability to address water-related needs;

2. The proposed use of the additional income complies with legislative intent; and

3. The proposed use of the additional income will not result in future funding commitments.

SECTION 5. CONDITION ON FARGO AREA FLOOD CONTROL LINE ITEM. The $66,500,000 appropriated to the state water commission for Fargo area flood control including the Fargo Moorhead diversion in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for Fargo area flood control projects including the Fargo Moorhead diversion, and the appropriation of those funds is conditioned on having no other funds appropriated in section 1 being expended on Fargo area flood control including the Fargo Moorhead diversion. This condition does not prohibit the use of funds appropriated for project carryover in section 1 of this Act for Fargo area flood control projects, subject to section 7 of this Act.

SECTION 6. CONDITION ON OTHER SECTION 1 LINE ITEMS. The $593,320,273 appropriated to the state water commission for salaries and wages, operating expenses, capital assets, water supply - grants, rural water supply - grants, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for salaries and wages, operating expenses, capital assets, water supply - grants, rural water supply - grants, Mouse River flood control, flood control projects other than Fargo area flood control including the Fargo Moorhead diversion, and general water - grants, respectively, and the appropriation of

those funds is conditioned on the funds not being expended on Fargo area flood control projects including the Fargo Moorhead diversion.

SECTION 7. CONDITION ON PROJECT CARRYOVER FUNDS. The $308,333,818 appropriated to the state water commission for project carryover in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used only for project carryover, and the appropriation of those funds is conditioned on having no more than the amount the state water commission approved for Fargo area flood control including the Fargo Moorhead diversion by April 1, 2019, expended from the project carryover funds on Fargo area flood control including the Fargo Moorhead diversion.

SECTION 8. CONDITION ON APPROPRIATIONS. The $66,500,000 appropriated to the state water commission for Fargo area flood control including the Fargo Moorhead diversion in section 1 of this Act and the amount the state water commission approved for Fargo area flood control including the Fargo Moorhead diversion by April 1, 2019, which amount is included in project carryover funds appropriated in section 1 of this Act, may not be used for any work under plan B for the Fargo Moorhead diversion project; except for constructing or repairing levees and dikes and purchasing land, easements, and options or rights of first refusal to purchase land, necessary for flood control; until:

1. The federal court injunction on plan B is modified to allow construction of plan B to continue;

2. The Congress of the United States appropriates federal funds for construction of plan B;

3. The state engineer approves the mitigation plan for plan B;

4. The office of state engineer issues all necessary permits the state engineer requires for plan B; and

5. The Minnesota state legislature appropriates funds for construction of plan B.

SECTION 9. LEGISLATIVE INTENT - FARGO FLOOD CONTROL PROJECT FUNDING. It is the intent of the sixty-sixth legislative assembly that the state provide a portion of the local cost-share of Fargo flood control projects, including constructing a federally authorized Fargo flood control project, and that total Fargo flood control project funding to be provided by the state not exceed $750,000,000, which includes $120,000,000 originally designated for Fargo interior flood control. It is the intent of the sixty-sixth legislative assembly that the $379,500,000 yet to be designated by the state for the Fargo flood control project be made available in installments as follows: $66,500,000 during the 2019-21, 2021-23, 2023-25, 2025-27, and 2027-29 bienniums, and $47,000,000 during the 2029-31 biennium.

SECTION 10. FARGO FLOOD CONTROL PROJECT DOWNSTREAM IMPACT MITIGATION. The Fargo Moorhead metropolitan flood risk management project operations may not cause a downstream federal emergency management agency accredited flood protection system in North Dakota to lose its accreditation. The metropolitan flood diversion authority shall take reasonable measures to mitigate downstream impacts to accredited flood protection systems, existing as of April 1, 2019, located in North Dakota bordering the Red River resulting from the operations of the Fargo Moorhead diversion. For purposes of this section, negative downstream impacts to accredited flood protection systems are caused when the water surface profile passing through such systems is raised by more than one-tenth of one foot for

the one hundred-year event or when the ability of the accredited flood protection system to protect against a two hundred-year or five hundred-year event is compromised. The metropolitan flood diversion authority shall collaborate with the state engineer and accredited flood protection systems in North Dakota to implement this requirement.

SECTION 11. LEGISLATIVE INTENT - MOUSE RIVER FLOOD CONTROL PROJECT FUNDING. Except for funding provided during bienniums prior to the 2017-19 biennium, it is the intent of the sixty-sixth legislative assembly that the state provide no more than $193,000,000 of state funding for Mouse River flood control projects within the city limits of Minot. It is the intent of the sixty-sixth legislative assembly that the $193,000,000 be made available during the 2017-19, 2019-21, 2021-23, and 2023-25 bienniums. It is the intent of the sixty-sixth legislative assembly that of the $193,000,000, the state provide $57,713,284 during the 2017-19 biennium and that the $135,286,716 yet to be designated by the state for the Mouse River flood control projects, within the city limits of Minot, be provided during the 2019-21, 2021-23, and 2023-25 bienniums.

SECTION 12. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT - APPLICATION. It is the intent of the sixty-sixth legislative assembly that the state water commission provide, in the form of a grant, up to $13,000,000, to the Garrison Diversion Conservancy District for the Red River valley water supply project, to initiate construction of phase one prioritized project features identified in accordance with subsections 2 and 3 of section 14 of this Act, for the period beginning with the effective date of this Act, and ending June 30, 2021. The Garrison Diversion Conservancy District shall report on a regular basis to the legislative management's water topics overview committee during the 2019-20 interim regarding the progress of the Red River valley water supply project. The provisions of section 13 of this Act do not apply to the funding referenced in this section.

SECTION 13. LEGISLATIVE INTENT - RED RIVER VALLEY WATER SUPPLY PROJECT. It is the intent of the sixty-sixth legislative assembly that the state water commission provide no more than $30,000,000 to the Garrison Diversion Conservancy District for the Red River valley water supply project during the 2019-21 biennium and 2021-23 biennium and that the state funding be provided at a seventy-five percent state cost-share.

SECTION 14. RED RIVER VALLEY WATER SUPPLY PROJECT - REPORT TO LEGISLATIVE MANAGEMENT - BUDGET SECTION APPROVAL. Any funding received by the Garrison Diversion Conservancy District from the state water commission for the Red River valley water supply project during the 2017-19 biennium and the biennium beginning July 1, 2019, and ending June 30, 2021, is subject to the following requirements:

1. Any funding received for the completion of the planning and permitting process of the Red River valley water supply project must result in the following accomplishments:

    a. The completed Red River valley water supply plan document, which will be the basis and justification for project construction, must include alternative selection, water supply needs, projected project costs, easement acquisitions, environmental regulation compliance to include issuance of a final national pollutant discharge elimination system permit, and acquisition of all other state and federal permits required for the construction of any

project features intended to be constructed with funding provided during the 2017-19 biennium and the 2019-21 biennium;

b. A signed bureau of reclamation water service contract agreeing to a minimum of one hundred sixty-five cubic feet per second over a minimum of forty years or equivalent to ensure an adequate water source for the project's needs;

c. Prioritized project features for phase one construction; and

d. A recommendation of funding options for all phases of the Red River valley water supply project.

2. The state water commission shall review any associated appeals or litigation before releasing any funds for the project.

3. Any funding received to initiate construction of phase one prioritized project features identified in subsection 1 may be spent and construction of phase one may begin only after the budget section receives and approves certification from the state water commission and the state engineer that all items listed in subsection 1 have been accomplished.

4. Quarterly progress reports on the Red River valley water supply project from the Garrison Diversion Conservancy District to the water topics overview committee of the legislative management, during the 2019-21 interim.

SECTION 15. PILOT PROJECT - IMPLEMENTATION OF A BASINWIDE PLAN - REPORT TO THE LEGISLATIVE MANAGEMENT. Up to $1,000,000 of the $48,000,000 appropriated to the state water commission for flood control projects other than Fargo area flood control including the Fargo Moorhead diversion in section 1 of this Act for the period beginning with the effective date of this Act, and ending June 30, 2021, may be used to provide grants under the pilot project in this section.

1. If all the water resource districts and joint water resource districts in a basin develop a basinwide water plan identifying water conveyance, flood control, and other water projects to be undertaken in the basin, the districts jointly may apply to the state water commission for a grant of up to $1,000,000 for implementation of the plan. The state water commission may select a basinwide plan submitted under this subsection for funding and enter into one cooperative agreement with the water resource districts and joint water resource districts that submitted the plan.

2. The cooperative agreement must include the amount of funding the state water commission will provide, the applicable cost-share requirements, a prohibition on using funds provided under the agreement for planning or any purpose other than implementation of the basinwide plan, and the obligations of the state water commission and each water resource district and joint water resource district in the basin in implementing the basinwide plan. The agreement also must provide for monitoring and oversight of the basinwide plan's implementation.

3. The state water commission shall report to the legislative management on the results of this pilot project no later than August 1, 2020.

SECTION 16. AMENDMENT. Subsection 3 of section 61-02-78 of the North Dakota Century Code is amended and reenacted as follows:

3. The commission shall approve projects and loans from the infrastructure loan fund, and the Bank of North Dakota shall manage and administer loans from the infrastructure loan fund and individual accounts in the fund. The commission may adopt policies for the review and approval of loans under this section. Loans made under this section must be made ~~at an interest rate of one and one-half percent~~at the same interest rate as the revolving loan fund established under chapters 61-28.1 and 61-28.2.

SECTION 17. AMENDMENT. Section 61-02-79 of the North Dakota Century Code is amended and reenacted as follows:

61-02-79. Bank of North Dakota - Line of credit.

The Bank of North Dakota shall extend a line of credit not to exceed seventy-five million dollars at a rate of one and one-half percent over the three month London interbank offered rate, but may not exceed three percent to the state water commission. The state water commission shall repay the line of credit from funds available in the resources trust fund, water development trust fund, or other funds, as appropriated by the legislative assembly. The state water commission may access the line of credit, as necessary, to provide funding as authorized by the legislative assembly for water supply projects approved before June 30, ~~2019~~2021, and flood control projects that have approval for funding before June 30, ~~2019~~2021.

Approved April 25, 2019

Filed April 25, 2019

CHAPTER 46

SENATE BILL NO. 2021

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of workforce safety and insurance; and to provide for a report to the legislative assembly.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated from special funds derived from the workforce safety and insurance fund in the state treasury, not otherwise appropriated, to workforce safety and insurance, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Workforce safety and insurance operations	$63,473,062	$5,274,780	$68,747,842
Total special funds	$63,473,062	$5,274,780	$68,747,842
Full-time equivalent positions	260.14	0.00	260.14

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Claims and policy system replacement project	$8,120,097	$7,010,000
MyWSI extranet enhancement project	538,500	850,000
Internal reporting system	275,000	0
Electronic payment processing system	75,000	0
Total other funds	$9,008,597	$7,860,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. Workforce safety and insurance shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

Approved April 18, 2019

Filed April 19, 2019

CHAPTER 47

SENATE BILL NO. 2022

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the retirement and investment office; to provide for a report to the legislative assembly; and to provide for transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of moneys from special funds derived from income for the purpose of defraying the expenses of the retirement and investment office, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$4,425,570	$552,660	$4,978,230
Operating expenses	862,484	2,676,450	3,538,934
Capital assets	0	6,300,000	6,300,000
Contingencies	52,000	0	52,000
Total special funds	$5,340,054	$9,529,110	$14,869,164
Full-time equivalent positions	19.00	1.00	20.00

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Pension administration system project	$0	$9,000,000
Total other funds	$0	$9,000,000

The 2019-21 biennium one-time funding amounts are not a part of the entity's base budget for the 2021-23 biennium. The retirement and investment office shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from the contingencies line item in section 1 of this Act to any other line item as may be requested by the state investment board. The agency shall notify the legislative council of any transfers made pursuant to this section.

Approved April 26, 2019

Filed April 26, 2019

CHAPTER 48

SENATE BILL NO. 2023

(Appropriations Committee)

AN ACT to provide an appropriation for defraying the expenses of the public employees retirement system; to provide for a report; and to provide for transfers.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys from special funds from income to the public employees retirement system for the purpose of defraying the expenses of the public employees retirement system, for the biennium beginning July 1, 2019, and ending June 30, 2021, as follows:

	Base Level	Adjustments or Enhancements	Appropriation
Salaries and wages	$6,316,169	$336,435	$6,652,604
Operating expenses	2,692,221	(208,629)	2,483,592
Capital assets	0	190,000	190,000
Contingencies	250,000	0	250,000
Total special funds	$9,258,390	$317,806	$9,576,196
Full-time equivalent positions	34.50	0.00	34.50

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO SIXTY-SEVENTH LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-fifth legislative assembly for the 2017-19 biennium and the 2019-21 biennium one-time funding items included in the appropriation in section 1 of this Act:

One-Time Funding Description	2017-19	2019-21
Information technology risk assessment	$0	$40,000
Upgrade business system software	0	190,000
Total special funds	$0	$230,000

The 2019-21 biennium one-time funding amounts are not part of the entity's base budget for the 2021-23 biennium. The public employees retirement system shall report to the appropriations committees of the sixty-seventh legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2019, and ending June 30, 2021.

SECTION 3. LINE ITEM TRANSFERS. Notwithstanding section 54-16-04, the director of the office of management and budget shall transfer appropriation authority from the contingencies line item in section 1 of this Act to any other line item as requested by the public employees retirement system board. The agency shall notify the legislative council of any transfers made pursuant to this section.

SECTION 4. PUBLIC EMPLOYEES RETIREMENT SYSTEM - HOSPITAL AND MEDICAL BENEFITS COVERAGE - REPORT. During the 2019-21 biennium, the public employees retirement system board shall solicit and receive bids for the 2021-23 biennium hospital benefits coverage and medical benefits coverage for state

employees under section 54-52.1-04. The request for proposal must include an option for coverage through a self-insurance plan. The board shall report to the majority and minority leaders of the House and Senate and the chairmen of the appropriations committees, or their designees, when bids are received during the biennium beginning July 1, 2019, and ending June 30, 2021. The report must provide comparative information and the board's evaluation of the bids received, including information on the self-insurance option.

Approved May 1, 2019

Filed May 2, 2019

CHAPTER 49

SENATE BILL NO. 2024

(Appropriations Committee)

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. The funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, and from special funds derived from federal funds and other income, listed below, to the stated departments and institutions of the state of North Dakota for the purpose of defraying their expenses for the period beginning with the effective date of this Act, and ending June 30, 2019, as follows:

Subdivision 1.

OFFICE OF MANAGEMENT AND BUDGET

Lawsuit expenses	$441,100
Total general fund	$441,100

Subdivision 2.

TAX DEPARTMENT

Homestead tax credit	$1,170,000
Disabled veterans credit	150,000
Total general fund	$1,320,000

Subdivision 3.

INDUSTRIAL COMMISSION

Litigation costs	$269,408
Total general fund	$269,408

Subdivision 4.

BANK OF NORTH DAKOTA

Loan interest payments - protest costs	$1,000,000
Total general fund	$1,000,000

Subdivision 5.

ADJUTANT GENERAL

Loan repayment - disaster costs	$887,823
Loan repayment - emergency hay operation	1,586,061

Total all funds	$2,473,884
Less special funds	1,586,061
Total general fund	$887,823

Subdivision 6.

STATE HISTORICAL SOCIETY

Litigation costs	$265,000
Total general fund	$265,000

Subdivision 7.

ATTORNEY GENERAL

Prosecution witness fees	$50,000
Capital assets	855,910
Total all funds	$905,910
Less federal funds	855,910
Total general fund	$50,000

Subdivision 8.

BILL TOTAL

Grand total general fund	$4,233,331
Grand total special funds	2,441,971
Grand total all funds	$6,675,302

SECTION 2. SPECIAL FUNDS - ENVIRONMENT AND RANGELAND PROTECTION FUND. The less special funds line item in subdivision 5 of section 1 of this Act includes $1,586,061 from the environment and rangeland protection fund.

SECTION 3. LEGISLATIVE INTENT - COST REIMBURSEMENTS - LOAN REPAYMENTS. It is the intent of the sixty-sixth legislative assembly that the attorney general seek reimbursement from the federal government 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-sixth legislative assembly that these reimbursements be used to repay the Bank of North Dakota loans authorized by the emergency commission and the legislative assembly which were obtained to provide the funding necessary to respond to the unlawful activity associated with the construction of the Dakota access pipeline. It is further the intent of the sixty-sixth legislative assembly that the provisions of section 54-16-13 apply to the loans, except that emergency commission approval does not apply.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved April 8, 2019

Filed April 9, 2019

CHAPTER 50

SENATE BILL NO. 2146

(Senators O. Larsen, Piepkorn)
(Representatives Meier, Rohr)

AN ACT to provide a contingent appropriation to the state historical society for relocating pioneer village.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. CONTINGENT APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $150,000, or so much of the sum as may be necessary, to the state historical society for the purpose of providing a grant to an entity to relocate the pioneer village from the North Dakota state fairgrounds to another location within Ward County, for the biennium beginning July 1, 2019, and ending June 30, 2021. The funds appropriated in this section may be spent only:

1. Upon certification by the director of the state historical society to the director of the office of management and budget that all pioneer village buildings located on the North Dakota state fairgrounds which are required to be removed to satisfy the court ruling have been removed by June 15, 2019; and

2. If the state fair association provides no less than $100,000 to the Ward County historical society for matters relating to the pioneer village.

Approved April 25, 2019

Filed April 26, 2019

CHAPTER 51

SENATE BILL NO. 2195

(Senators Marcellais, Dever, G. Lee)
(Representatives Laning, M. Ruby, Trottier)

AN ACT to provide an appropriation for veterans' spouses and dependents burial fees at the veterans' cemetery; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of $175,000, or so much of the sum as may be necessary, to the adjutant general for the purpose of defraying the costs of interring veterans' spouses and dependents who are eligible for internment at the veterans' cemetery, for the period beginning with the effective date of this Act, and ending June 30, 2021.

SECTION 2. EFFECTIVE DATE. This Act becomes effective March 1, 2020.

Approved April 23, 2019

Filed April 24, 2019

CHAPTER 52

SENATE BILL NO. 2214

(Senators Schaible, Rust)
(Representative Owens)

AN ACT to provide for a transfer from the foundation aid stabilization fund to the school construction assistance revolving loan fund; and to provide a statement of legislative intent.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. TRANSFER - FOUNDATION AID STABILIZATION FUND TO SCHOOL CONSTRUCTION ASSISTANCE REVOLVING LOAN FUND - USES. The office of management and budget shall transfer the sum of $75,000,000 from the foundation aid stabilization fund to the school construction assistance revolving loan fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Of the $75,000,000 transferred from the foundation aid stabilization fund, $35,000,000 is from funding available in the fund on June 30, 2019, and $40,000,000 is from earnings anticipated to be deposited into the fund during the biennium beginning July 1, 2019, and ending June 30, 2021. Pursuant to the continuing appropriation authority under section 15.1-36-08, $5,000,000, or so much of the sum as may be necessary, is available from the school construction assistance revolving loan fund to the Bank of North Dakota to provide interest rate buydowns associated with loans issued under section 15.1-36-06. In addition, provided sufficient funding is available for loans to local school districts, the Bank of North Dakota may utilize funding from the school construction assistance revolving loan fund to repay a portion of the outstanding principal balance of loans issued under section 15.1-36-06 for the purpose of transferring a portion of the loans issued under that section from the Bank of North Dakota to the school construction assistance revolving loan fund. The remaining amount transferred to the school construction assistance revolving loan fund is available for new school construction loans.

SECTION 2. LEGISLATIVE INTENT - FOUNDATION AID STABILIZATION FUND. It is the intent of the sixty-sixth legislative assembly that, for the biennium beginning July 1, 2021, and ending June 30, 2023, the sixty-seventh legislative assembly appropriate $110,000,000 from the foundation aid stabilization fund to the department of public instruction for providing ongoing funding for state school aid and transfer $75,000,000 from the foundation aid stabilization fund to the school construction assistance revolving loan fund.

Approved April 30, 2019

Filed May 2, 2019

CHAPTER 53

SENATE BILL NO. 2297

(Senators Wardner, Robinson, Sorvaag)
(Representatives Howe, Roers Jones)

AN ACT to provide an appropriation for capital projects of various state departments and institutions; to authorize the industrial commission to issue and sell evidences of indebtedness for capital projects; to provide an exemption; and to declare an emergency.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. PROJECT AUTHORIZATIONS - APPROPRIATION. Subject to the provisions of this section, the industrial commission, acting as the North Dakota building authority, shall arrange for the funding of the projects authorized in this section, declared to be in the public interest, through the issuance of evidences of indebtedness under chapter 54-17.2, beginning with the effective date of this Act and ending June 30, 2021. The industrial commission shall issue evidences of indebtedness under this section with the condition that lease rental payments need not begin until July 1, 2021. The authority of the industrial commission to issue evidences of indebtedness under this section ends June 30, 2021, but the industrial commission may continue to exercise all other powers granted to it under chapter 54-17.2 and this Act and comply with any covenants entered before that date. The proceeds of the evidences of indebtedness and other available funds are appropriated to the agencies listed in this section, beginning with the effective date of this Act and ending June 30, 2021, for the following projects:

North Dakota state university Dunbar Hall	$40,000,000
Valley City state university Communications and Fine Arts Building project	30,000,000
North Dakota state university agriculture products development center	20,000,000
University of North Dakota Gamble Hall project	6,000,000
Dickinson state university Pulver Hall	4,000,000
Total	$100,000,000

1. North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the Dunbar Hall project. There is appropriated to North Dakota state university the sum of $3,200,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.

2. a. North Dakota state university may obtain and utilize local funds obtained from fundraising or other sources for the agriculture products development center project. There is appropriated to North Dakota state university the sum of $20,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.

   b. The industrial commission may issue evidences of indebtedness for the agriculture products development center project only if North Dakota state

university certifies to the industrial commission and the director of the office of management and budget that $20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

3. a. The university of North Dakota may obtain and utilize local funds obtained from fundraising or other sources for the Gamble Hall project. There is appropriated to the university of North Dakota the sum of $55,000,000, or so much of the sum as may be necessary, from any local or other funds that may become available for this project for the period beginning with the effective date of this Act, and ending June 30, 2021.

   b. The industrial commission may issue evidences of indebtedness for the Gamble Hall project only if the university of North Dakota certifies to the industrial commission and the director of the office of management and budget that $55,000,000 of local and other funds has been obtained for the project or if the university of North Dakota receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

SECTION 2. APPROPRIATION - CAPITAL PROJECTS - EXEMPTION.

1. Subject to the provisions of this section, the funds provided in this section, or so much of the funds as may be necessary, are appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, to the following institutions for the identified capital projects, for the period beginning with the effective date of this Act, and ending June 30, 2019, as follows:

Bismarck state college Nursing Building	$8,900,000
Dakota college at Bottineau dining hall and other projects	1,000,000
Lake Region state college precision agriculture project	1,000,000
North Dakota state university agriculture products development center project	20,000,000
North Dakota state university Dunbar Hall project	8,000,000
University of North Dakota Gamble Hall project	9,000,000
Valley City state university Communications and Fine Arts Building project	2,000,000
Total general fund	$49,900,000

In accordance with section 54-44.1-11, any unaccepted funds from these appropriations may be continued into the biennium beginning July 1, 2019, and ending June 30, 2021.

2. The appropriation for the agriculture products development center project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and is available only if North Dakota state university certifies to the industrial commission and the director of the office of management and budget that $20,000,000 of local and other funds has been obtained for the project or if North Dakota state university receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

3. The appropriation for the Gamble Hall project must be continued into the biennium beginning July 1, 2019, and ending June 30, 2021, and is available only if the university of North Dakota certifies to the industrial commission and

the director of the office of management and budget that $55,000,000 of local and other funds has been obtained for the project or if the university of North Dakota receives approval for a change in project scope from the legislative assembly or budget section pursuant to section 48-01.2-25.

SECTION 3. NORTHERN CROPS INSTITUTE BUILDING PROJECT. The northern crops institute is authorized to begin fundraising efforts for the northern crops institute building project. The northern crops institute shall develop a proposal for its building project, including locations for the new facility, the proper capacity of the facility to serve future institute needs, and the estimated costs of the building project. The northern crops institute may seek funding and authorization from the sixty-seventh legislative assembly to proceed with the building project.

SECTION 4. EMERGENCY. This Act is declared to be an emergency measure.

Approved May 1, 2019

Filed May 2, 2019