

## JOURNAL OF THE HOUSE

## Sixty-sixth Legislative Assembly

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Bismarck, April 26, 2019

The House convened at 8:00 a.m., with Speaker Klemin presiding.

The prayer was offered by Chaplain Neal Brown, Cru Christian Ministries, Bismarck.

The roll was called and all members were present except Representatives Blum, O'Brien, and Schatz.

A quorum was declared by the Speaker.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Vigesaa, Chairman)** has carefully examined the Journal of the Seventy-fourth and Seventy-fifth Days and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 2066, line 17, replace "J. Roers, Sorvaag" with "Sorvaag, J. Roers"

Page 2194, line 13, replace "J. Roers, Sorvaag" with "Sorvaag, J. Roers"

**REP. VIGESAA MOVED** that the report be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. J. NELSON MOVED** that the conference committee report on Engrossed HB 1015 as printed on HJ pages 2181-2185 be adopted.

**REQUEST**

**REP. HEINERT REQUESTED** a recorded roll call vote, which request was granted.

**ROLL CALL**

The question being on the motion to adopt the conference committee report on Engrossed HB 1015, the roll was called and there were 61 YEAS, 31 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Boschee; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Eidson; Fegley; Fisher; Grueneich; Hager; Hanson; Hatlestad; Headland; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Longmuir; Mitskog; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Pollert; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Bellew; Bosch; Buffalo; Dockter; Ertelt; Guggisberg; Heinert; Hoverson; Johnston; Kading; Karls; Kasper; Keiser; Koppelman, B.; Lefor; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mock; Paulson; Paur; Porter; Ruby, D.; Ruby, M.; Skroch; Steiner; Strinden; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

The conference committee report on Engrossed HB 1015 was adopted on a recorded roll call vote.

Engrossed HB 1015, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1015:** A BILL for 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.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 73 YEAS, 19 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Grueneich; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Ertelt; Fisher; Guggisberg; Hoverson; Johnston; Kading; Keiser; Koppelman, B.; Magrum; Marschall; McWilliams; Paulson; Ruby, D.; Ruby, M.; Simons; Skroch; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1015 passed.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. BELLEW MOVED** that the conference committee report on Engrossed HB 1002 as printed on HJ pages 2176-2181 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1002, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1002:** A BILL for 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.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 9 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Guggisberg; Hager; Hanson; Hatlestad; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Delzer; Ertelt; Grueneich; Headland; Johnston; Magrum; Skroch; Steiner; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1002 passed and the emergency clause was declared carried.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. MONSON MOVED** that the conference committee report on Engrossed HB 1020 as printed on HJ pages 2185-2192 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1020, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1020:** A BILL for 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.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 12 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Tveit; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Ertelt; Fisher; Johnston; Koppelman, B.; Magrum; Marschall; McWilliams; Simons; Toman; Vetter

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1020 passed and the emergency clause was declared carried.

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#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. LEFOR MOVED** that the conference committee report on Engrossed HB 1333 as printed on HJ pages 2194-2196 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1333, as amended, was placed on the Eleventh order of business.

#### SECOND READING OF HOUSE BILL

**HB 1333:** A BILL for an Act to create and enact a new chapter to title 6 of the North Dakota Century Code, relating to the creation of an innovation loan fund to support technology advancement committee and loan program; to provide a continuing appropriation; and to provide for a transfer.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 72 YEAS, 20 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson;

Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Strinden; Trotter; Tveit; Vetter; Vigesaa; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Boe; Delzer; Devlin; Ertelt; Johnston; Kading; Koppelman, B.; Laning; Magrum; Marschall; McWilliams; Nelson, M.; Rohr; Ruby, D.; Simons; Skroch; Toman; Weisz

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1333 passed.

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**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2008.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2008, as engrossed:** Your conference committee (Sens. G. Lee, Wanzek, Grabinger and Reps. Brandenburg, Bellew, Mock) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1627-1629, adopt amendments as follows, and place SB 2008 on the Seventh order:

That the House recede from its amendments as printed on pages 1627-1629 of the Senate Journal and pages 1836-1838 of the House Journal and that Engrossed Senate Bill No. 2008 be amended as follows:

Page 1, line 4, after the first semicolon insert "to provide for a study;"

Page 1, remove lines 15 through 24

Page 2, replace lines 1 and 2 with:

"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	<u>94,000</u>	<u>336,000</u>	<u>430,000</u>
Total all funds	\$18,615,778	\$607,626	\$19,223,404
Less estimated income	<u>11,985,016</u>	<u>523,460</u>	<u>12,508,476</u>
Total general fund	\$6,630,762	\$84,166	\$6,714,928
Full-time equivalent positions	45.00	(2.00)	43.00"

Page 2, after line 24, insert :

**"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."

Page 2, line 29, replace "fourteen" with "thirteen"

Page 2, line 30, remove the overstrike over "six"

Page 2, line 30, remove "one"

Page 2, line 30, remove "fifty-four"

Page 3, line 5, remove the overstrike over "~~(Effective July 1, 2015;~~"

Page 3, line 6, remove the overstrike over "~~through June 30;~~"

Page 3, line 6, after "~~2019)~~" insert "2021)"

Page 3, line 10, replace "six hundred fifty-five" with "five hundred nine"

Page 3, line 14, remove the overstrike over "~~Transfer, deposit, and distribution of funds. (Effective after June 30;~~"

Page 3, line 14, after "~~2019)~~" insert "2021)"

Page 3, line 14, remove the overstrike over "~~All taxes;~~"

Page 3, remove the overstrike over lines 15 through 17

Page 3, after line 17, insert:

**"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."

Renumber accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2008 - Public Service Commission - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$9,197,284	\$10,063,825	(\$568,265)	\$9,495,560	\$9,330,067	\$165,493
Operating expenses	1,829,826	1,883,826	(120,000)	1,763,826	1,758,826	5,000
Capital assets	10,000	25,000		25,000	25,000	
Grants	20,000	20,000		20,000	20,000	
Abandoned mined lands contractual	6,000,000	6,000,000		6,000,000	6,000,000	
Rail rate complaint case	900,000	900,000		900,000	900,000	
Railroad safety program	564,668	589,310	(292)	589,018	589,018	
Specialized legal services	94,000	430,000		430,000	430,000	
Grain licensing			100,000	100,000		100,000
Total all funds	\$18,615,778	\$19,911,961	(\$588,557)	\$19,323,404	\$19,052,911	\$270,493
Less estimated income	11,985,016	12,514,674	93,802	12,608,476	12,508,476	100,000
General fund	\$6,630,762	\$7,397,287	(\$682,359)	\$6,714,928	\$6,544,435	\$170,493
FTE	45.00	46.00	(3.00)	43.00	43.00	0.00

#### Department 408 - Public Service Commission - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Transfers Grain Warehouse Inspection Program to the Agriculture Commissioner <sup>2</sup>	Adds Funding for an Accounting Budget Specialist Position <sup>3</sup>	Adds Funding for Grain Licensing Services <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	(\$5,259)	(\$728,499)	\$165,493		(\$568,265)
Operating expenses		(125,000)	5,000		(120,000)
Capital assets					
Grants					
Abandoned mined lands contractual					
Rail rate complaint case					
Railroad safety program	(292)				(292)
Specialized legal services					
Grain licensing legal services				\$100,000	100,000
Total all funds	(\$5,551)	(\$853,499)	\$170,493	\$100,000	(\$588,557)
Less estimated income	(6,198)	0	0	100,000	93,802
General fund	\$647	(\$853,499)	\$170,493	\$0	(\$682,359)
FTE	0.00	(3.00)	0.00	0.00	(3.00)

<sup>1</sup> Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

<sup>2</sup> Transfers the grain warehouse license and inspection program to the Agriculture Commissioner, the same as the House version, as follows:

	<b>Salaries and Wages</b>	<b>Operating Expenses</b>	<b>Total General Fund</b>
Removes 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Removes funding for an accounting budget specialist	<u>165,493</u>	<u>5,000</u>	<u>170,493</u>
Total removed	\$728,499	\$125,000	\$853,499

<sup>3</sup> Adds funding for the repurposing of an existing unfunded FTE position to an accounting budget specialist position (\$165,493) and related operating expenses (\$5,000), to assist with accounting duties of the agency.

<sup>4</sup> Adds a section to provide one-time funding from special funds to continue providing services related to grain insolvency litigation initiated prior to July 1, 2019. The funding will be provided by the Agriculture Commissioner. Neither the House nor the Senate version included this section.

This amendment also:

- Provides the statutory changes to increase the Public Service Commissioners' salaries. The Public Service Commissioners' annual salaries would increase from the current level of \$108,656 to \$110,829, effective July 1, 2019, and to \$113,600, effective July 1, 2020, to reflect the 2 percent and 2.5 percent salary increases, the same as the House version. The Senate adjusted salaries by 2 percent on July 1, 2019, and 3 percent on July 1, 2020.
- Amends North Dakota Century Code Section 57-43.2-19 relating to the distribution of funds in the highway tax distribution fund to provide for the allocation to the rail safety fund to continue until June 30, 2021, and to increase the allocation amount from \$285,000 per year to \$294,509 per year, the same as the House version. The Senate removed the expiration date and provided an increase to \$294,655 per year.
- Requires the Public Service Commission to study, during the 2019-20 interim, technology available to create efficiencies to reduce costs for railroad equipment and track inspections. The commission is to report its findings and related budget recommendations to the 67th Legislative Assembly. The House also included this section.

Engrossed SB 2008 was placed on the Seventh order of business on the calendar.

#### MOTION

**REP. LOUSER MOVED** that SB 2008 be moved to the top of the Seventh order, which motion prevailed on a voice vote.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. BRANDENBURG MOVED** that the conference committee report on Engrossed SB 2008 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2008, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF SENATE BILL

**SB 2008:** A BILL for 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.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 85 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Ertelt; Johnson, M.; Johnston; Magrum; Simons; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Engrossed SB 2008, as amended, passed.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. K. KOPPELMAN MOVED** that the conference committee report on Engrossed HB 1286 as printed on HJ pages 2192-2194 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1286, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1286:** A BILL for an Act to create and enact section 19-03.1-36.8 of the North Dakota Century Code, relating to law enforcement agencies reporting seizures and forfeitures; and to amend and reenact sections 19-03.1-36.2, 19-03.1-36.6, and 19-03.1-36.7 of the North Dakota Century Code, relating to forfeiture proceedings, contested forfeiture hearings, legal interests in forfeited property.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 55 YEAS, 37 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, P.; Boe; Bosch; Boschee; Brandenburg; Damschen; Delzer; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, D.; Jones; Karls; Keiser; Kempenich; Koppelman, K.; Kreidt; Laning; Longmuir; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Pollert; Porter; Richter; Sanford; Satrom; Schauer; Schmidt; Schreiber-Beck; Strinden; Trottier; Tveit; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Anderson, D.; Beadle; Becker; Bellew; Blum; Buffalo; Devlin; Ertelt; Hager; Hoverson; Johnson, C.; Johnson, M.; Johnston; Kading; Kasper; Kiefert; Koppelman, B.; Lefor; Louser; Magrum; Marschall; McWilliams; Nelson, M.; Paulson; Paur; Pyle; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Schneider; Schobinger; Simons; Skroch; Steiner; Toman; Vetter

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1286 passed.

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**MOTION**

**REP. LOUSER MOVED** that the House stand in recess until 1:00 p.m., which motion prevailed on a voice vote.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Klemin presiding.

### ANNOUNCEMENT

**SPEAKER KLEMIN ANNOUNCED** the following House Interim Committees:

#### **Legislative Management**

Speaker of the House - Rep. Lawrence R. Klemin  
 House Majority Leader - Rep. Chet Pollert  
 House Minority Leader - Rep. Josh Boschee  
 Rep. Jim Grueneich  
 Rep. Mike Lefor  
 Rep. Scott Louser  
 Rep. Bill Devlin  
 Rep. Karen Rohr  
 Rep. Karla Rose Hanson

#### **Capitol Grounds Planning Commission**

Rep. Glenn Bosch  
 Rep. Bernie Satrom

#### **Comprehensive Health Association of North Dakota Board**

Rep. Robin Weisz

#### **State Council for Interstate Adult Offender Supervision**

Rep. Patrick D. Heinert

#### **Brain Injury Advisory Council**

Rep. Dick Anderson

### CORRECTION AND REVISION OF THE JOURNAL

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Vigesaa, Chairman)** has carefully examined the Journal of the Seventieth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 1916, line 8, replace "Paur, Hanson" with "Hanson, Paur"

**REP. VIGESAA MOVED** that the report be adopted, which motion prevailed on a voice vote.

### COMMUNICATION FROM GOVERNOR DOUG BURGUM

This is to inform you that on April 25, 2019, I have signed the following: HB 1171, HB 1202, HB 1234, HB 1268, HB 1384, HB 1435, HB 1453, HB 1474, HB 1517, and HB 1531.

### SECOND READING OF SENATE BILL

**SB 2042:** A BILL for an Act to provide for a legislative management study of developing a uniform county system of accounting.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 1 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockett; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin



**NAYS:** Bellew

**ABSENT AND NOT VOTING:** O'Brien; Schatz

SB 2042, as amended, passed.

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#### MOTION

**REP. LOUSER MOVED** that SB 2315 be moved to the top of the Seventh order, which motion prevailed on a voice vote.

#### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. TVEIT MOVED** that the conference committee report on Engrossed SB 2315 as printed on HJ pages 2215-2219 be adopted.

#### REQUEST

**REP. SIMONS REQUESTED** a recorded roll call vote, which request was granted.

#### ROLL CALL

The question being on the motion to adopt the conference committee report on Engrossed SB 2315, the roll was called and there were 53 YEAS, 39 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Becker; Bellew; Blum; Boe; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Ertelt; Fegley; Hatlestad; Headland; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Kempenich; Koppelman, K.; Kreidt; Laning; Longmuir; Magrum; Nelson, J.; Owens; Paur; Pollert; Pyle; Richter; Ruby, M.; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Adams; Anderson, P.; Beadle; Bosch; Boschee; Buffalo; Dockter; Eidson; Fisher; Grueneich; Guggisberg; Hager; Hanson; Heinert; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Lefor; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, M.; Paulson; Porter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Strinden; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

The conference committee report on Engrossed SB 2315 was adopted on a recorded roll call vote.

Engrossed SB 2315, as amended, was placed on the Fourteenth order of business.

#### SECOND READING OF SENATE BILL

**SB 2315:** A BILL for an Act to amend and reenact sections 12.1-22-03, 20.1-01-17, 20.1-01-18, and 20.1-03-42 of the North Dakota Century Code, relating to criminal trespass and hunting on private land; to repeal section 20.1-01-20 of the North Dakota Century Code, relating to prima facie evidence of hunting; to provide for a legislative management study; and to provide a penalty.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 44 YEAS, 48 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Anderson, B.; Anderson, D.; Becker; Bellew; Blum; Boe; Brandenburg; Damschen; Delzer; Devlin; Dobervich; Ertelt; Fegley; Hatlestad; Headland; Hoverson; Howe; Johnson, C.; Johnson, D.; Jones; Kempenich; Kreidt; Laning; Longmuir; Magrum; Nelson, J.; Owens; Paulson; Pollert; Pyle; Richter; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Trottier; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke

**NAYS:** Adams; Anderson, P.; Beadle; Bosch; Boschee; Buffalo; Dockter; Eidson; Fisher;

Grueneich; Guggisberg; Hager; Hanson; Heinert; Holman; Johnson, M.; Johnston; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Koppelman, K.; Lefor; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, M.; Paur; Porter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Steiner; Strinden; Toman; Speaker Klemin

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Engrossed SB 2315, as amended, failed.

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#### MOTION

**REP. LOUSER MOVED** that the House stand in recess until 4:30 p.m., which motion prevailed on a voice vote.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Klemin presiding.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1050:** Your conference committee (Sens. D. Larson, Myrdal, Bakke and Reps. K. Koppelman, Karls, Satrom) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1487-1489, adopt amendments as follows, and place HB 1050 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1487-1489 of the House Journal and pages 1252 and 1253 of the Senate Journal and that House Bill No. 1050 be amended as follows:

Page 1, line 1, replace "section" with "subsection 7 of section 12.1-32-01, section 19-03.1-22.3, subdivision d of subsection 8 of section 19-03.1-23, section"

Page 1, line 1, after "19-03.4-03" insert ", and subdivision i of subsection 5 of section 39-08-01"

Page 1, line 2, after "to" insert "multiple convictions of the same infraction, the possession and ingestion of marijuana, the possession of drug paraphernalia and"

Page 1, line 3, after "rehabilitation" insert "; to provide for a legislative management study"

Page 1, after line 4, insert:

**"SECTION 1. AMENDMENT.** Subsection 7 of section 12.1-32-01 of the North Dakota Century Code is amended and reenacted as follows:

7. Infraction, for which a maximum fine of one thousand dollars may be imposed. Any person convicted of an infraction who ~~has~~, within one year ~~prior to before~~ commission of the infraction of which the person was convicted, ~~has~~ been ~~previously~~ convicted previously at least twice of an the same offense classified as an infraction may be sentenced as though convicted of a class B misdemeanor. If the prosecution contends that the infraction is punishable as a class B misdemeanor, the complaint ~~shall~~must specify ~~that the~~ offense is a misdemeanor.

**SECTION 2. AMENDMENT.** Section 19-03.1-22.3 of the North Dakota Century Code is amended and reenacted as follows:

**19-03.1-22.3. Ingesting a controlled substance - Venue for violation - Penalty.**

A

1. Except as provided in subsection 2, a person who intentionally ingests, inhales, injects, or otherwise takes into the body a controlled substance, unless the substance was obtained directly from a practitioner or pursuant to a valid prescription or order of a practitioner while acting in

~~the course of the practitioner's professional practice, is guilty of a class B misdemeanor if the controlled substance is marijuana. Otherwise, the offense is a class A misdemeanor. This subsection does not apply to ingesting, inhaling, injecting, or otherwise taking into the body marijuana.~~

2. ~~A person who is under twenty-one years of age and intentionally ingests, inhales, injects, or otherwise takes into the body a controlled substance that is marijuana, unless the substance was medical marijuana obtained in accordance with chapter 19-24.1, is guilty of a class B misdemeanor.~~
3. The venue for a violation of this section exists in either the jurisdiction in which the controlled substance was ingested, inhaled, injected, or otherwise taken into the body or the jurisdiction in which the controlled substance was detected in the body of the accused.

**SECTION 3. AMENDMENT.** Subdivision d of subsection 8 of section 19-03.1-23 of the North Dakota Century Code is amended and reenacted as follows:

- d. A person who violates this subsection ~~regarding possession by~~ possessing:
  - (1) Marijuana in an amount of less than one-half ounce [14.175 grams] is guilty of an infraction.
  - (2) At least one-half ounce [14.175 grams] but not more than 500 grams of marijuana is guilty of a class B misdemeanor.
  - (3) More than 500 grams of marijuana is guilty of a class A misdemeanor."

Page 2, line 1, overstrike ", store, contain, or conceal"

Page 2, line 5, after "marijuana" insert "or possess with the intent to use drug paraphernalia to store or contain marijuana"

Page 2, line 6, overstrike "a class B misdemeanor" and insert immediately thereafter "an infraction"

Page 2, line 12, replace "shall" with "may"

Page 2, after line 18, insert:

**"SECTION 5. AMENDMENT.** Subdivision i of subsection 5 of section 39-08-01 of the North Dakota Century Code is amended and reenacted as follows:

- i. If the court sentences an individual to the legal and physical custody of the department of corrections and rehabilitation, the department may place the individual in an alcohol treatment program designated by the department. Upon the individual's successful completion of the alcohol treatment program, the department shall release the individual from imprisonment to begin the court-ordered period of probation. If there is not any court-ordered period of probation, the court ~~shall~~may order the individual to serve the remainder of the sentence of imprisonment on supervised probation and the terms and conditions must include participation in the twenty-four seven sobriety program and any terms and conditions of probation previously imposed by the court. Probation under this subsection may include placement in another facility or treatment program. If an individual is placed in another facility or treatment program after release from imprisonment, the remainder of the individual's sentence of imprisonment must be considered time spent in custody. Individuals incarcerated under this section subsequent to a second probation revocation are not eligible for release from imprisonment upon the successful completion of treatment.

**SECTION 6. LEGISLATIVE MANAGEMENT STUDY - RECREATIONAL MARIJUANA.** During the 2019-20 interim, the legislative management shall consider studying the implications of the potential adoption of an initiated measure allowing the use of recreational marijuana. The study must consider the potential benefits and detriments of legalizing recreational marijuana with respect to:

1. The state's economy, including unemployment and homelessness rates; potential tax revenues and job opportunities; spending on public health and safety programs, including law enforcement agencies and drug treatment programs; and tourism, real estate, construction, and banking;
2. Minors, including the rate of drug usage, the effects of marijuana on developing brains, and high school dropout rates;
3. The insurance industry, including health, automobile, and life insurance;
4. The legal system, including crime rates, the prison population, and rates of usage of other drugs;
5. Workers' compensation and work-related accidents;
6. Public health and safety; and
7. The medical marijuana program.

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

Renumber accordingly

HB 1050 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. K. KOPPELMAN MOVED** that the conference committee report on HB 1050 be adopted.

#### **REQUEST**

**REP. J. NELSON REQUESTED** a recorded roll call vote, which request was granted.

#### **ROLL CALL**

The question being on the motion to adopt the conference committee report on HB 1050, the roll was called and there were 71 YEAS, 21 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, P.; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Eidson; Fegley; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kiefert; Koppelman, B.; Koppelman, K.; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Nelson, M.; Owens; Paulson; Paur; Pollert; Pyle; Richter; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Anderson, B.; Anderson, D.; Beadle; Dockter; Ertelt; Fisher; Heinert; Kempenich; Kreidt; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Porter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Steiner

**ABSENT AND NOT VOTING:** O'Brien; Schatz

The conference committee report on HB 1050 was adopted on a recorded roll call vote.

HB 1050, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1050:** A BILL for an Act to amend and reenact subsection 7 of section 12.1-32-01, section 19-03.1-22.3, subdivision d of subsection 8 of section 19-03.1-23, section 19-03.4-03, and subdivision i of subsection 5 of section 39-08-01 of the North Dakota Century Code, relating to multiple convictions of the same infraction, the possession and ingestion of marijuana, the possession of drug paraphernalia and the placement of an individual in a drug and alcohol treatment program by the department of corrections and rehabilitation; to provide for a legislative management study; and to provide a penalty.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 69 YEAS, 23 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Dobervich; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Holman; Hoverson; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Mitskog; Mock; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Richter; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Strinden; Toman; Vetter; Westlind; Zubke; Speaker Klemin

**NAYS:** Anderson, B.; Bellew; Damschen; Delzer; Devlin; Dockter; Ertelt; Headland; Heinert; Howe; Kreidt; Laning; Lefor; Meier; Monson; Pyle; Rohr; Skroch; Steiner; Trotter; Tveit; Vigasaa; Weisz

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Engrossed HB 1050 passed.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1018, as engrossed:** Your conference committee (Sens. Holmberg, Bekkedahl, Robinson and Reps. Nathe, Martinson, Boe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1827-1834, adopt amendments as follows, and place HB 1018 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1827-1834 of the House Journal and pages 1517-1524 of the Senate Journal and that Engrossed House Bill No. 1018 be amended as follows:

Page 1, line 2, after the first semicolon insert "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;"

Page 1, line 2, remove "of the"

Page 1, line 3, "unmanned aircraft systems industry"

Page 1, remove lines 14 through 24

Page 2, replace lines 1 and 2 with:

"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	<u>0</u>	<u>1,300,000</u>	<u>1,300,000</u>
Total all funds	\$88,626,586	\$10,088,428	\$98,715,014
Less estimated income	<u>58,283,906</u>	<u>139,387</u>	<u>58,423,293</u>
Total general fund	\$30,342,680	\$9,949,041	\$40,291,721
Full-time equivalent positions	66.40	(4.60)	61.80"

Page 2, replace lines 8 through 17 with:

"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	<u>0</u>	<u>25,000</u>
Total all funds	\$11,301,752	\$11,925,000
Less estimated income	<u>10,301,752</u>	<u>4,300,000</u>
Total general fund	\$1,000,000	\$7,625,000"

Page 2, replace lines 22 through 25 with:

**"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."

Page 2, line 26, after "amount" insert "of \$2,000,000"

Page 2, line 26, after "appropriated" insert "from the strategic investment and improvements fund"

Page 2, after line 29, insert:

**"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."

Page 3, after line 2, insert:

**"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."

Page 3, line 13, after the boldfaced hyphen insert **"ONE-TIME FUNDING - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -"**

Page 3, line 14, replace "\$948,467" with "\$2,948,467"

Page 3, line 15, after "fund" insert ", \$2,000,000 is from the strategic investment and improvements fund,"

Page 3, line 15, replace "special funds" with "the economic development fund"

Page 3, line 17, after the period insert "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."

Page 3, line 24, replace "Section" with "The grants line item in section"

Page 3, line 29, replace "**SYSTEMS**" with "**SYSTEM**"

Page 3, line 31, replace "\$27,000,000" with "\$28,000,000"

Page 4, line 2, replace "systems" with "system"

Page 4, replace lines 6 through 23 with:

**"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 semi-annual 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."

Page 4, line 25, replace "**SYSTEMS**" with "**SYSTEM**"

Page 4, line 28, replace "systems" with "system"

Page 4, line 29, replace "systems" with "system"

Page 5, line 1, replace "systems" with "system"

Page 5, line 2, replace "systems" with "system"

Page 5, after line 5, insert:

**"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."





Total Conference Committee Changes	
Salaries and wages	\$51,716
Operating expenses	1,376,284
Grants	4,248,716
Discretionary funds	2,150,000
Ag. Products Utilization Commission	(673,965)
North Dakota Trade Office	
Partner programs	
Entrepreneurship grants and vouchers	2,000,000
Intermodal container shipping fees	1,300,000
<hr/>	
Total all funds	\$10,452,751
Less estimated income	3,638,698
General fund	\$6,814,053
<hr/>	
FTE	0.00

<sup>1</sup> Funding of \$51,716, of which \$39,053 is from the general fund and \$12,663 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The House approved 2019-21 biennium salary increases of 2 percent each year.

<sup>2</sup> Funding of \$673,965 from the Agricultural Products Utilization Commission (APUC) fund is removed to transfer the APUC program to the Agriculture Commissioner, the same as the Senate version.

<sup>3</sup> Funding of \$1 million is added from the general fund for operating expenses of the Department of Commerce Division of Tourism to provide a total of \$8,801,678 for operating expenses of the Division of Tourism, of which \$8,259,678 is from the general fund and \$542,000 is from the Department of Tourism fund. The Senate approved \$9,801,678 for the operating expenses of the Division of Tourism, of which \$9,259,678 was from the general fund and \$542,000 was from the Department of Tourism fund. The House approved \$7,801,678 for operating expenses of the Division of Tourism, of which \$7,259,678 was from the general fund and \$542,000 was from the Department of Tourism fund.

<sup>4</sup> Funding of \$1.5 million is restored for the early childhood education grants program, also known as the prekindergarten community grant program, the same as the Senate version. The House transferred funding for this program to the Department of Public Instruction.

<sup>5</sup> Funding of \$2.15 million is added from the general fund for discretionary funds. The Senate provided \$3.2 million from the general fund for discretionary funds. The House did not provide funding for discretionary funds.

<sup>6</sup> The Conference Committee changed the funding source of one-time funding of \$1 million for the Census 2020 program to the strategic investment and improvements fund. The House and Senate provided one-time funding of \$1 million from the general fund for this program. The program is for marketing and advocating to transient and low-population county individuals in the 2020 census.

<sup>7</sup> One-time funding of \$2,225,000 is added from the general fund for unmanned aircraft system programs, of which \$225,000 is for operating expenses of the Northern Plains Unmanned Aircraft Systems Test Site and \$2 million is for enhanced use lease grants. This results in total one-time appropriations from the general fund of \$2,225,000 for the Northern Plains Unmanned Aircraft Systems Test Site and \$3 million for enhanced use lease grants, the same as provided by the Senate. The House approved one-time appropriations from the general fund of \$2 million for the Northern Plains Unmanned Aircraft Systems Test Site and \$1 million for enhanced use lease grants.

<sup>8</sup> One-time funding of \$2 million is added from the strategic investment and improvements fund (SIIF) for the entrepreneurship grants and vouchers program to provide total funding of \$2,948,467, which includes ongoing funding of \$740,956 from the general fund and \$207,511 of ongoing funding from the economic development fund. The Senate provided one-time funding of \$2.5 million from SIIF, ongoing funding of \$740,956 from the general fund, and ongoing funding of \$207,511 from the economic development fund. The House

provided \$948,467 of ongoing funding for the program, of which \$740,956 is from the general fund and \$207,511 is from the economic development fund.

<sup>9</sup> One-time funding of \$75,000 is added from the general fund for sculpture maintenance grants. The Senate provided one-time funding of \$250,000 from the general fund for sculpture maintenance grants. The House did not provide funding for sculpture maintenance grants.

<sup>10</sup> One-time funding of \$800,000 is added from the general fund for a nonresident nurse employment recruitment program, the same as the Senate version. The House did not provide funding for this program.

<sup>11</sup> One-time funding of \$1.3 million is added from the Bank of North Dakota's beginning farmer revolving loan fund for intermodal container transportation shipping fees for the transportation of containers to new locations, the same as the Senate version. The House did not provide funding for intermodal container transportation shipping fees.

<sup>12</sup> One-time funding of \$25,000 is added from the general fund for a job development and economic growth grant. The Senate and House did not provide funding for this purpose.

The Conference Committee did not approve one-time funding of \$250,000 from the general fund for base retention grants that was previously added by the Senate. The House did not provide funding for base retention grants.

The Conference Committee did not approve a statutory section previously approved by the Senate to establish a beyond visual line of sight unmanned aircraft system fund.

The Conference Committee did not approve two statutory sections previously approved by the Senate relating to a new income tax credit for entities that have received funding from the Department of Commerce for the beyond visual line of sight unmanned aircraft system program.

This amendment also:

- Removes a section allowing the Department of Commerce to continue unexpended 2017-19 funding for the Agricultural Products Utilization Commission, the same as the Senate version.
- Adds a section designating \$200,000 of the \$2,150,000 appropriation in the discretionary funds line item for providing health services in rural areas of the state. The House and Senate did not designate funding for this program.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for discretionary funds into the 2019-21 biennium, the same as the Senate version.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for the early childhood education grant program into the 2019-21 biennium, the same as the Senate version.
- Adds a section allowing the Department of Commerce to continue unexpended 2017-19 funding for Operation Intern into the 2019-21 biennium, the same as the Senate version.
- Adjusts the amounts identified for the entrepreneurship grants and vouchers program and designates funding for the entrepreneurial centers certified by the Department of Commerce. The House and Senate did not designate specific amounts for the entrepreneurial centers.
- Amends a section to increase a 2017-19 biennium appropriation to the Department of Commerce for operating expenses of the beyond visual line of sight unmanned aircraft systems program from \$27 million to \$28 million, the same as the Senate version.
- Replaces a section added by the House relating to the beyond visual line of sight unmanned aircraft systems program with a section to create a new section to North Dakota Century Code Chapter 54-60 to establish a beyond visual line of sight unmanned aircraft system program, to require an entity receiving funding under this program to provide quarterly payments to the State Treasurer based on the entity's

annual gross income associated with beyond visual line of sight unmanned aircraft systems, to deposit funding received from this program in the state general fund, to provide for reports to the Legislative Management, and to declare the section an emergency measure.

- Adds a section to provide for a Legislative Management study of motion picture incentives, the same as the Senate.
- Adds a section identifying \$75,000 of one-time funding from the general fund for providing sculpture maintenance grants. The Senate approved one-time funding of \$250,000 from the general fund.
- Adds a section identifying \$800,000 of one-time funding from the general fund for a nonresident nurse employment recruitment program, the same as the Senate.
- Adds a section authorizing the transfer of up to \$1.3 million to the Department of Commerce from the Bank of North Dakota's beginning farmer revolving loan fund and appropriates the funds for intermodal container transportation shipping fees for the transportation of containers to new locations. The Senate also included this section.
- Adds a section providing a 2017-19 biennium general fund appropriation of \$750,000 for North Dakota gorge preservation grants, the same as the Senate.
- Adds a section identifying \$25,000 of one-time funding 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 for the same purpose. The Senate and House did not include this section.

Engrossed HB 1018 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. NATHE MOVED** that the conference committee report on Engrossed HB 1018 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1018, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1018:** A BILL for 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.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 72 YEAS, 20 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemm

**NAYS:** Becker; Bellew; Delzer; Ertelt; Guggisberg; Hoverson; Johnston; Kading; Koppelman, B.; Koppelman, K.; Magrum; Marschall; McWilliams; Paulson; Paur; Ruby, M.; Simons; Skroch; Steiner; Toman

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1018 passed and the emergency clause was declared carried.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1021, as engrossed:** Your conference committee (Sens. Wanzek, Poolman, Robinson and Reps. Beadle, Kempenich, Mock) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ pages 1867-1870, adopt amendments as follows, and place HB 1021 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1867-1870 of the House Journal and pages 1524-1527 of the Senate Journal and that Engrossed House Bill No. 1021 be amended as follows:

Page 1, line 2, replace "and" with "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;"

Page 1, line 2, after "provide" insert "for"

Page 1, line 2, after "report" insert "to the legislative management; to provide for a transfer; to provide an exemption; and to provide for a legislative management study"

Page 1, remove lines 12 through 24

Page 2, replace lines 1 and 2 with:

"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	<u>13,700,000</u>	<u>(1,370,000)</u>	<u>12,330,000</u>
Total all funds	\$186,169,189	\$43,428,456	\$229,597,645
Less estimated income	<u>165,636,855</u>	<u>35,395,479</u>	<u>201,032,334</u>
Total general fund	\$20,532,334	\$8,032,977	\$28,565,311
Full-time equivalent positions	344.30	57.70	402.00"

Page 2, replace lines 8 through 14 with:

"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	<u>58,930,133</u>	<u>5,150,000</u>
Total general fund	\$0	\$11,400,000"

Page 2, after line 18, insert:

**"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.

**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;
  - 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 ~~at~~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 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.

**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.

- 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."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1021 - Information Technology Department - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Salaries and wages	\$59,359,772	\$59,559,558	\$21,814,943	\$81,374,501	\$81,374,501	
Operating expenses	69,552,998	89,091,647	16,265,717	105,357,364	103,357,364	\$2,000,000
Capital assets	8,295,000	4,253,117		4,253,117	4,253,117	
Center for Distance Education	9,079,116					
Statewide longitudinal data system	4,310,561	4,383,351	3,794	4,387,145	4,387,145	
Educational Technology Council	1,121,472					
EduTech	9,752,767	9,620,038	25,735	9,645,773	9,645,773	
K-12 wide area network	4,534,278	5,165,952	2,018	5,167,970	5,167,970	
Geographic information system	1,147,716	1,052,028	1,150,601	2,202,629	2,202,629	
Health information technology office	5,315,509	4,876,840	2,306	4,879,146	4,879,146	
Statewide Interoperability Radio Network	13,700,000	12,330,000		12,330,000	12,330,000	
<b>Total all funds</b>	<b>\$186,169,189</b>	<b>\$190,332,531</b>	<b>\$39,265,114</b>	<b>\$229,597,645</b>	<b>\$227,597,645</b>	<b>\$2,000,000</b>
Less estimated income	165,636,855	167,162,949	33,869,385	201,032,334	199,032,334	2,000,000
General fund	\$20,532,334	\$23,169,582	\$5,395,729	\$28,565,311	\$28,565,311	\$0
FTE	344.30	303.00	99.00	402.00	402.00	0.00

**Department 112 - Information Technology Department - Detail of Conference Committee Changes**

	Adds Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for FTE Cybersecurity Positions <sup>2</sup>	Restores Funding for Salaries and Wages <sup>3</sup>	Adds Funding for IT Unification <sup>4</sup>	Adds One-Time Funding for Cybersecurity <sup>5</sup>	Adds One-Time Funding for a GIS Project <sup>6</sup>
Salaries and wages	\$1,047,804	\$740,415	\$1,215,501	\$18,811,223		
Operating expenses		130,590		8,835,127	\$7,300,000	
Capital assets						
Center for Distance Education						
Statewide longitudinal data system	3,794					
Educational Technology Council						
EduTech	25,735					
K-12 wide area network	2,018					
Geographic information system	601					\$1,150,000
Health information technology office	2,306					
Statewide Interoperability Radio Network						
<b>Total all funds</b>	<b>\$1,082,258</b>	<b>\$871,005</b>	<b>\$1,215,501</b>	<b>\$27,646,350</b>	<b>\$7,300,000</b>	<b>\$1,150,000</b>
Less estimated income	1,073,035	0	0	27,646,350	4,000,000	1,150,000
General fund	\$9,223	\$871,005	\$1,215,501	\$0	\$3,300,000	\$0
FTE	0.00	3.00	0.00	96.00	0.00	0.00

Total Conference Committee Changes	
Salaries and wages	\$21,814,943
Operating expenses	16,265,717
Capital assets	
Center for Distance Education	
Statewide longitudinal data system	3,794
Educational Technology Council	
EduTech	25,735
K-12 wide area network	2,018
Geographic information system	1,150,601
Health information technology office	2,306
Statewide Interoperability Radio Network	
<hr/>	
Total all funds	\$39,265,114
Less estimated income	33,869,385
General fund	\$5,395,729
<hr/>	
FTE	99.00

<sup>1</sup> Funding of \$1,082,258, of which \$9,223 is from the general fund and \$1,073,035 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. Of the amount added from other funds, \$328,977 of special funds relates to increases in health insurance premiums for FTE included in the information technology unification initiative, the same as the Senate version. The House provided for salary increases of 2 percent each year of the biennium.

<sup>2</sup> Funding of \$871,005 is added from the general fund for 3 FTE cybersecurity positions, of which \$740,415 is for salaries and wages and \$130,590 is for operating expenses to provide a total of 8 FTE cybersecurity positions, the same as the Senate version. The House approved 5 cybersecurity positions.

<sup>3</sup> Funding of \$1,215,501 from the general fund is restored for salaries and wages removed by the House relating to underfunding salaries and wages, the same as approved by the Senate.

<sup>4</sup> Funding of \$27,646,350 of special funds and 96.00 FTE positions are transferred from the Department of Trust Lands (2 FTE), Department of Human Services (48 FTE), Adjutant General - Department of Emergency Services (4 FTE), Parks and Recreation Department (1 FTE), and Department of Transportation (41 FTE) to the Information Technology Department for the information technology unification initiative. Of the \$27,646,350, \$18,266,327 is for the FTE positions, \$544,896 is for temporary salaries, and \$8,835,127 is for related operating expenses, the same as approved by the Senate. The House did not approve funding for the unification initiative.

<sup>5</sup> One-time funding of \$7.3 million, of which \$3.3 million is from the general fund and \$4 million is from the strategic investment and improvements fund, is added for cybersecurity operating expenses to provide a total one-time appropriation of \$15.4 million for cybersecurity operating expenses. The Senate provided a one-time appropriation of \$11.4 million from the general fund for cybersecurity operating expenses. The House approved a one-time appropriation of \$8.4 million from the general fund.

<sup>6</sup> One-time funding of \$1.15 million is added from the strategic investment and improvements fund for a geographic information system statewide land parcel project, the same as the Senate. The House did not provide funding for these projects.

The Conference Committee did not approve a \$2 million one-time appropriation from the strategic investment and improvements fund for a legacy lift project previously approved by the Senate. The House did not provide funding for this project.

This amendment also:

- Adds a section to allow the Office of Management and Budget to transfer funds between line items in Section 1 as requested by the Chief Information Officer, the same as the Senate.
- Adds a section identifying \$5.15 million of one-time funding from the strategic investment and improvements fund for information technology initiatives, of which \$4

million is for cybersecurity operating expenses and \$1.15 million is for a geographic information system statewide land parcel project. The Senate provided total funding of \$3.15 million from the strategic investment and improvements fund.

- Adds a section providing an exemption for the \$43,555,133 of federal and other funds appropriated to the Information Technology Department by the 2017 Legislative Assembly for the development of the health information network and care coordination project, the same as the Senate.
- Adds a section to provide for a Legislative Management study regarding access to lands for hunting, trapping, fishing, and related issues and to provide recommendations regarding a land access database. The Senate also provided for a land access study.
- Adds a section to provide for a Legislative Management study regarding the information technology unification initiative. The study must include a review of changes in fees, services, operations, processes, and systems. The Senate did not provide for this study.
- Adds a section providing legislative intent 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 Legislative Assembly that the 67th Legislative Assembly implement the findings and recommendations resulting from the information technology unification initiative pilot project. The Senate did not include this section.
- Adds a section to require the Information Technology Department to conduct a review of service rates charged to state agencies, including rate structure and agency billing. The Information Technology Department is required to report the results of its review to the Legislative Management by September 1, 2020. The Senate did not include this section.
- Adds a section providing for a Legislative Management study of the consolidation of emergency and interoperable public safety communication system governance and funding options. The Senate did not include this section.
- Adds a section to amend the membership of the Statewide Interoperability Executive Committee. The Senate did not include this section.
- Adds a section relating to a state cost-share for each radio purchase for the statewide interoperable radio network. The Senate did not include this section.

Engrossed HB 1021 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. MOCK MOVED** that the conference committee report on Engrossed HB 1021 be adopted, which motion prevailed on a verification vote.

Engrossed HB 1021, as amended, was placed on the Eleventh order of business.

#### **SECOND READING OF HOUSE BILL**

**HB 1021:** A BILL for 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.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 85 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.;

Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Bellew; Ertelt; Hoverson; Kading; Magrum; Ruby, M.; Simons

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Reengrossed HB 1021 passed.

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**REPORT OF CONFERENCE COMMITTEE**

**HB 1009, as engrossed:** Your conference committee (Sens. Krebsbach, Poolman, Grabinger and Reps. Schmidt, Martinson, Nathe) recommends that the **SENATE RECEDE** from the Senate amendments as printed on HJ page 1518, adopt amendments as follows, and place HB 1009 on the Seventh order:

That the Senate recede from its amendments as printed on page 1518 of the House Journal and pages 1280 and 1281 of the Senate Journal and that Engrossed House Bill No. 1009 be amended as follows:

Page 1, replace lines 11 and 12 with:

"Premiums	<u>\$515,665</u>	<u>\$27,168</u>	<u>\$542,833</u>
Total general fund	\$515,665	\$27,168	\$542,833"

ReNUMBER accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**House Bill No. 1009 - State Fair Association - Conference Committee Action**

	Base Budget	House Version	Conference Committee Changes	Conference Committee Version	Senate Version	Comparison to Senate
Premiums	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
Total all funds	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
Less estimated income	0	0	0	0	0	0
General fund	\$515,665	\$515,665	\$27,168	\$542,833	\$570,000	(\$27,167)
FTE	0.00	0.00	0.00	0.00	0.00	0.00

**Department 665 - State Fair Association - Detail of Conference Committee Changes**

	Increases Funding for Premiums <sup>1</sup>	Total Conference Committee Changes
Premiums	\$27,168	\$27,168
Total all funds	\$27,168	\$27,168
Less estimated income	0	0
General fund	\$27,168	\$27,168
FTE	0.00	0.00

<sup>1</sup> Funding is increased for premiums to provide a total of \$542,833. The House provided \$515,665 of funding for premiums. The Senate provided \$570,000 for premiums.

Engrossed HB 1009 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. SCHMIDT MOVED** that the conference committee report on Engrossed HB 1009 be adopted, which motion prevailed on a voice vote.

Engrossed HB 1009, as amended, was placed on the Eleventh order of business.

**SECOND READING OF HOUSE BILL**

**HB 1009:** A BILL for an Act to provide an appropriation for defraying the expenses of the state fair association.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 15 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Dobervich; Dockter; Eidson; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Delzer; Devlin; Ertelt; Fegley; Johnston; Kading; Koppelman, B.; Laning; Magrum; Marschall; Paur; Simons; Skroch; Toman

**ABSENT AND NOT VOTING:** Damschen; McWilliams; O'Brien; Schatz

Reengrossed HB 1009 passed.

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**MOTION**

**REP. POLLERT MOVED** that HB 1320 be laid on the table, which motion prevailed on a voice vote.

**MOTION**

**REP. LOUSER MOVED** that the House stand in recess until 6:15 p.m., which motion prevailed on a voice vote.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Klemin presiding.

**CORRECTION AND REVISION OF THE JOURNAL**

**MR. SPEAKER:** Your **Committee on Correction and Revision of the Journal (Rep. Vigesaa, Chairman)** has carefully examined the Journal of the Seventy-fourth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 2077, line 16, replace "Hogue" with "Hogan"

**REP. VIGESAA MOVED** that the report be adopted, which motion prevailed on a voice vote.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEISER MOVED** that the conference committee report on Engrossed SB 2211 as printed on HJ pages 2213-2215 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2211, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2211:** A BILL for an Act to create and enact section 61-33-01.1 and a new subsection to section 61-33.1-03 of the North Dakota Century Code, relating to the determination of the ordinary high water mark; to amend and reenact sections 61-33-01 and 61-33.1-02, subdivision e of subsection 3 of section 61-33.1-03, sections 61-33.1-04, 61-33.1-05, and 61-33.1-07 of the North Dakota Century Code, relating to sovereign lands, determining the ordinary high water mark, and the ownership of mineral rights of land subject to inundation by Pick-Sloan Missouri basin project dams; to provide for application; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 90 YEAS, 1 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Magrum; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Skroch; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Nelson, M.

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2211, as amended, passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. VIGESAA MOVED** that the conference committee report on Engrossed SB 2297 as printed on HJ pages 2049-2054 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2297, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2297:** A BILL for 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.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 74 YEAS, 17 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Pollert; Porter; Pyle; Richter; Roers Jones; Ruby, D.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Delzer; Ertelt; Hoverson; Johnston; Kading; Koppelman, B.; Koppelman, K.; Magrum; Marschall; McWilliams; Paulson; Paur; Ruby, M.; Simons; Toman

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2297, as amended, passed and the emergency clause was declared carried.

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**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. KEMPENICH MOVED** that the conference committee report on Engrossed SB 2023 as printed on HJ pages 2211-2213 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2023, as amended, was placed on the Fourteenth order of business.

### SECOND READING OF SENATE BILL

**SB 2023:** A BILL for 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.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 76 YEAS, 15 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Becker; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Ertelt; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Hoverson; Howe; Johnson, C.; Johnson, D.; Johnston; Kading; Karls; Keiser; Kempenich; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schmidt; Schneider; Schobinger; Schreiber-Beck; Simons; Strinden; Toman; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Bellew; Delzer; Johnson, M.; Jones; Kasper; Koppelman, B.; Koppelman, K.; Magrum; Marschall; Nelson, M.; Schauer; Skroch; Steiner; Trottier; Tveit

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2023, as amended, passed.

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### CONSIDERATION OF CONFERENCE COMMITTEE REPORT

**REP. J. NELSON MOVED** that the conference committee report on Engrossed SB 2012 as printed on HJ pages 2197-2211 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2012, as amended, was placed on the Fourteenth order of business.

### SECOND READING OF SENATE BILL

**SB 2012:** A BILL for 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.

### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 16 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Karls; Kasper; Keiser; Kempenich; Kiefert; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin



**NAYS:** Becker; Bellew; Ertelt; Fisher; Hoverson; Johnston; Jones; Kading; Koppelman, B.; Koppelman, K.; Magrum; Marschall; Ruby, D.; Ruby, M.; Simons; Toman

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2012, as amended, passed and the emergency clause was declared carried.

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#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. BEADLE MOVED** that the conference committee report on Engrossed SB 2006 as printed on HJ pages 2196-2197 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2006, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2006:** A BILL for 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.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 8 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Johnston; Jones; Kading; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, B.; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Pollert; Porter; Pyle; Richter; Roers Jones; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Toman; Trotter; Tveit; Vetter; Vigasaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Delzer; Ertelt; Headland; Hoverson; Magrum; Paur; Simons

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2006, as amended, passed and the emergency clause was declared carried.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2013.

#### **REPORT OF CONFERENCE COMMITTEE**

**SB 2013, as engrossed:** Your conference committee (Sens. Holmberg, Poolman, Robinson and Reps. Monson, Sanford, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1484-1492, adopt amendments as follows, and place SB 2013 on the Seventh order:

That the House recede from its amendments as printed on pages 1484-1492 of the Senate Journal and pages 1706-1714 of the House Journal and that Engrossed Senate Bill No. 2013 be amended as follows:

Page 1, line 3, remove "15-10-38,"

Page 1, line 4, replace "15.1-37-05, 15.1-37-06, and 15.1-37-08" with "15.1-18-10, and 15.1-21-02.6"

Page 1, line 4, remove "a student"

Page 1, line 5, remove "loan forgiveness program for teachers,"

Page 1, remove line 6

Page 1, line 7, replace "grants, and early childhood education provider data collection" with "teaching licenses, and the North Dakota scholarship"

Page 1, line 8, after the first semicolon insert "to provide for a legislative management study;"

Page 1, remove lines 21 through 24

Page 2, replace lines 1 through 11 with:

"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	<u>0</u>	<u>1,200,000</u>	<u>1,200,000</u>
Total all funds	\$2,141,329,049	\$393,785,831	\$2,535,114,880
Less estimated income	<u>705,727,065</u>	<u>108,026,678</u>	<u>813,753,743</u>
Total general fund	\$1,435,601,984	\$285,759,153	\$1,721,361,137
Full-time equivalent positions	91.75	(2.50)	89.25"

Page 2, replace lines 16 through 21 with:

"Salaries and wages	\$4,152,758	\$147,577	\$4,300,335
Operating expenses	1,604,075	17,842	1,621,917
Grants	<u>2,109,028</u>	<u>124,500</u>	<u>2,233,528</u>
Total all funds	\$7,865,861	\$289,919	\$8,155,780
Less estimated income	<u>2,247,560</u>	<u>126,801</u>	<u>2,374,361</u>
Total general fund	\$5,618,301	\$163,118	\$5,781,419"

Page 2, remove lines 27 through 31

Page 3, replace lines 1 and 2 with:

"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	<u>180,000</u>	<u>(140,000)</u>	<u>40,000</u>
Total all funds	\$9,953,970	\$275,238	\$10,229,208
Less estimated income	<u>2,465,444</u>	<u>234,914</u>	<u>2,700,358</u>
Total general fund	\$7,488,526	\$40,324	\$7,528,850"

Page 3, replace lines 8 through 13 with:

"Salaries and wages	\$4,660,995	\$274,296	\$4,935,291
Operating expenses	773,206	42,615	815,821
Capital assets	<u>39,192</u>	<u>260,500</u>	<u>299,692</u>
Total all funds	\$5,473,393	\$577,411	\$6,050,804
Less estimated income	<u>1,079,247</u>	<u>253,568</u>	<u>1,332,815</u>
Total general fund	\$4,394,146	\$323,843	\$4,717,989"

Page 3, replace lines 19 through 21 with:

"Grand total general fund	\$1,453,102,957	\$286,286,438	\$1,739,389,395
Grand total special funds	<u>711,519,316</u>	<u>108,641,961</u>	<u>820,161,277</u>
Grand total all funds	\$2,164,622,273	\$394,928,399	\$2,559,550,672"

Page 4, after line 2, insert:

" State automated reporting system rewrite	0	1,200,000"
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Page 4, replace lines 4 through 8 with:

" Total department of public instruction - all funds	\$191,820,000	\$1,400,000
Total department of public instruction - estimated income	<u>191,820,000</u>	<u>1,200,000</u>
Total department of public instruction -	\$0	\$200,000"

Page 4, replace lines 28 through 30 with:

"Grand total - all funds	\$192,688,500	\$1,950,500
Grand total - estimated income	<u>192,688,500</u>	<u>1,750,500</u>
Grand total - general fund	\$0	\$200,000"

Page 5, line 7, replace "\$379,764,000" with "\$377,764,000"

Page 5, line 13, replace "\$110,000,000" with "\$111,200,000"

Page 5, line 14, after "treasury" insert ", of which \$110,000,000 is"

Page 5, line 14, after "payments" insert "and \$1,200,000 is for a rewrite of the state automated reporting system,"

Page 5, after line 21, insert:

**"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."

Page 6, line 24, replace "nine" with "eleven"

Page 6, line 26, replace "Fifty-one" with "Fifty-two"

Page 7, line 16, replace "Twenty-nine" with "Thirty"

Page 7, line 23, replace "\$2,136,711" with "\$1,500,000"

Page 8, line 13, replace "\$2,215,764" with "\$2,863,764"

Page 8, line 13, remove "for writing projects, an entrepreneur program,"

Page 8, line 14, remove "governor's school, and a mentoring program"

Page 8, line 15, after "distributed" insert "but no more than one-half of the funding may be provided each year of the biennium"

Page 8, line 15, replace "Grantees" with "Annually grantees"

Page 8, line 17, after "report" insert "annually"

Page 8, line 18, remove "before October 1, 2020"

Page 8, line 18, after the period insert "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."

Page 8, line 26, replace "\$31,250" with "\$35,714"

Page 9, remove lines 26 through 31

Page 10, remove lines 1 through 31

Page 11, remove lines 1 through 9

Page 11, line 15, replace "eighteen" with "ten"

Page 11, line 16, remove "one hundred twenty-six thousand five hundred three dollars"

Page 11, line 17, replace "thereafter" with "one hundred twenty-five thousand eight hundred eighty dollars thereafter"

Page 11, after line 17, insert:

**"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; or
    - (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 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. 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.
- 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."

Page 11, remove lines 18 through 31

Page 12, remove lines 1 through 30

Page 13, replace lines 1 through 23 with:

**"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."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2013 - Summary of Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Department of Public Instruction						
Total all funds	\$2,141,329,049	\$2,542,794,213	(\$7,679,333)	\$2,535,114,880	\$2,535,249,880	(\$135,000)
Less estimated income	705,727,065	814,542,384	(788,641)	813,753,743	813,753,743	0
General fund	\$1,435,601,984	\$1,728,251,829	(\$6,890,692)	\$1,721,361,137	\$1,721,496,137	(\$135,000)
FTE	91.75	88.75	0.50	89.25	88.75	0.50
State Library						
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780	\$8,155,780	\$0
Less estimated income	2,247,560	2,367,446	6,915	2,374,361	2,374,361	0
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419	\$5,781,419	\$0

FTE	28.75	27.75	0.00	27.75	27.75	0.00
School for the Deaf						
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208	\$10,229,208	\$0
Less estimated income	2,465,444	2,697,196	3,162	2,700,358	2,700,358	0
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850	\$7,528,850	\$0
FTE	45.61	44.61	0.00	44.61	44.61	0.00
Vision Services - School for the Blind						
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804	\$6,050,804	\$0
Less estimated income	1,079,247	1,330,993	1,822	1,332,815	1,332,815	0
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989	\$4,717,989	\$0
FTE	28.50	27.90	0.00	27.90	27.90	0.00
Bill total						
Total all funds	\$2,164,622,273	\$2,567,143,230	(\$7,592,558)	\$2,559,550,672	\$2,559,685,672	(\$135,000)
Less estimated income	711,519,316	820,938,019	(776,742)	820,161,277	820,161,277	0
General fund	\$1,453,102,957	\$1,746,205,211	(\$6,815,816)	\$1,739,389,395	\$1,739,524,395	(\$135,000)
FTE	194.61	189.01	0.50	189.51	189.01	0.50

**Senate Bill No. 2013 - Department of Public Instruction - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$17,439,176	\$17,941,456	\$85,579	\$18,027,035	\$17,951,035	\$76,000
Operating expenses	30,165,005	32,169,947	1,801,000	33,970,947	33,781,947	189,000
Integrated formula payments	1,750,204,163	2,106,646,054	(8,443,625)	2,098,202,429	2,098,602,429	(400,000)
Grants - Special education contracts	19,300,000	25,000,000	(1,000,000)	24,000,000	24,000,000	
Grants - Transportation	55,400,000	55,900,000	600,000	56,500,000	56,500,000	
Grants - Other grants	254,062,705	287,062,705		287,062,705	287,062,705	
Grants - Program grants	6,210,000	9,616,711	(1,936,711)	7,680,000	7,680,000	
Grants - Passthrough grants	2,898,000	2,849,340	14,424	2,863,764	2,863,764	
PowerSchool	5,500,000	5,500,000		5,500,000	5,500,000	
Transportation efficiency	30,000					
National board certification	120,000	108,000		108,000	108,000	
State automated reporting system rewrite			1,200,000	1,200,000	1,200,000	
Total all funds	\$2,141,329,049	\$2,542,794,213	(\$7,679,333)	\$2,535,114,880	\$2,535,249,880	(\$135,000)
Less estimated income	705,727,065	814,542,384	(788,641)	813,753,743	813,753,743	0
General fund	\$1,435,601,984	\$1,728,251,829	(\$6,890,692)	\$1,721,361,137	\$1,721,496,137	(\$135,000)
FTE	91.75	88.75	0.50	89.25	88.75	0.50

**Department 201 - Department of Public Instruction - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Adds Funding for a Pre K-12 Education Vision Steering Committee <sup>2</sup>	Adds .50 FTE Position and Funding for the Education Coordination Council <sup>3</sup>	Adds Funding for AdvancEd Contract <sup>4</sup>	Increases Funding for Operating Expenses <sup>5</sup>	Reduces Funding for Special Education Contracts <sup>6</sup>
Salaries and wages	\$9,579		\$76,000			
Operating expenses		\$300,000	189,000	\$312,000	\$1,000,000	
Integrated formula payments						
Grants - Special education contracts						(\$1,000,000)
Grants - Transportation						
Grants - Other grants						
Grants - Program grants						
Grants - Passthrough grants						
PowerSchool						
Transportation efficiency						
National board certification						
State automated reporting system rewrite						
Total all funds	\$9,579	\$300,000	\$265,000	\$312,000	\$1,000,000	(\$1,000,000)
Less estimated income	11,359	0	0	0	0	0
General fund	(\$1,780)	\$300,000	\$265,000	\$312,000	\$1,000,000	(\$1,000,000)
FTE	0.00	0.00	0.50	0.00	0.00	0.00

	Adjusts Funding for Integrated Formula Payments <sup>7</sup>	Adjusts the Funding Source for Integrated Formula Payments <sup>8</sup>	Increases Funding for Transportation Grants <sup>9</sup>	Reduces Funding for the Superintendent's Program Grant Pool <sup>10</sup>	Adds Funding for a Leadership Professional Development Program <sup>11</sup>	Removes Funding for Early Childhood Education Grants <sup>12</sup>
Salaries and wages						
Operating expenses						
Integrated formula payments	(\$8,443,625)					
Grants - Special education contracts						
Grants - Transportation			\$600,000			
Grants - Other grants						
Grants - Program grants				(\$636,711)	\$200,000	(\$1,500,000)
Grants - Passthrough grants						
PowerSchool						
Transportation efficiency						
National board certification						
State automated reporting system rewrite						
<b>Total all funds</b>	<b>(\$8,443,625)</b>	<b>\$0</b>	<b>\$600,000</b>	<b>(\$636,711)</b>	<b>\$200,000</b>	<b>(\$1,500,000)</b>
Less estimated income	0	(2,000,000)	0	0	0	0
<b>General fund</b>	<b>(\$8,443,625)</b>	<b>\$2,000,000</b>	<b>\$600,000</b>	<b>(\$636,711)</b>	<b>\$200,000</b>	<b>(\$1,500,000)</b>
FTE	0.00	0.00	0.00	0.00	0.00	0.00

	Adjusts Funding for Passthrough Grants <sup>13</sup>	Adds One-time Funding for the State Automated Reporting System Rewrite <sup>14</sup>	Total Conference Committee Changes
Salaries and wages			\$85,579
Operating expenses			1,801,000
Integrated formula payments			(8,443,625)
Grants - Special education contracts			(1,000,000)
Grants - Transportation			600,000
Grants - Other grants			
Grants - Program grants			(1,936,711)
Grants - Passthrough grants	\$14,424		14,424
PowerSchool			
Transportation efficiency			
National board certification			
State automated reporting system rewrite		\$1,200,000	1,200,000
<b>Total all funds</b>	<b>\$14,424</b>	<b>\$1,200,000</b>	<b>(\$7,679,333)</b>
Less estimated income	0	1,200,000	(788,641)
<b>General fund</b>	<b>\$14,424</b>	<b>\$0</b>	<b>(\$6,890,692)</b>
FTE	0.00	0.00	0.50

<sup>1</sup> Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

<sup>2</sup> Funding is added for a Pre K-12 Education Vision Steering Committee to support the facilitation of stakeholder groups to continue developing education initiatives as provided in Senate Bill No. 2025, the same as the House version.

<sup>3</sup> A .50 FTE position and related funding for salaries and wages and operating expenses is added for the administration of the Education Coordination Council established in Senate Bill No. 2215. This FTE and funding were not included in the Senate or House versions.

<sup>4</sup> Funding is added for an increase in the continuous improvement for schools contract with AdvancEd, the same as the House version.

<sup>5</sup> Funding for operating expenses is increased to correct an error in the department's budget request relating to its base budget adjustments, the same as the House version.

<sup>6</sup> Funding for special education contract grants is reduced to provide a total of \$24 million from the general fund, \$4.7 million more than the 2017-19 biennium, the same as the House version. The Senate provided \$25 million from the general fund for special education contract grants.



<sup>7</sup> The Conference Committee adopted substantially all of the House changes to the state school aid formula in Senate Bill No. 2265. Changes made by the Conference Committee reduced the funding required for integrated formula payments in Senate Bill No. 2013 by \$400,000 compared to the House version. The House had reduced funding for integrated formula payments by \$8,043,625 compared to the Senate version. The following is a summary of the Conference Committee changes to the state school aid formula in Senate Bill No. 2265:

	<u>General Fund</u>
Reduces funding to provide a 2 percent increase in the <b>integrated formula payment</b> rate each year of the biennium. The Senate provided a 2 percent increase in the 1st year and 3 percent in the 2nd year.	(\$10,615,923)
Increases funding for a state school aid <b>formula baseline reset</b> .	15,106,628
Adds funding to reduce the deduction of in lieu of revenue relative to <b>sinking and interest mill levies</b> .	12,335,458
Reduces funding provided to transition to <b>on-time funding</b> . The House provided a .50 weighted student unit. The Senate provided 1.0 weighted student unit.	(19,289,658)
Reduces funding for changes to <b>funding for new students</b> in certain school districts.	(7,683,575)
Reduces funding due to an increase in the contribution from property tax related to the <b>phase in of a 60-mill contribution</b> for all schools districts.	(2,032,062)
Increases funding for other changes to the formula, including <b>tuition deductions</b> and <b>adjustment to formula minimums</b> .	<u>3,735,507</u>
Total integrated formula payment reduction	(\$8,443,625)

<sup>8</sup> Increases funding from the general fund and decreases funding from the state tuition fund to provide a total of \$377,764,000 from the state tuition fund for state school aid, the same as the House version. Funding from the state tuition fund is reduced due to lower than estimated fines being deposited in the fund.

<sup>9</sup> Funding for transportation grants is increased to provide a total of \$56.5 million from the general fund, the same as the House version. This increase of \$1.1 million from the prior biennium will allow reimbursement rates to remain the same as the 2017-19 biennium. The Senate provided \$55.9 million from the general fund for transportation grants.

<sup>10</sup> Funding for the program grant pool is reduced by \$636,711, to provide a total of \$1.5 million from the general fund, the same as the House version, for the following programs:

- Leveraging the senior year;
- Leadership program;
- Continuing education grants;
- Preschool continuing education grants;
- Curriculum alignment grants;
- Teacher and principal evaluation system grants;
- Family engagement initiatives; and
- Transportation efficiency.

The Senate provided \$2,136,711 for the program grant pool.

<sup>11</sup> Funding is added to implement a leadership professional development program, the same as the House version.

<sup>12</sup> Funding is removed for early childhood education grants transferred to the Superintendent of Public Instruction from the Department of Commerce, the same as the House version. The Senate approved transferring the early childhood service provider grant program from the Department of Commerce to the Superintendent of Public Instruction in Senate Bill No. 2250, but the House defeated the bill.

<sup>13</sup> Funding for passthrough grants is adjusted as follows:

	General Fund Increase (Decrease)	Total General Fund
North Central Council for Education Media Services	\$14,424	\$238,000
Rural art outreach projects	0	\$360,000
Mentoring program	0	2,125,764
North Dakota young entrepreneur education program	(30,000)	0
"We the People" program	0	50,000
National writing projects	10,000	50,000
Governor's School program	(20,000)	0
Cultural heritage and artist in residence grants	40,000	40,000
Total	\$14,424	\$2,863,764

The Senate provided a total of \$2,849,340 for passthrough grants and the House provided a total of \$2,863,764 for passthrough grants. The House:

- Increased funding for North Central Council for Educational Media Services by \$14,424 and national writing projects by \$10,000;
- Added \$50,000 for cultural heritage grants; and
- Reduced funding for rural art outreach by \$10,000, the young entrepreneur education program by \$30,000, and the Governor's School by \$20,000.

The Conference Committee restored the \$10,000 reduction in funding for rural art outreach and reduced funding for the cultural heritage grants added by the House by \$10,000, to provide a total of \$2,863,764 for passthrough grants, the same total as the House version.

<sup>14</sup> One-time funding is added from the foundation aid stabilization fund to rewrite the state automated reporting system (STARS) application, the same as the House version.

This amendment also:

- Amends the section related to funding provided from the state tuition fund to reduce the funding made available from the fund to \$377,764,000, the same as the House version;
- Amends the section related to funding provided from the foundation aid stabilization fund to increase the funding made available from the fund to \$111.2 million, the same as the House version;
- Adds a section to allow the department to continue \$600,000 of funding, remaining in the integrated formula payments line item at the end of the 2017-19 biennium, to the 2019-21 biennium for the purpose of advanced placement examinations, advanced placement teacher training, and the college ready English and mathematics program, the same as the House version;
- Amends the section related to the distribution of transportation grants to update transportation rates to reflect additional funding, the same as the House version;
- Amends the section related to the program grant pool to adjust the total provided, the same as the House version;
- Amends the section related to passthrough grants to require grantees to receive one-half of the passthrough grant each year of the biennium and require grantees, as a condition of receiving the grant, to establish performance measures to be reviewed by the Superintendent of Public Instruction. Grantees must report to the Superintendent of Public Instruction regarding performance based on the measures each year of the biennium, with the report for the 1st year of the biennium required before receiving funding for the 2nd year of the biennium, the same as the House version;
- Amends the section related to the distribution of annual grants to regional education associations to increase, due to a reduction in the number of associations, the amount available to each association. This change was not included in the Senate or House versions of the bill;
- Removes the section amending North Dakota Century Code Section 15-10-38 to transfer the teacher loan forgiveness program from the State Board of Higher Education to the Superintendent of Public Instruction, the same as the House version. This transfer was included in House Bill No. 1429;
- Amends the section related to the salary of the Superintendent of Public Instruction to provide increases consistent with state employee salary increases, the same as the House version;

- Adds a section to amend Section 15.1-18-10 as amended in Senate Bill No. 2265 related to teacher qualifications to allow an individual with a permit and a high school diploma to teach certain areas if the individual has a minimum amount of relative work experience or possess a certificate, permit, or degree in the subject area to be taught. This section was not included in the Senate or House versions of the bill;
- Adds a section to amend Section 15.1-21-02.6 to allow a student enrolled less than full-time to retain North Dakota scholarship eligibility if the student is in the final semester or quarter before graduation. This section was not included in the Senate or the House versions of the bill;
- Removes the sections amending Sections 15.1-37-05, 15.1-37-06, and 15.1-37-08 to transfer the early childhood education grant program from the Department of Commerce to the Superintendent of Public Instruction, the same as the House version, due to the defeat of Senate Bill No. 2250 by the House;
- Adds a section to provide for a study of school district transportation during the 2019-20 interim, the same as the House version; and
- Adds a section providing for a Legislative Management study relating to dual-credit, advanced placement, and distance education courses. This section was not included in the Senate or House versions of the bill.

The Conference Committee did not include a section, added by the House to allow the department to continue \$3 million of funding remaining in the integrated formula payments line item at the end of the 2017-19 biennium to the 2019-21 biennium for the purpose of one-time funding for computer science training for teachers. The Senate did not include this section.

#### Senate Bill No. 2013 - State Library - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,152,758	\$4,268,192	\$32,143	\$4,300,335	\$4,300,335	
Operating expenses	1,604,075	1,621,917		1,621,917	1,621,917	
Grants	2,109,028	2,233,528		2,233,528	2,233,528	
Total all funds	\$7,865,861	\$8,123,637	\$32,143	\$8,155,780	\$8,155,780	\$0
Less estimated income	2,247,560	2,367,446	6,915	2,374,361	2,374,361	0
General fund	\$5,618,301	\$5,756,191	\$25,228	\$5,781,419	\$5,781,419	\$0
FTE	28.75	27.75	0.00	27.75	27.75	0.00

#### Department 250 - State Library - Detail of Conference Committee Changes

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$32,143	\$32,143
Operating expenses		
Grants		
Total all funds	\$32,143	\$32,143
Less estimated income	6,915	6,915
General fund	\$25,228	\$25,228
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

**Senate Bill No. 2013 - School for the Deaf - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$7,588,749	\$8,020,847	\$34,097	\$8,054,944	\$8,054,944	
Operating expenses	2,026,543	1,705,586		1,705,586	1,705,586	
Capital assets	158,678	428,678		428,678	428,678	
Grants	180,000	40,000		40,000	40,000	
Total all funds	\$9,953,970	\$10,195,111	\$34,097	\$10,229,208	\$10,229,208	\$0
Less estimated income	2,465,444	2,697,196	3,162	2,700,358	2,700,358	0
General fund	\$7,488,526	\$7,497,915	\$30,935	\$7,528,850	\$7,528,850	\$0
FTE	45.61	44.61	0.00	44.61	44.61	0.00

**Department 252 - School for the Deaf - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$34,097	\$34,097
Operating expenses		
Capital assets		
Grants		
Total all funds	\$34,097	\$34,097
Less estimated income	3,162	3,162
General fund	\$30,935	\$30,935
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

**Senate Bill No. 2013 - Vision Services - School for the Blind - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$4,660,995	\$4,914,756	\$20,535	\$4,935,291	\$4,935,291	
Operating expenses	773,206	815,821		815,821	815,821	
Capital assets	39,192	299,692		299,692	299,692	
Total all funds	\$5,473,393	\$6,030,269	\$20,535	\$6,050,804	\$6,050,804	\$0
Less estimated income	1,079,247	1,330,993	1,822	1,332,815	1,332,815	0
General fund	\$4,394,146	\$4,699,276	\$18,713	\$4,717,989	\$4,717,989	\$0
FTE	28.50	27.90	0.00	27.90	27.90	0.00

**Department 253 - Vision Services - School for the Blind - Detail of Conference Committee Changes**

	Adjusts Funding for Salary Increases <sup>1</sup>	Total Conference Committee Changes
Salaries and wages	\$20,535	\$20,535
Operating expenses		
Capital assets		
Total all funds	\$20,535	\$20,535
Less estimated income	1,822	1,822
General fund	\$18,713	\$18,713
FTE	0.00	0.00

<sup>1</sup> Funding is adjusted to provide for employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and an increase of 2.5 percent on July 1, 2020, the same as the House version. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020.

Engrossed SB 2013 was placed on the Seventh order of business on the calendar.

**CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. MONSON MOVED** that the conference committee report on Engrossed SB 2013 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2013, as amended, was placed on the Fourteenth order of business.

**SECOND READING OF SENATE BILL**

**SB 2013:** A BILL for 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.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 77 YEAS, 14 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Bellew; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Marschall; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Steiner; Strinden; Toman; Trottier; Tveit; Vetter; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Ertelt; Fegley; Hoverson; Johnston; Jones; Kading; Koppelman, B.; Magrum; Nelson, M.; Ruby, D.; Ruby, M.; Simons; Skroch

**ABSENT AND NOT VOTING:** O'Brien; Rohr; Schatz

Engrossed SB 2013, as amended, passed and the emergency clause was declared carried.

\*\*\*\*\*

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: SB 2009.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2009, as engrossed:** Your conference committee (Sens. Wanzek, Erbele, Grabinger and Reps. Monson, Schmidt, Boe) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1539-1571, adopt amendments as follows, and place SB 2009 on the Seventh order:

That the House recede from its amendments as printed on pages 1539-1571 of the Senate Journal and pages 1674-1706 of the House Journal and that Engrossed Senate Bill No. 2009 be amended as follows:

Page 1, line 2, remove "to create and enact a new chapter to title 4.1 of the"

Page 1, line 3, replace "North Dakota Century Code, relating to the agricultural products utilization commission" with "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"

Page 1, line 4, replace "section" with "sections"

Page 1, line 4, after "4.1-01-02" insert "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"

Page 1, line 5, after "commissioner" insert "and moving the authority over grain, grain buyers, warehousing, deposits, and warehousemen from the public service commission to the agriculture commissioner"

Page 1, line 5, remove "to repeal chapter 54-60.3 of the North Dakota Century Code,"

Page 1, line 6, remove "relating to the agricultural products utilization commission;"

Page 1, line 7, after "assembly" insert "; to provide a penalty; and to provide a continuing appropriation"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"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	<u>0</u>	<u>3,760,417</u>	<u>3,760,417</u>
Total all funds	\$30,196,777	\$5,936,058	\$36,132,835
Less estimated income	<u>21,087,676</u>	<u>4,234,730</u>	<u>25,322,406</u>
Total general fund	\$9,109,101	\$1,701,328	\$10,810,429
Full-time equivalent positions	73.00	5.00	78.00"

Page 2, replace lines 12 through 17 with:

"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	<u>0</u>	<u>2,000,000</u>
Total all funds	\$1,120,000	\$2,110,000
Less estimated income	<u>1,120,000</u>	<u>2,000,000</u>
Total general fund	\$0	\$110,000"

Page 2, line 27, replace "\$6,663,678" with "\$6,725,799"

Page 3, after line 16, insert:

**"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."

Page 3, line 20, replace "seventeen" with "sixteen"

Page 3, line 21, replace "eighty-seven" with "eight hundred thirty-six"

Page 3, line 22, replace "twenty" with "nineteen"

Page 3, line 22, overstrike "six" and insert immediately thereafter "seven"

Page 3, line 22, after "fifty-six" insert "fifty-seven"

Page 3, remove lines 23 through 31

Page 4, remove lines 1 through 31

Page 5, replace lines 1 through 24 with:

**"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 60-02.1-8 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. ~~"Commissioner"~~ means the public service-commissioner agriculture commissioner.

**SECTION 15. AMENDMENT.** Section 60-02-02 of the North Dakota Century Code is amended and reenacted as follows:

**60-02-02. ~~Commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 receipt holder 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~~ 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 ~~whenif, in its~~ the ~~commissioner's~~ 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 receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder having grain stored in the warehouse that the grain must be removed from the warehouse or ~~it~~ the ~~grain~~ 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~~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 receipt holder having grain stored in the warehouse. The warehouseman shall further notify each receipt holder 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~~ 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 ~~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 ~~commissioner~~ commissioner, upon ~~its~~ the ~~commissioner's~~ 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 ~~commissioner~~ 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. ~~"Commissioner"~~ "Commissioner" means the ~~public service-~~ 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~~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 ~~if~~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 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner and shall make such reports of purchases of grain as may be required by the rules ~~made~~ adopted by the ~~commissioner~~ commissioner. The ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner deems it necessary. Information pertaining to the volume of grain handled is a confidential trade secret and is not a public record. The ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner.
3. Surrender to the ~~commissioner~~ 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 ~~commissioner~~ 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

~~commissioner~~ commissioner is appointed trustee must be remitted to the ~~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 ~~commissioner~~ may take possession of relevant books and records of the licensee. If the insolvency involves a roving grain buyer, the ~~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 ~~commissioner~~ along with the receipts, contracts, or other evidence of the claims required by the ~~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 ~~commissioner~~, the ~~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 ~~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 ~~commissioner~~ 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 ~~commissioner'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 ~~commissioner~~ commissioner by certified mail upon the licensee and the surety and by ordinary mail upon all persons having claims filed with the ~~commissioner~~ commissioner.
4. Any aggrieved person having an objection to the ~~commissioner's~~ commissioner's report shall file the objection with the court and serve copies on the ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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. "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 ~~commissioner~~ commissioner.**

Upon the insolvency of any warehouseman, the ~~commissioner~~ 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 receipt holders that the ~~commissioner~~ commissioner secure and execute such trust, the court shall issue an order granting the application, without bond, ~~whereupon at which time~~ the ~~commissioner~~ commissioner shall proceed to exercise ~~its~~ the commissioner's authority without further direction from the court.

Upon the filing of the ~~commissioner'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 receipt holders 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~~commissioner ~~when~~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~~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 ~~commissioner~~ commissioner along with the receipts, contracts, or any other evidence of the claims as required by the ~~commissioner~~ 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 ~~commissioner~~ commissioner, the ~~commissioner~~ 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 ~~commissioner~~ 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. ~~Commissioner~~ Commissioner to marshal trust assets.**

Upon ~~its~~ the commissioner's appointment by the district court, the ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner ~~shall deem~~ 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 ~~commissioner~~ to prosecute or compromise claims.**

The ~~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 receipt holders.
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 ~~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 ~~the commissioner~~, the ~~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 ~~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 ~~commissioner~~ for the expenses of administering the insolvency, a proposed distribution of the trust fund assets, less expenses incurred by the ~~commissioner~~ in the administration of this chapter, and the proposed credit-sale contract indemnity fund payments to credit-sale contract claimants as ~~the~~ the interests of the claimants are determined. If the trust fund is insufficient to

redeem all receipt holder 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~~commissioner, ~~its~~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~~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, ~~whereif~~ 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. ~~Whereif~~ stations are ten miles [16.09 kilometers] or more apart the railroad company, ~~whenif~~ 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-commissioner~~ 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-commissioner~~ 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-commissioner~~ commissioner serve as the trustee, the ~~public service-commissioner~~ 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-commissioner~~ commissioner shall prorate the claims and pay the prorated amounts. As future assessments are collected, the ~~public service-commissioner~~ 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-commissioner~~ 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-commissioner~~ 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-commissioner~~ commissioner in administering 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 commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ commissioner, the ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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 ~~commissioner~~ 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."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**Senate Bill No. 2009 - Department of Agriculture - Conference Committee Action**

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$12,372,949	\$13,049,463	\$1,183,283	\$14,232,746	\$13,651,222	\$581,524
Operating expenses	6,444,336	6,577,780	125,000	6,702,780	6,702,780	
Capital assets	13,000	15,000		15,000	15,000	
Grants	8,817,774	8,823,774		8,823,774	8,823,774	
State Board of Animal Health	865,718	865,718		865,718	865,718	
Wildlife services	1,408,000	1,457,400		1,457,400	1,457,400	
Crop Harmonization Board	75,000	75,000		75,000	75,000	
Pipeline restoration and reclamation	200,000	200,000		200,000	200,000	
Ag. Products Utilization Commission		3,176,791	583,626	3,760,417	4,000,000	(239,583)
Grain insolvency litigation			100,000	100,000		100,000
<b>Total all funds</b>	<b>\$30,196,777</b>	<b>\$34,240,926</b>	<b>\$1,991,909</b>	<b>\$36,232,835</b>	<b>\$35,790,894</b>	<b>\$441,941</b>
Less estimated income	21,087,676	24,503,189	819,217	25,322,406	25,366,732	(44,326)
General fund	\$9,109,101	\$9,737,737	\$1,172,692	\$10,910,429	\$10,424,162	\$486,267
FTE	73.00	75.00	3.00	78.00	77.00	1.00

**Department 602 - Department of Agriculture - Detail of Conference Committee Changes**

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adds Funding for Temporary Salaries <sup>2</sup>	Adjusts Funding for Agriculture Commissioner Salary Equity Increase <sup>3</sup>	Adjusts Funding for Wildlife Services Operating Fees <sup>4</sup>	Adjusts Funding for APUC <sup>5</sup>	Transfers Grain Warehouse Inspection Program from the PSC <sup>6</sup>
Salaries and wages	\$55,476	\$159,852	(\$127)		\$239,583	\$728,499
Operating expenses						125,000
Capital assets						
Grants						
State Board of Animal Health						
Wildlife services						
Crop Harmonization Board						
Pipeline restoration and reclamation						
Ag. Products Utilization Commission					583,626	
Grain insolvency litigation						
<b>Total all funds</b>	<b>\$55,476</b>	<b>\$159,852</b>	<b>(\$127)</b>	<b>\$0</b>	<b>\$823,209</b>	<b>\$853,499</b>
Less estimated income	26,339	159,852	0	49,400	583,626	0
General fund	\$29,137	\$0	(\$127)	(\$49,400)	\$239,583	\$853,499
FTE	0.00	0.00	0.00	0.00	(1.00)	4.00

	Adds Funding for Grain Insolvency Litigation <sup>7</sup>	Total Conference Committee Changes
Salaries and wages		\$1,183,283
Operating expenses		125,000
Capital assets		
Grants		
State Board of Animal Health		
Wildlife services		
Crop Harmonization Board		
Pipeline restoration and reclamation		
Ag. Products Utilization Commission		583,626
Grain insolvency litigation	\$100,000	100,000
<b>Total all funds</b>	<b>\$100,000</b>	<b>\$1,991,909</b>
Less estimated income	0	819,217
General fund	\$100,000	\$1,172,692
FTE	0.00	3.00

<sup>1</sup> Funding of \$51,014, of which \$24,675 is from the general fund and \$26,339 is from other funds, is added for 2019-21 biennium salary increases of 2 percent with a minimum monthly increase of \$120 and a maximum monthly increase of \$200 on July 1, 2019, and 2.5 percent on July 1, 2020. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent increase on July 1, 2020. Funding of \$4,462 is also added from the

general fund for increases in health insurance premiums related to the transfer of 1 FTE from the Public Service Commission.

<sup>2</sup> Funding of \$159,852 is added from the Department of Agriculture operating fund for temporary salaries. The Senate and House did not add funding for temporary salaries.

<sup>3</sup> Funding of \$127 is reduced from the general fund to provide a salary equity increase of \$14,586, including increases for fringe benefits, for the Agriculture Commissioner. Of this amount, \$5,889 is related to a salary equity increase, the same salary equity increase provided to the State Treasurer. The Senate provided total funding for a salary equity increase for the Agriculture Commissioner of \$14,713 to align the Agriculture Commissioner's salary to the Tax Commissioner's salary. The House did not provide a salary equity increase for the Agriculture Commissioner.

<sup>4</sup> The funding source for \$49,400 for wildlife services operating fees is changed to the environment and rangeland protection fund rather than the general fund to provide total funding of \$1,457,400 for wildlife services, the same amount as the Senate. The House also provided for this funding source change to provide a total of \$1,457,400 for the program.

<sup>5</sup> Funding for the Agricultural Products Utilization Commission (APUC) is adjusted as follows:

	<u>FTE</u>	<u>General Fund</u>	<u>Other Funds</u>	<u>Total</u>
Reduces funding from APUC special funds	(1.00)	\$0	(\$1,176,791)	(\$1,176,791)
Adjusts funding for salaries of 1 FTE APUC position	0.00	239,583	(239,583)	0
Adds one-time funding from Bank of North Dakota profits	0.00	0	2,000,000	2,000,000
Total	(1.00)	\$239,583	\$583,626	\$823,209

Total funding approved by the Conference Committee for APUC is \$4 million, of which \$1,760,417 is from the APUC fund and \$2 million is one-time funding from the profits of the Bank of North Dakota for operating expenses and grants in the APUC line item. The remaining \$239,583 is from the general fund for salaries and benefits of 1 FTE in the salaries and wages line item.

The House approved \$4 million, of which \$2 million was from the APUC fund and \$2 million was one-time funding from the profits of the Bank of North Dakota, and 1 FTE position for the program. The Senate approved total funding of \$3,176,791 from the APUC fund and 2 FTE positions.

<sup>6</sup> Transfers grain warehouse license and inspection program from the Public Service Commission to the Agriculture Commissioner as follows:

	<u>Salaries and Wages</u>	<u>Operating Expenses</u>	<u>Total General Fund</u>
Adds 3 FTE grain warehouse inspectors	\$563,006	\$120,000	\$683,006
Adds 1 FTE accounting budget specialist	165,493	5,000	170,493
Total	\$728,499	\$125,000	\$853,499

These transfers were also provided for by the House.

<sup>7</sup> One-time funding of \$100,000 is added from the general fund to pay the Public Service Commission to continue providing services related to grain insolvency litigation that began prior to July 1, 2019. This appropriation is provided in a separate section of the bill. The Senate and House did not provide funding for this purpose.

The House removed 1 FTE undesignated position and funding of \$157,940, of which \$123,517 was from the general fund, \$6,673 was from the Department of Agriculture operating fund, and \$27,750 was from federal funds. The Conference Committee did not remove this FTE positions.

This amendment also:

- Amends a section identifying the amount of funding from the environment and rangeland protection fund.
- Amends a section relating to the salary increase of the Agriculture Commissioner to provide a salary equity increase to the Agriculture Commissioner of \$5,889, increasing the current annual salary of \$108,656 to \$114,545 and to increase the salary to \$116,836 (2 percent) in fiscal year 2020 and to \$119,757 (2.5 percent) in fiscal year 2021.

- Adds a section related to the transfer of \$2 million from Bank of North Dakota profits to the APUC fund during the 2019-21 biennium, the same as the House version.
- Remove statutory sections related to APUC, the same as the House version. The statutory changes needed to move APUC from the Department of Commerce to the Agriculture Commissioner are included in Senate Bill No. 2328.
- Adds a section to provide a one-time appropriation of \$100,000 from the general fund 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. The Senate and House did not provide funding for this purpose.
- Adds statutory sections to transfer grain, grain buyers, warehousing, deposits, and warehousemen programs from the Public Service Commission to the Agriculture Commissioner and increases annual license fees, resulting in additional general fund revenues of approximately \$83,200 during the 2019-21 biennium. The House also included this section.

Engrossed SB 2009 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. BOE MOVED** that the conference committee report on Engrossed SB 2009 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2009, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2009:** A BILL for 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.

#### **ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 64 YEAS, 26 NAYS, 0 EXCUSED, 4 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Brandenburg; Buffalo; Damschen; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Headland; Heinert; Holman; Johnson, C.; Johnson, D.; Jones; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Meier; Mitskog; Mock; Monson; Nelson, J.; Nelson, M.; Owens; Pollert; Porter; Richter; Roers Jones; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Strinden; Trottier; Tveit; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemin

**NAYS:** Becker; Bellew; Boschee; Delzer; Ertelt; Hanson; Hoverson; Howe; Johnson, M.; Johnston; Kading; Karls; Koppelman, B.; Magrum; Marschall; Martinson;

McWilliams; Nathe; Paulson; Paur; Pyle; Ruby, D.; Simons; Steiner; Toman; Vetter

**ABSENT AND NOT VOTING:** Hatlestad; O'Brien; Rohr; Schatz

Engrossed SB 2009, as amended, passed.

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**ANNOUNCEMENT**

**SPEAKER KLEMIN ANNOUNCED** that the House stand in recess until 8:00 p.m.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker Klemin presiding.

**COMMUNICATION FROM GOVERNOR DOUG BURGUM**

This is to inform you that on April 26, 2019, I have signed the following: HB 1004, HB 1007, HB 1022, and HB 1025.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

**REPORT OF CONFERENCE COMMITTEE**

**SB 2015, as engrossed:** Your conference committee (Sens. Holmberg, Wardner, Heckaman and Reps. Pollert, Delzer, Boschee) recommends that the **HOUSE RECEDE** from the House amendments as printed on SJ pages 1629-1635, adopt amendments as follows, and place SB 2015 on the Seventh order:

That the House recede from its amendments as printed on pages 1629-1635 of the Senate Journal and pages 1838-1843 of the House Journal and that Engrossed Senate Bill No. 2015 be amended as follows:

Page 1, line 2, after "budget" insert "; to provide a continuing appropriation; to authorize a full-time equivalent position; to provide for a transfer"

Page 1, line 3, replace "54-27" with "21-10"

Page 1, line 3, remove "a shared"

Page 1, line 4, replace "services fund" with "the recognition of legacy fund earnings"

Page 1, line 4, after "section" insert "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"

Page 1, line 4, after "54-06-30" insert ", and section 54-09-05 as amended by section 5 of Senate Bill No. 2002, as approved by the sixty-sixth legislative assembly,"

Page 1, line 4, after "Code" insert ", 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"

Page 1, line 5, after the first "the" insert "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,"

Page 1, line 5, after "bonuses" insert ", the salary of the secretary of state, higher education line item transfer authority, and a department of commerce nonresident nurse employment recruitment program"

Page 1, line 7, after the first semicolon insert "to provide a statement of legislative intent; to provide for a legislative management legacy fund earnings committee; to provide for a legislative management study;"

Page 1, line 7, remove "to the legislative assembly"

Page 1, line 7, remove "to provide for a"

Page 1, line 8, remove "transfer"

Page 1, line 8, remove "and"

Page 1, line 8, after "date" insert "; and declare an emergency"

Page 1, remove lines 17 through 24

Page 2, replace lines 1 through 6 with:

"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	<u>250,000</u>	<u>250,000</u>
Total all funds	\$40,154,347	\$10,198,020	\$50,352,367
Less estimated income	<u>9,434,087</u>	<u>7,702,428</u>	<u>17,136,515</u>
Total general fund	\$30,720,260	\$2,495,592	\$33,215,852
Full-time equivalent positions	117.00	(5.00)	112.00"

Page 2, replace lines 12 through 24 with:

"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	<u>50,000</u>
Total all funds	\$2,300,000	\$8,690,000
Total special funds	<u>1,800,000</u>	<u>8,390,000</u>
Total general fund	\$500,000	\$300,000"

Page 2, after line 28, insert:

**"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."

Page 2, line 30, replace "\$182,300,000" with "\$173,700,000"

Page 3, line 5, replace "\$500,000" with "\$100,000"

Page 3, line 15, after the period insert "The office of management and budget may not use funding from the litigation pool to pay judgments under section 32-12-04."

Page 3, line 23, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, replace "\$2,220,000" with "\$4,220,000"

Page 3, line 24, after the comma insert "\$2,000,000 in the capital assets line item is for a capitol building south entrance project,"

Page 3, line 26, after the period insert "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."

Page 4, line 3, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$4,500,000" with "\$4,000,000"

Page 4, line 4, replace "\$2,000,000" with "\$500,000"

Page 4, line 5, replace "\$2,500,000" with "\$3,500,000"

Page 4, remove lines 20 through 31

Page 5, replace lines 1 though 5 with:

- "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, the Garrison Diversion Conservancy District, and the Lake Agassiz water authority 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;
  - ~~e.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.

**SECTION 18. AMENDMENT.** Section 15.1-18-10 of the North Dakota Century Code as amended in section 18 of Senate Bill No. 2013, if 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 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. ~~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."

Page 5, line 27, remove the overstrike over "~~one thousand~~"

Page 5, line 27, remove "two thousand"

Page 6, replace lines 10 through 20 with:

**"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.

**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	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 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:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
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:

<u>One-Time Funding Description</u>	<u>2017-19</u>	<u>2019-21</u>
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."

Page 6, after line 21, insert:

**"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."

Page 6, line 22, replace "16" with "31"

Page 6, after line 22, insert:

**"SECTION 37. EMERGENCY.** Senate Bill Nos. 2020 and 2297, as approved by the sixty-sixth legislative assembly, are declared to be an emergency measure."

ReNUMBER accordingly

#### STATEMENT OF PURPOSE OF AMENDMENT:

#### Senate Bill No. 2015 - Office of Management and Budget - Conference Committee Action

	Base Budget	Senate Version	Conference Committee Changes	Conference Committee Version	House Version	Comparison to House
Salaries and wages	\$21,596,832	\$21,008,777	\$895,039	\$21,903,816	\$21,903,816	
Operating expenses	14,051,438	18,127,448	(2,320,022)	15,807,426	15,807,426	
Capital assets	973,477	2,837,125	2,000,000	4,837,125	4,837,125	
Grants	54,000	54,000		54,000	54,000	
Emergency commission contingency fund	600,000	500,000		500,000	500,000	
Guardianship grants	1,328,600	2,330,000	(380,000)	1,950,000	1,550,000	\$400,000
Prairie Public Broadcasting	1,200,000	1,400,000	(200,000)	1,200,000	1,200,000	
Community service supervision grants	350,000	400,000	(50,000)	350,000	350,000	
Litigation pool		2,500,000	1,000,000	3,500,000	3,500,000	
State student internship		250,000		250,000	250,000	
Total all funds	\$40,154,347	\$49,407,350	\$945,017	\$50,352,367	\$49,952,367	\$400,000
Less estimated income	9,434,087	15,622,886	1,513,629	17,136,515	17,136,515	0
General fund	\$30,720,260	\$33,784,464	(\$568,612)	\$33,215,852	\$32,815,852	\$400,000
FTE	117.00	108.00	4.00	112.00	112.00	0.00

#### Department 110 - Office of Management and Budget - Detail of Conference Committee Changes

	Adjusts Funding for Salary and Benefit Increases <sup>1</sup>	Adjusts Funding and FTE Positions for IT Unification <sup>2</sup>	Reduces Funding for Grants <sup>3</sup>	Adjusts One-Time Funding Items <sup>4</sup>	Total Conference Committee Changes
Salaries and wages	\$101,492	\$793,547			\$895,039
Operating expenses		(820,022)		(\$1,500,000)	(2,320,022)
Capital assets				2,000,000	2,000,000
Grants					
Emergency commission contingency fund					
Guardianship grants			(\$380,000)		(380,000)
Prairie Public Broadcasting			(200,000)		(200,000)
Community service supervision grants			(50,000)		(50,000)
Litigation pool				1,000,000	1,000,000
State student internship					
Total all funds	\$101,492	(\$26,475)	(\$630,000)	\$1,500,000	\$945,017
Less estimated income	13,629	0	0	1,500,000	1,513,629
General fund	\$87,863	(\$26,475)	(\$630,000)	\$0	(\$568,612)
FTE	0.00	4.00	0.00	0.00	4.00

<sup>1</sup> Funding is adjusted to provide employee salary increases of 2 percent on July 1, 2019, with a minimum monthly increase of \$120 and a maximum monthly increase of \$200, and a 2.5 percent salary increase on July 1, 2020, the same as the House. The Senate provided funding for salary increases of 2 percent on July 1, 2019, and 3 percent on July 1, 2020. Funding of \$2,732 from the general fund is added for health insurance increases related to employees that are not included in the information technology unification project.

<sup>2</sup> Four FTE positions are restored because the agency is not included in the information technology unification project, increasing salaries and wages by \$793,547 and decreasing

operating expenses by \$820,022, the same as the House. The Senate included the information technology unification project.

<sup>3</sup> Funding is reduced for grants as follows:

- \$380,000 for guardianship grants to provide a total of \$1.95 million. The Senate provided \$2.33 million and the House provided \$1.55 million.
- \$50,000 for community service supervision grants to provide a total of \$350,000, the same as the House. The Senate added \$50,000 to provide \$400,000.
- \$200,000 for Prairie Public Broadcasting grants to provide a total of \$1.2 million with a matching requirement associated with \$200,000 of the funding, the same as the House. The Senate added \$200,000 of matching grants to provide \$1.4 million.

<sup>4</sup> Funding is adjusted for one-time items as follows:

- \$2 million from the Capitol building fund is added for a Capitol building south entrance project, the same as the House. The Senate did not include funding for this project.
- \$1 million from the strategic investment and improvements fund is added for the litigation funding pool to provide total funding of \$3.5 million, the same as the House. The Senate provided \$2.5 million of total funding for the pool.
- \$1.5 million from the strategic investment and improvements fund is removed from the assessment of state lands and facilities project to provide total funding of \$500,000, the same as the House. The Senate provided \$2 million of total funding for the project.

This amendment also:

- Decreases the transfer from the tax relief fund to the human service finance fund to provide \$173.7 million, the same as the House. The Senate provided \$182.3 million.
- Decreases the transfer from the strategic investment and improvements fund to the preliminary planning revolving fund to provide \$100,000, the same as the House. The Senate provided \$500,000.
- Clarifies the funding in the litigation funding pool may not be used to repay court-ordered judgments against the state. The House also added this section.
- Identifies \$4.22 million from the Capitol building fund for various projects, the same as the House. The Senate identified \$2.22 million from the fund for projects.
- Identifies \$4 million from the strategic investment and improvements fund for a land assessment and a litigation funding pool, the same as the House. The Senate identified \$4.5 million for the assessment and funding pool.
- Adjusts the compensation guidelines to provide salary increases averaging 2 percent with a minimum of \$120 per month and a maximum of \$200 per month to eligible state employees in the 1st year and averaging 2.5 percent in the 2nd year of the 2019-21 biennium, the same as the House. The guidelines included by the Senate provided for salary increases averaging 2 percent with a minimum of \$80 per month to eligible state employees in the 1st year and averaging 3 percent in the 2nd year of the 2019-21 biennium.
- Adds a section to create a new section to North Dakota Century Code Chapter 21-10 to recognize legacy fund earnings as part of the beginning balance for the subsequent biennium rather than as revenue of the biennium in which the transfer is made. The House included this provision but the Senate did not include the provision.
- Adds two sections to amend provisions related to the Capitol Grounds Planning Commission to increase the commission's spending limit and to authorize the commission to accept gifts of money for improvement projects, the same as the House. The Senate did not change the authorizations for the Capitol Grounds Planning Commission.
- Adds a section to amend the state employee suggestion incentive program to require employees to submit suggestions before July 1, 2019, the same as the House. The Senate did not provide a deadline for employee submissions.
- Amends Section 54-06-30 to increase the performance bonus limit from \$1,000 to \$1,500, the same as the House. The Senate increased the performance bonus limit

to \$2,500.

- Removes a section added by the Senate related to the creation of a shared services fund. The House also removed this section.

This amendment also provides for the following which were not in the Senate or House versions:

- Transfers \$764.4 million from the strategic investment and improvements fund to the general fund during the 2019-21 biennium.
- Transfers \$8.6 million from the tax relief fund to the general fund during the 2019-21 biennium.
- Authorizes 1 assistant attorney general FTE position in the Attorney General's office for litigation relating to voter identification.
- Amends House Bill No. 1018 to reduce funding in the Department of Commerce for the nonresident nurse employment recruitment program from \$800,000 to \$500,000.
- Amends Section 23 of House Bill No. 1014 which amended a section relating to the use of funding for the statewide interoperable radio network project.
- Amends Section 23 of House Bill No. 1003 relating to line item transfers for North Dakota University System institutions.
- Amends Section 6-09-49 relating to uses of the infrastructure revolving loan fund.
- Amends Section 15.1-18-10 as amended by Senate Bill Nos. 2013 and 2265 relating to specialty area teacher qualifications.
- Amends Section 54-09-05 as amended by Senate Bill No. 2002 to adjust the effective date of the salary increase for the Secretary of State.
- Amends Section 18 of Senate Bill No. 2012 which directs the Department of Human Services to conduct a study of the placement of individuals in institutions for mental disease.
- Provides for a Legislative Management study of the Olmstead Commission.
- Provides for a Legislative Management study of charitable gaming laws.
- Provides for a Legislative Management study of other potential uses of Veterans' Home facilities.
- Creates a Legislative Management Legacy Fund Earnings Committee and directs a study.
- Declares Senate Bill Nos. 2020 and 2297 to be an emergency measure.

Engrossed SB 2015 was placed on the Seventh order of business on the calendar.

#### **CONSIDERATION OF CONFERENCE COMMITTEE REPORT**

**REP. DELZER MOVED** that the conference committee report on Engrossed SB 2015 be adopted, which motion prevailed on a voice vote.

Engrossed SB 2015, as amended, was placed on the Fourteenth order of business.

#### **SECOND READING OF SENATE BILL**

**SB 2015:** A BILL for 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, if 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, and a department

of commerce nonresident nurse employment recruitment program; 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.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 80 YEAS, 12 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Adams; Anderson, B.; Anderson, D.; Anderson, P.; Beadle; Blum; Boe; Bosch; Boschee; Brandenburg; Buffalo; Damschen; Delzer; Devlin; Dobervich; Dockter; Eidson; Fegley; Fisher; Grueneich; Guggisberg; Hager; Hanson; Hatlestad; Headland; Heinert; Holman; Howe; Johnson, C.; Johnson, D.; Johnson, M.; Jones; Karls; Kasper; Keiser; Kempenich; Kiefert; Koppelman, K.; Kreidt; Laning; Lefor; Longmuir; Louser; Martinson; McWilliams; Meier; Mitskog; Mock; Monson; Nathe; Nelson, J.; Nelson, M.; Owens; Paulson; Paur; Pollert; Porter; Pyle; Richter; Roers Jones; Rohr; Ruby, D.; Ruby, M.; Sanford; Satrom; Schauer; Schmidt; Schneider; Schobinger; Schreiber-Beck; Skroch; Steiner; Strinden; Trotter; Tveit; Vigesaa; Weisz; Westlind; Zubke; Speaker Klemm

**NAYS:** Becker; Bellew; Ertelt; Hoverson; Johnston; Kading; Koppelman, B.; Magrum; Marschall; Simons; Toman; Vetter

**ABSENT AND NOT VOTING:** O'Brien; Schatz

Engrossed SB 2015, as amended, passed and the emergency clause was declared carried.

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#### MOTION

**REP. LOUSER MOVED** that a committee of three be appointed to notify the Senate that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

**THE SPEAKER APPOINTED** Reps. Longmuir, Jones, and Dobervich.

#### MOTION

**REP. LOUSER MOVED** that a committee of three be appointed to notify the Governor that the House has completed its business and is about to adjourn, which motion prevailed on a voice vote.

**THE SPEAKER APPOINTED** Reps. Kasper, Pyle, and Eidson.

#### REMARKS OF MINORITY LEADER REP. BOSCHEE

Members of the Assembly, it's been an honor to work with you all during this very productive legislative session. We all have worked hard to address a variety of needs that have not been able to be addressed in the previous biennium due to a limited budget. As we have experienced a stronger economy and forecast, we have been afforded the opportunity to address providing a strong salary increase for our hard-working state employees who have dealt with more of a workload and little increase in compensation. We have increased the per-pupil funding and have begun to move toward on-time payment that helps our fast-growing school districts throughout the state. We have increased reimbursements for our providers taking care of some of our most vulnerable citizens whether they live independently, in group homes or long-term care facilities. Our criminal justice system is continuing to experience an overhaul as we try to reduce our prison population through diversion programs, expanding behavioral health services and addiction treatment. Now we are taking the next step of studying our various facilities and how we can do a better job of holding citizens accountable, but also preparing them better to re-enter our society as better neighbors, co-workers and family members.

We couldn't have done all this important work without the help of the dedicated staff

throughout the chamber, in our committee rooms and especially those that work hard in our respective offices. We know the days can be long and the work can be tedious, but it's the important work that makes sure our branch of government grinds forward, hopefully to make progress from one biennium to the next. A special note of thanks to Michael, Tina and Chris who have taken good care of our caucus for the past four months!

To my colleague, Rep. Pollert: We were both new to the leadership positions our caucuses provided us, but I feel we have done a great job of growing into our respective positions together. While we didn't know where our work together would land us, we can say today that we trust one another as leaders who stand by their word. Thank you for the respect you have provided the caucus members I lead, which has - for the most part - been afforded to them by the rest of the majority caucus. For the most part, the Dem-NPL caucus members have been a part of important discussions and played an integral role in shaping policy, small and large, in collaboration with the majority party. While there were moments where individuals could have worked together better or been more respectful of one another, I hope that throughout the interim, you and I can continue to lead by example on how to treat each other professionally, respectfully and uphold our oath of office in the highest possible way.

To my fellow caucus members: I am extremely proud of the work you have done this session. You showed up and got to work since day one, making sure that we accomplished sound policy with the majority party when we agreed and, when we didn't, worked tirelessly to improve policy. While our numbers are small, we have made a big impact this session, and I am confident we will continue to do so throughout the interim.

Mr. Speaker, members of the Assembly, it is an honor for any of us to hold the title Representative, to be elected by our neighbors, family and friends to come to the Capitol every two years for 80 days...or less - and try our best to leave the state in a better position than when we arrived. It's natural for us not to agree and in fact it is good. When there is healthy competition in the marketplace of ideas, the outcome is better policy. It is this debate that makes our government work better than any other on this Earth. Let us remember this session as one of progress, because we focused more on accomplishing shared goals, rather than letting partisanship divide us.

#### **REQUEST**

**REP. LONGMUIR REQUESTED** that the committee, appointed to notify the Senate that the House has completed its business and is about to adjourn, has completed its task and requests to be discharged, which request was granted.

#### **REQUEST**

**REP. KASPER REQUESTED** that the committee, appointed to notify the Governor that the House has completed its business and is about to adjourn, has completed its task and requests to be discharged, which request was granted.

#### **REMARKS OF REP. BECKER**

Mr. Speaker, Members of the Assembly, I stand to explain my No vote on SB 2015, the Office of Management and Budget bill. There were several concerns including the increase in spending in section 1, the increased spending in section 2, and several grants in the subsequent sections.

Why the No vote? This as well as all appropriation bills have to pass - what can possibly be accomplished? I didn't vote No as an attempt to get attention, or out of obstinance, and not because of naive idealism. It's because of three simple assertions.

The first is that our system of a representative democracy is a good one, and that means we were elected to do what we individually believe is right, rather than what other individuals or groups want.

The second is that our only true power as citizen legislators is our individual vote. We ought not permit that power, however small, be compromised.

The third is the very nature of principles. We must show consistency in our convictions. If we're not consistent- adhering to a principle only when convenient, the principle ceases to be, devolving into merely a loose guideline.

We all agree that an implicit responsibility of our office is the prudent and careful spending of

the taxpayers' dollars. Many of us also state that we believe limited taxation and free market principles lead to greater prosperity for all citizens, and that government should be constrained to a role in which it can carry out only its necessary functions. By voting No, I am staying true to a platform of limited government, lower taxes, and personal responsibility.

#### Some facts to consider

Since 2009:

- State spending increased by 160 percent (take note - a 3 percent per year inflationary increase would only amount to a 38 percent increase). We are currently spending \$2.5 billion more per year than if we had only increased spending to an annualized inflationary 3 percent.
- State spending per capita increased by 122 percent, which eliminates the argument that the spending was required due to population increase. We are spending \$2.1 billion more per year than if we had increased per capita spending to an annualized inflationary 3 percent.
- South Dakota, a state very much like North Dakota, but without the oil revenue, increased per capita state spending by 32 percent over the last 10 years. Ten years ago our spending was \$33 million less than South Dakota. Now we spend well over \$2 billion more than South Dakota per calendar year.

If we did not continue to increase spending as we just did, we could provide remarkable tax relief. We have been saying for years that the citizens' number one concern is their property tax. With our overspending in the range of \$2 billion to \$2.5 billion per year, and total property tax revenue at about \$1 billion per year, we can easily accomplish the single best thing for our taxpayers in one fell swoop by abolishing the property tax.

After eliminating the property tax, \$1 billion to \$1.5 billion in relative overspending remains, so that's a great opportunity to reduce income tax rates to zero percent. If we do that, we still have \$600 million to \$1.1 billion left. In fairness, I want to account for the increase of \$200 million in required spending on Medicaid due to FMAP changes. After removing that minor factor, \$400 million to \$900 million remain in extra spending after accomplishing the single greatest benefit to taxpayers of any state in the union over the last 150 years.

One might say that will never happen. But why? It only requires believing in principles, acting according to those beliefs, and looking to the welfare of the entire state. It all can be done with the little power we have in our individual vote and being consistent in applying the principles in which we believe. Consider that just as we reduce our budget when forced by lower revenues, we can do it when forced by being true to principle.

I believe we allowed ourselves to fall victim to incrementalism. Like the frog in a pot of water brought slowly to a boil, we voted yes on this bit and that bit. We were convinced of this plea and that for increased funding. We were convinced of myriad new, critical needs. And perhaps without fully appreciating the enormity of it, we have been part of one of the biggest growths of any state government in the history of the United States.

That, Mr. Speaker, is why I voted against this spending bill. As we finish this session, I believe it will be important for us to take stock in what we've done, and how each of us can use the power of our individual vote next session.

#### **MOTION**

**REP. ERTELT MOVED** that the remarks of Rep. Becker be printed in the journal, which motion prevailed on a voice vote.

#### **REMARKS OF SPEAKER KLEMIN**

Before we adjourn, I have some comments I'd like to make. It's been a very interesting experience for me to serve as Speaker. I certainly couldn't have done it without the assistance of a lot of people in the chamber and outside of the chamber.

Our front desk has done a remarkable job in keeping us going this session.

I'd also like to thank the sergeants-at-arms and the pages who also helped us greatly during

the session.

Although she's not here, I want to thank my administrative assistant, Arlene Melarvie, who did a lot of work with the scripts that many of you received and many other things. She did a remarkable job as well.

My thanks also to the Legislative Council staff for assisting me as needed from time to time with legal questions and other procedural matters.

I'd also like to thank Rep. Pollert. We made a very good team working together. It just shows you what two Carrington boys can do.

I also want to thank Rep. Louser, who worked very closely with me on all of the procedural matters. Without his assistance, we couldn't have gotten things done as well as we did. Thank you very much.

Finally, I'd like to thank all of you, the members of the House, for electing me to serve as your Speaker this session. It's been a great experience for me. It's been a highlight of my legislative career, which is now 21 years in the Legislature. It certainly is a high point in my life. As a member of the Senate told me, it's something I can put in my obituary.

I really want to thank you for allowing me to serve as your Speaker this session. It's been a great experience. Thank you.

#### **REMARKS OF MAJORITY LEADER REP. POLLERT**

This was my first session as your majority leader and I will say that most days I've enjoyed the session. I have something for Speaker Klemin to show my appreciation. It is the state seal, Mr. Speaker, thank you for your work; I hope that you will enjoy it.

We've all grown in this endeavor, and I appreciate the opportunity to be your majority leader of the citizens' legislature. It's truly been an honor, and I appreciate that. I want to thank the minority leader, and I tried to have open debate with the folks on the other side of the aisle.

I want to put a special thank you out to my gatekeeper, Angela Dinius. Angela has been by my side for four sessions, so thank you very much. To my assistant Bethany Berntson, thank you. As Speaker Klemin talked, there's been a lot of work at the front desk. Anytime I came up there, you folks were quick. I want to thank the sergeant-at-arms and his crew; it's just phenomenal what they would do when we had high schools coming in here. They got everything taken care of, and I very much appreciate it.

This has truly been an honor for me. I've learned a lot and I've tried to promote open debate. I tried to be fair to folks; everybody should have an opinion. I don't talk a lot, but I do believe in a team effort of getting things done. I told you when I ran for this office, that that's how I do things. I hope I've lived up to that. To the freshmen that got elected, great job. I'm not going to talk about all our accomplishments, but we did a lot; between infrastructure, economic development and everything we've done here, we as a legislature can go home proud. I want to thank you all for your hard work. Mr. Speaker, I will try to smile a little more after I get out of here. Thank you folks. It's been quite a ride. Thank you very much.

#### **MOTION**

**REP. LOUSER MOVED** that the remarks of Rep. Pollert, Rep. Boschee, and Rep. Klemin be printed in the journal, which motion prevailed on a voice vote.

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

**MR. PRESIDENT:** The House has amended and subsequently passed: SB 2042.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2042.

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

**MR. SPEAKER:** The Senate has concurred in the House amendments and subsequently passed: SB 2148.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1009, HB 1021.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1015, HB 1286, HB 1333.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1050.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2008.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2009, SB 2023.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1002, HB 1020.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1018.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2006, SB 2012, SB 2013.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2015.

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

**MR. PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2211, SB 2297.

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

**MR. PRESIDENT:** The House has adopted the conference committee report and subsequently failed to pass: SB 2315.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1009.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1011, HB 1013, HB 1396.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1015, HB 1286, HB 1333.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1021.

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

**MR. SPEAKER:** The Senate has adopted the conference committee report and subsequently passed: HB 1050.



**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1002, HB 1020.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1003, HB 1012, HB 1014.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The Senate has adopted the conference committee report, subsequently passed, and the emergency clause carried: HB 1018.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1009.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1018, HB 1050.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1021.

**MESSAGE TO THE SENATE FROM THE HOUSE (BUELL J. REICH, CHIEF CLERK)**  
**MR. PRESIDENT:** Your signature is respectfully requested on: HB 1521.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2006, SB 2009, SB 2012, SB 2013, SB 2023.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2008.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2015.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2042.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2148.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** Your signature is respectfully requested on: SB 2211, SB 2297.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1009.

**MESSAGE TO THE HOUSE FROM THE SENATE (SHANDA MORGAN, SECRETARY)**  
**MR. SPEAKER:** The President has signed: HB 1018, HB 1021, HB 1050.

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

**MR. SPEAKER:** The President has signed: HB 1521.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1006, HB 1010, HB 1374, HB 1393, HB 1429.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1009.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1018, HB 1021, HB 1050.

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

**MR. PRESIDENT:** The Speaker has signed: HB 1521.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2006, SB 2009, SB 2012, SB 2013, SB 2015, SB 2023.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2008.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2042.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2148.

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

**MR. PRESIDENT:** The Speaker has signed: SB 2211, SB 2297.

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

**MR. SPEAKER:** The President has signed: SB 2006, SB 2009, SB 2012, SB 2013, SB 2015, SB 2023.

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

**MR. SPEAKER:** The President has signed: SB 2008.

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

**MR. SPEAKER:** The President has signed: SB 2042.

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

**MR. SPEAKER:** The President has signed: SB 2148.

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

**MR. SPEAKER:** The President has signed: SB 2211, SB 2297.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: HB 1002, HB 1015, HB 1020, HB 1286, HB 1333.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: HB 1003, HB 1011, HB 1012, HB 1013, HB 1014, HB 1396.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: HB 1006, HB 1010, HB 1374, HB 1393, HB 1429.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 26, 2019: HB 1009.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bills were delivered to the Governor for approval on April 26, 2019: HB 1018, HB 1021, HB 1050.

**DELIVERY OF ENROLLED BILLS AND RESOLUTIONS**

The following bill was delivered to the Governor for approval on April 26, 2019: HB 1521.

**MOTION**

**REP. LOUSER MOVED** that the absent members be excused, which motion prevailed on a voice vote.

**MOTION**

**REP. LOUSER MOVED** that the House be on the Fourth, Fifteenth, and Sixteenth orders of business and at the conclusion of those orders, the House stand adjourned sine die, which motion prevailed on a voice vote.

The House stood adjourned pursuant to Rep. Louser's motion.

**Buell J. Reich, Chief Clerk**, which motion prevailed.

