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Sixty-third  
Legislative Assembly  
of North Dakota

**FIRST ENGROSSMENT  
with Conference Committee Amendments  
ENGROSSED HOUSE BILL NO. 1015**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the various divisions  
2 under the supervision of the director of the office of management and budget; to create and  
3 enact a new subsection to section 54-44.1-18 of the North Dakota Century Code, relating to  
4 political subdivisions submitting budget information to the state budget database website; to  
5 amend and reenact section 14-03.2-05 as created by section 1 of House Bill No. 1128, as  
6 approved by the sixty-third legislative assembly, section 15.1-27-25, subsection 1 of section  
7 23-35-07, subsection 4 of section 23-35-08, subsection 2 of section 41-09-87, sections  
8 48-10-02 and 54-44.1-04, and subsection 1 of section 57-02-08.1 as amended by Senate Bill  
9 No. 2171, and subdivision e of subsection 1 of section 62.1-04-03 as amended by House Bill  
10 No. 1327, as approved by the sixty-third legislative assembly, of the North Dakota Century Code  
11 and section 12 of House Bill No. 1012, section 1 of House Bill No. 1019, section 5 of House Bill  
12 No. 1020, sections 5, 6, and 7 of House Bill No. 1358, and section 15 of Senate Bill No. 2018,  
13 as approved by the sixty-third legislative assembly, relating to marital agreement requirements,  
14 distributions of royalties, health district budgets, the capitol building fund, Uniform Commercial  
15 Code filings, agency budget requests, homestead tax credit, concealed weapons permits,  
16 grants to a jurisdiction adjacent to an Indian reservation, appropriations for defraying the  
17 expenses of the parks and recreation department, loans to the western area water supply  
18 authority, transportation funding distributions, and research North Dakota grants; to provide  
19 exemptions; to provide an exception to general fund transfers to the budget stabilization fund; to  
20 provide for the use of funds by the department of human services; to provide for various  
21 transfers; to provide legislative intent; to provide for a budget section report; to provide for  
22 legislative management studies; to provide an effective date; to provide a contingent effective  
23 date; and to declare an emergency.

24 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

1       **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds  
2 as may be necessary, are appropriated out of any moneys in the general fund in the state  
3 treasury, not otherwise appropriated, and from special funds derived from federal funds and  
4 other income, to the office of management and budget for the purpose of defraying the  
5 expenses of that agency, for the biennium beginning July 1, 2013, and ending June 30, 2015,  
6 as follows:

	<u>Base Level</u>	<u>Adjustments or Enhancements</u>	<u>Appropriation</u>
9 Salaries and wages	\$18,477,763	\$1,475,552	\$19,953,315
10 Operating expenses	13,755,254	641,534	14,396,788
11 Emergency commission	700,000	0	700,000
12     contingency fund			
13 Capital assets	5,190,143	4,760,922	9,951,065
14 Grants	430,000	0	430,000
15 Prairie public broadcasting	1,000,000	937,138	1,937,138
16 State student internship program	200,000	0	200,000
17 Health insurance pool - temporary	0	2,000,000	2,000,000
18     employees			
19 Accrued leave payments	<u>0</u>	<u>570,412</u>	<u>570,412</u>
20 Total all funds	\$39,753,160	\$10,385,558	\$50,138,718
21 Less estimated income	<u>10,514,461</u>	<u>(783,831)</u>	<u>9,730,630</u>
22 Total general fund	\$29,238,699	\$11,169,389	\$40,408,088
23 Full-time equivalent positions	131.50	(1.00)	130.50

24       **SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO**

25 **SIXTY-FOURTH LEGISLATIVE ASSEMBLY.** The following amounts reflect the one-time  
26 funding items approved by the sixty-second legislative assembly for the 2011-13 biennium and  
27 the 2013-15 one-time funding items included in the appropriation in section 1 of this Act:

	<u>2011-13</u>	<u>2013-15</u>
28 <u>One-Time Funding Description</u>		
29 Capitol envelope	\$2,800,000	\$0
30 Capitol complex parking lot repairs	800,000	4,000,000
31 North Dakota 125 <sup>th</sup> anniversary coordinator	50,000	190,000

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1	Board of integrative health	4,000	0
2	State transfers	474,700,000	0
3	Capitol south entrance	0	1,000,000
4	Exterior restoration of legislative and j-wing	0	1,500,000
5	Prairie public broadcasting	0	600,000
6	Health insurance pool	0	2,000,000
7	Repair and cleaning capitol and j-wing	<u>0</u>	<u>1,200,000</u>
8	Total all funds	\$478,354,000	\$10,490,000
9	Less estimated income	<u>0</u>	<u>1,000,000</u>
10	Total general fund	\$478,354,000	\$9,490,000

11 The 2013-15 one-time funding amounts are not a part of the entity's base budget for the  
12 2015-17 biennium. The office of management and budget shall report to the appropriations  
13 committees of the sixty-fourth legislative assembly on the use of this one-time funding for the  
14 biennium beginning July 1, 2013, and ending June 30, 2015.

15 **SECTION 3. APPROPRIATION - TRANSFER GENERAL FUND TO PROPERTY TAX**  
16 **RELIEF SUSTAINABILITY FUND.** There is appropriated out of any moneys in the general fund  
17 in the state treasury, not otherwise appropriated, the sum of \$315,210,000, or so much of the  
18 sum as may be necessary, which the office of management and budget shall transfer to the  
19 property tax relief sustainability fund during the biennium beginning July 1, 2013, and ending  
20 June 30, 2015.

21 **SECTION 4. TRANSFER - STRATEGIC INVESTMENT AND IMPROVEMENTS FUND -**  
22 **GENERAL FUND.** During the biennium beginning July 1, 2013, and ending June 30, 2015, the  
23 director of the office of management and budget shall transfer the sum of \$520,000,000 from  
24 the strategic investment and improvements fund to the general fund.

25 **SECTION 5. GENERAL FUND TRANSFERS TO BUDGET STABILIZATION FUND -**  
26 **EXCEPTION.** Notwithstanding section 54-27.2-02, the state treasurer and the office of  
27 management and budget may not include any general fund appropriations provided in Senate  
28 Bill No. 2176, as approved by the sixty-third legislative assembly, in the amount used to  
29 determine general fund transfers to the budget stabilization fund at the end of the 2011-13  
30 biennium under chapter 54-27.2.

1       **SECTION 6. APPROPRIATION - OFFICE OF MANAGEMENT AND BUDGET - STATE**  
2       **AGENCY ENERGY DEVELOPMENT IMPACT FUNDING POOL - TRANSFER AUTHORITY -**  
3       **EMERGENCY COMMISSION APPROVAL.** There is appropriated out of any moneys in the  
4       general fund in the state treasury, not otherwise appropriated, the sum of \$4,000,000, or so  
5       much of the sum as may be necessary, and from special funds derived from federal funds and  
6       other income, the sum of \$4,500,000, or so much of the sum as may be necessary, to the office  
7       of management and budget for a state agency energy development impact funding pool, for the  
8       biennium beginning July 1, 2013, and ending June 30, 2015. The funds provided under this  
9       section are considered a one-time funding item.

10       A state agency may submit an application to the office of management and budget for a  
11       transfer of appropriation authority from the state agency energy development impact funding  
12       pool for employee housing rental assistance and temporary salary increases for employees  
13       affected by energy development. The office of management and budget, subject to emergency  
14       commission approval, shall transfer appropriation authority from the state agency energy  
15       development impact funding pool to eligible agencies for approved applications.

- 16       1. A state agency may submit an application to the office of management and budget to  
17       address rental assistance needs for employees in affected areas of the state.  
18       Spending authority is limited to six months or until the need for the assistance has  
19       ended, whichever occurs first. An agency may submit a renewal application for  
20       continued spending authority to address any continued need to provide assistance.
- 21       a. As part of the application for rental assistance, the agency must identify each  
22       position within the agency that requires rental assistance. The agency shall  
23       provide a housing survey conducted by the agency or an approved statewide  
24       housing survey for the immediate geographical location appropriate to each  
25       position for which approval is being requested. The survey must include an  
26       identified difference between the state rental rate average and the rental rates for  
27       housing in the location where the employee will reside. The survey must describe  
28       the methodology used in determining rental differential for that immediate  
29       geographical location. For an existing employee or applicant already with  
30       housing, the agency must attach the employee's rental agreement from the rental  
31       property company. For a newly hired employee, the agency shall forward a copy

1 of the rental agreement after the applicant has been hired and secured housing.

2 The rental agreement must include the following information:

3 (1) Rental company name.

4 (2) Rental company address.

5 (3) Amount of rent.

6 (4) Effective date of lease.

7 b. The office of management and budget shall review the application for rental  
8 assistance and make a recommendation to the emergency commission to  
9 approve or reject the request. The emergency commission shall make the final  
10 determination on the application. The applications must be reviewed on an  
11 individual position or positions basis based on documented need and  
12 affordability.

13 c. Rental assistance payments must be based on a housing survey conducted by  
14 the agency or a statewide survey subject to review and recommendation by the  
15 office of management and budget and approval by the emergency commission.  
16 Employees eligible to receive rental assistance include employees currently  
17 renting in designated areas of the state and new employees or existing  
18 employees transferring into affected areas of the state. The rental assistance  
19 payment must be a flat dollar amount based on the difference between the state  
20 rental rate average and the rental rates for housing in the location where the  
21 employee resides.

22 d. A state agency that has an employee receiving rental assistance must submit  
23 documentation to the office of management and budget upon request that verifies  
24 the employee's proof of payment.

25 e. A state agency must report any changes to the office of management and budget  
26 of the housing status of employees relating to a position that has been approved.

27 2. A state agency may submit an application for up to six months of salary differential  
28 payments for employees living in assigned or in temporarily assigned areas of the  
29 state affected by energy development. The application must document the salary level  
30 of each affected employee or position compared to statewide and local averages for  
31 similar types of employee positions. The office of management and budget shall

1 review the application for salary differential payments and make a recommendation to  
2 the emergency commission to approve or reject the request. The emergency  
3 commission shall make the final determination on the application. Any salary  
4 differential payment provided to an employee does not become part of the employee's  
5 permanent base salary.

6 **SECTION 7. COMMUNITY SERVICE SUPERVISION GRANTS - FUNDING**

7 **ALLOCATIONS - ADDITIONAL INCOME APPROPRIATION.** The grants line item in section 1  
8 of this Act includes the sum of \$375,000 from the general fund for the purpose of providing  
9 community service supervision grants. The office of management and budget shall distribute the  
10 grant funds on or before August first during each year of the biennium beginning July 1, 2013,  
11 and ending June 30, 2015, to North Dakota community corrections association regions as  
12 follows:

13 Barnes County	\$9,091
14 Bismarck (urban)	20,293
15 Bismarck (rural)	10,667
16 Devils Lake	10,747
17 Dickinson	12,683
18 Fargo	24,127
19 Grand Forks	19,803
20 Jamestown	13,883
21 Minot	16,194
22 Richland County	9,931
23 Rugby	11,657
24 Sargent County	8,086
25 Wells County	8,189
26 Williston	<u>12,149</u>
27 Total	\$187,500

28 Any moneys in the community service supervision fund are appropriated to the office of  
29 management and budget for distribution to community corrections association regions on or  
30 before August first of each year during the biennium beginning July 1, 2013, and ending  
31 June 30, 2015.

1       **SECTION 8. OFFICE OF MANAGEMENT AND BUDGET - TEMPORARY EMPLOYEE**

2       **HEALTH INSURANCE POOL - TRANSFER AUTHORITY.** The office of management and  
3 budget may transfer to each eligible agency appropriation authority from the health insurance  
4 pool - temporary employees line item contained in section 1 of this Act. Transfers may be made  
5 for the purpose of providing temporary employee health insurance adjustments for state  
6 employees, including institutions of higher education, determined to be full time based on  
7 guidelines developed by the office of management and budget in accordance with the shared  
8 responsibility provisions of the Affordable Care Act for the biennium beginning July 1, 2013, and  
9 ending June 30, 2015.

10       **SECTION 9. EXEMPTION.** The amount appropriated for the fiscal management division, as  
11 contained in section 1 of chapter 15 of the 2009 Session Laws is not subject to the provisions of  
12 section 54-44.1-11. Any unexpended funds from this appropriation are available for continued  
13 development and operating costs of the accounting, management, and payroll systems, during  
14 the biennium beginning July 1, 2013, and ending June 30, 2015.

15       **SECTION 10. INTENT.** Within the authority included in section 1 of this Act are the following  
16 grants and special items:

17 Boys and girls clubwork	\$53,000
18 State memberships and related expenses	\$611,000
19 Unemployment insurance	\$1,500,000
20 Capitol grounds planning commission	\$25,000

21       **SECTION 11. STATE STUDENT INTERNSHIP PROGRAM.** The human resources division  
22 of the office of management and budget may transfer to each eligible agency appropriated  
23 general fund spending authority from the state student internship program line item contained in  
24 section 1 of this Act.

25       **SECTION 12. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION.**

26 Notwithstanding section 54-16-04, agencies may transfer appropriation authority between line  
27 items, as it relates to compensation increases authorized in section 13 of this Act, for the  
28 biennium beginning July 1, 2013, and ending June 30, 2015. However, agencies may not  
29 transfer appropriation authority from the accrued leave payments line item under authority  
30 granted in this section. The agencies shall notify the office of management and budget of any  
31 transfer made pursuant to this section.

1       **SECTION 13. STATE EMPLOYEE COMPENSATION ADJUSTMENTS - GUIDELINES -**

2       **BUDGET SECTION APPROVAL.** It is the intent of the sixty-third legislative assembly that  
3       2013-15 biennium compensation adjustments for classified state employees are to be in a  
4       range of 3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for the  
5       second year of the biennium based on documented performance. Increases for classified state  
6       employees are not to be the same percentage increase for each employee. The performance  
7       increases for the first year of the biennium are to be given beginning with the month of July  
8       2013, to be paid in August 2013, and for the second year of the biennium are to be given  
9       beginning with the month of July 2014, to be paid in August 2014. An additional compensation  
10      adjustment for each year of the biennium of up to 2 percent for a classified state employee  
11      whose salary is in the first quartile of the employee's assigned salary range and up to 1 percent  
12      for a classified state employee whose salary is in the second quartile of the employee's  
13      assigned salary range may be provided to address market equity.

14      It is the intent of the sixty-third legislative assembly that the goal of the classified state  
15      employee compensation program be a compensation ratio of 95 percent of the market policy  
16      point used by the office of management and budget for establishing the grade and salary range  
17      structure for fiscal year 2013. The office of management and budget, subject to budget section  
18      approval, may adjust the market policy point based on an estimated inflationary factor during  
19      the 2013-15 biennium. The office of management and budget shall develop guidelines for use  
20      by state agencies for providing compensation adjustments for regular classified employees in  
21      accordance with provisions of this section and section 54-44.3-01.2.

22      Compensation adjustments for regular nonclassified state employees are to be in a range of  
23      3 to 5 percent for the first year of the biennium and in a range of 2 to 4 percent for the second  
24      year of the biennium based on market and documented performance and are not to be the  
25      same percentage increase for each employee. The market and performance increases are to  
26      be given beginning with the month of July 2013 for the first year of the biennium, to be paid in  
27      August 2013, and beginning with the month of July 2014 for the second year of the biennium, to  
28      be paid in August 2014.

29      Probationary employees are not entitled to the market and performance increases.  
30      However, probationary employees may be given all or a portion of the increases upon



1 completion of probation, at the discretion of the appointing authority. Employees whose overall  
2 documented performance level does not meet standards are not eligible for any salary increase.

3 Each agency appropriation is increased to provide additional funding of \$95 per month for  
4 each eligible employee to maintain existing health insurance benefits. As a percentage of the  
5 average state employee monthly salary, this amount represents a 2.35 percent increase.

6 **SECTION 14. ACCRUED LEAVE PAYMENTS LINE ITEM - PILOT PROJECT - LINE ITEM**  
7 **TRANSFERS - EMERGENCY COMMISSION APPROVAL.** The accrued leave payments line  
8 item included in agency appropriation bills, as approved by the sixty-third legislative assembly,  
9 includes funding for a pilot project for the biennium beginning July 1, 2013, and ending June 30,  
10 2015, for paying accrued annual leave and sick leave for eligible employees resigning, retiring,  
11 or otherwise discontinuing employment with the agency. The emergency commission may  
12 approve agency requests for line item transfers from the accrued leave payments line item to  
13 the salaries and wages line item or other line item that includes salaries and wages funding  
14 subject to the agency providing documentation justifying the need for the funding transfer for the  
15 biennium beginning July 1, 2013, and ending June 30, 2015. For the purpose of determining  
16 salaries and wages amounts under section 54-27-10, the office of management and budget  
17 shall consider the amounts included in the accrued leave payments line item as part of the  
18 appropriation for salaries and wages.

19 **SECTION 15. TRANSFERS - RACING COMMISSION FUNDS.** Upon the request of the  
20 North Dakota racing commission, the office of management and budget shall transfer up to  
21 \$50,000 from the breeders' fund to the purse fund and up to \$50,000 from the breeders' fund to  
22 the racing promotion fund during the biennium beginning July 1, 2013, and ending June 30,  
23 2015. Any funds transferred under this section must be used to promote additional horse races  
24 in the state during the biennium beginning July 1, 2013, and ending June 30, 2015.  
25 Notwithstanding any other provision of law, the office of management and budget shall deposit  
26 any funds designated for the purse fund and racing promotion fund under section 53-06.2-11 in  
27 the breeders' fund until the deposits equal the transfers made to the purse fund and racing  
28 promotion fund as provided under this section.

29 **SECTION 16. PROCUREMENT REQUIREMENTS - DEPARTMENT OF**  
30 **TRANSPORTATION AIRPLANE REPLACEMENT.** The purchase of airplanes by the  
31 department of transportation under the authorization granted in section 5 of House Bill

1 No. 1033, as approved by the sixty-third legislative assembly, is exempt from the procurement  
2 provisions of chapter 54-44.4 and any rules or policies adopted pursuant to that chapter.

3 **SECTION 17. USE OF FUNDS - DEPARTMENT OF HUMAN SERVICES.** The department  
4 of human services may use a portion of the funds appropriated for grants to critical access  
5 hospitals in section 10 of House Bill No. 1358, as approved by the sixty-third legislative  
6 assembly, for the purpose of providing a grant to an organization to assist hospitals in  
7 developing a system to verify patient personal and health insurance information. The  
8 requirements of chapter 54-44.4 do not apply to the selection of a grantee, the grant award, or  
9 payments made under this section. The organization that receives the grant shall provide  
10 reports on the development and impact of the system to the department of human services in  
11 December and June of each year of the biennium.

12 **SECTION 18. DEPARTMENT OF HUMAN SERVICES - BUDGET SAVINGS -**  
13 **CONTINGENT GRANT.** If the department of human services has not projected a 2013-15  
14 biennium appropriation deficiency on or after July 1, 2014, the department of human services  
15 may award a grant from its general fund appropriation to an entity eligible under subsection 2 of  
16 section 50-01.2-03.2 as defined in section 12 of House Bill No. 1012, as approved by the  
17 sixty-third legislative assembly, for the period beginning July 1, 2014, and ending June 30,  
18 2015. The amount provided under this section is in addition to, and may not exceed, the total  
19 amount provided under section 12 of House Bill No. 1012, as approved by the sixty-third  
20 legislative assembly.

21 **SECTION 19. AMENDMENT.** Section 14-03.2-05 of the North Dakota Century Code as  
22 created by section 1 of House Bill No. 1128, as approved by the sixty-third legislative assembly,  
23 is amended and reenacted as follows:

24 **14-04.3-05. Formation requirements.**

25 A premarital agreement or marital agreement must be in a record and signed by both  
26 parties. The agreement is enforceable without consideration. ~~A marital agreement created~~  
27 ~~pursuant to this chapter must be signed within the first one hundred twenty days of the~~  
28 ~~marriage.~~

29 **SECTION 20. AMENDMENT.** Section 15.1-27-25 of the North Dakota Century Code is  
30 amended and reenacted as follows:

1           **15.1-27-25. Royalties available under federal law - Distribution to counties and school**  
2 **districts - Continuing appropriation.**

- 3           1. Any money paid to the state by the secretary of the treasury of the United States  
4           under the provisions of an Act of Congress entitled "An Act to promote the mining of  
5           coal, phosphate, oil, oil shale, gas, and sodium on the public domain" [Pub. L. 66-146;  
6           41 Stat. 437; 30 U.S.C. 181 et seq.] must be credited to the state general fund and the  
7           federal mineral royalties distribution fund and must be distributed only pursuant to the  
8           terms of this section.
- 9           2. Within three months following the calendar quarters ending in March, June,  
10          September, and December, the state auditor shall certify to the state treasurer the  
11          amount of money the state received during the preceding calendar quarter for royalties  
12          under the Act of Congress cited in subsection 1.
- 13          3. The state treasurer shall allocate the percentage of the total moneys received as  
14          required by this section among the counties in which the minerals were produced  
15          based on the proportion each county's mineral royalty revenue bears to the total  
16          mineral royalty revenue received by the state for that calendar quarter. The state  
17          treasurer shall pay the amount calculated to each county.
- 18          4. The counties may use any money received under this section only for the planning,  
19          construction, and maintenance of public facilities and the provision of public services.  
20          As used in this section, public facilities include any facility used primarily for public use  
21          as determined by the board of county commissioners whether located on public or  
22          private property.
- 23          5. The percentage of money received by the state under the Act of Congress cited in  
24          subsection 1 which must be allocated and paid to the counties under this section is ~~ten~~  
25          percent for collections in 2000, twenty percent for collections in 2001, thirty percent for  
26          collections in 2002, forty percent for collections in 2003, and fifty percent for  
27          collections in 2004 and thereafter.
- 28          6. Any remaining money received by the state under the Act of Congress cited in  
29          subsection 1 must be distributed to school districts as provided for in this chapter. Any  
30          moneys distributed under this subsection are deemed the first moneys withdrawn or  
31          expended from the general fund for the purpose of state aid to school districts.

1       7. A reserve for distributions to counties pursuant to this section is created as a special  
2       fund in the state treasury known as the federal mineral royalties distribution fund. The  
3       state treasurer shall deposit in the fund fifty percent of amounts received pursuant to  
4       this section.

5       8. The funds needed to make the distribution to counties, as provided for in this section,  
6       are hereby appropriated on a continuing basis.

7       **SECTION 21. AMENDMENT.** Subsection 1 of section 23-35-07 of the North Dakota  
8       Century Code is amended and reenacted as follows:

9       1. A district board of health shall prepare a budget for the next fiscal year at the time at  
10       which and in the manner in which a county budget is adopted and shall submit this  
11       budget to the joint board of county commissioners for approval. The amount budgeted  
12       and approved must be prorated in health districts composed of more than one county  
13       among the various counties in the health district according to the taxable valuation of  
14       the respective counties in the health district. For the purpose of this section, "prorated"  
15       means that each member county's contribution must be based on an equalized mill  
16       levy throughout the district, except as otherwise permitted under subsection 3 of  
17       section 23-35-05. Within ten days after approval by the joint board of county  
18       commissioners, the district board of health shall certify the budget to the respective  
19       county auditors and the budget must be included in the levies of the counties. The  
20       budget, not including gifts, grants, donations, and contributions, may not exceed the  
21       amount that can be raised by a levy of five mills on the taxable valuation, subject to  
22       public hearing in each county in the health district at least fifteen days before an action  
23       taken by the joint board of county commissioners. Action taken by the joint board of  
24       county commissioners must be based on the record, including comments received at  
25       the public hearing. A levy under this section is not subject to the limitation on the  
26       county tax levy for general and special county purposes. The amount derived by a levy  
27       under this section must be placed in the health district fund. The health district fund  
28       must be deposited with and disbursed by the treasurer of the district board of health.  
29       Each county in a health district quarterly shall remit and make settlements with the  
30       treasurer. Any funds remaining in the fund at the end of any fiscal year may be carried  
31       over to the next fiscal year.

1       **SECTION 22. AMENDMENT.** Subsection 4 of section 23-35-08 of the North Dakota  
2 Century Code is amended and reenacted as follows:

3       4.    May accept and receive ~~expend~~ any gift, grant, donation, or other contribution offered  
4           to aid in the work of the board of health or public health unit.

5       **SECTION 23. AMENDMENT.** Subsection 2 of section 41-09-87 of the North Dakota Century  
6 Code, as effective after June 30, 2013, is amended and reenacted as follows:

7       2.    Filing does not occur with respect to a record that a filing office refuses to accept  
8           because:

9           a.   The record is not communicated by a method or medium of communication  
10           authorized by the filing office;

11          b.   An amount equal to or greater than the applicable filing fee is not tendered;

12          c.   The filing office is unable to index the record because:

13           (1)   In the case of an initial financing statement, the record does not provide a  
14           name for the debtor;

15           (2)   In the case of an amendment or information statement, the record:

16           (a)   Does not identify the initial financing statement as required by section  
17           41-09-83 or 41-09-89, as applicable; or

18           (b)   Identifies an initial financing statement whose effectiveness has  
19           lapsed under section 41-09-86;

20           (3)   In the case of an initial financing statement that provides the name of a  
21           debtor identified as an individual or an amendment that provides a name of  
22           a debtor identified as an individual which was not previously provided in the  
23           financing statement to which the record relates, the record does not identify  
24           the debtor's surname; or

25           (4)   In the case of a record filed or recorded in the filing office described in  
26           subdivision a of subsection 1 of section 41-09-72, the record does not  
27           provide a sufficient description of the real property to which it relates;

28          d.   In the case of an initial financing statement or an amendment that adds a  
29           secured party of record, the record does not provide a name and mailing address  
30           for the secured party of record;

- 1 e. In the case of an initial financing statement or an amendment that provides a  
2 name of a debtor which was not previously provided in the financing statement to  
3 which the amendment relates, the record does not:  
4 (1) Provide a mailing address for the debtor; or  
5 (2) Indicate whether the name provided as the name of the debtor is the name  
6 of an individual or an organization;
- 7 f. In the case of an assignment reflected in an initial financing statement under  
8 subsection 1 of section 41-09-85 or an amendment filed under subsection 2 of  
9 section 41-09-85, the record does not provide a name and mailing address for  
10 the assignee; or
- 11 g. In the case of a continuation statement, the record is not filed within the  
12 six-month period prescribed by subsection 4 of section 41-09-86; or
- 13 h. The record does not contain the social security number or the internal revenue  
14 service taxpayer identification number of the debtor.

15 **SECTION 24. AMENDMENT.** Section 48-10-02 of the North Dakota Century Code is  
16 amended and reenacted as follows:

17 **48-10-02. Capitol building fund to be administered by the capitol grounds planning**  
18 **commission - Continuing appropriation - Procedure for expenditure of certain funds.**

19 The capitol grounds planning commission shall have general powers to superintend the  
20 administration of the capitol building fund, its interest and income fund, and its investments and  
21 properties. It may cause any lands now held in such funds to be sold at market value, direct the  
22 conversion of any securities now held by such funds to cash, approve expenditures from such  
23 funds subject to law and legislative appropriations, and to do all other things necessary to carry  
24 out the intent and purposes of this section. The board of university and school lands or its  
25 designee, on the commission's behalf, shall see to the investment and management of the  
26 capitol building fund and its interest and income fund and shall account to the commission  
27 concerning these funds at the commission's request.

28 Provided further, all moneys and other property in the capitol building fund, except as  
29 otherwise appropriated, are hereby dedicated and reserved to the exclusive purpose of the  
30 construction of an addition to the legislative wing of the state capitol building, and the capitol

1 grounds planning commission shall take necessary steps to accumulate and conserve the  
2 money and property in the capitol building fund for such purpose.

3 The commission may, during any biennium, expend from the interest and income fund of  
4 the capitol building fund a sum not to exceed fifty percent of the unencumbered balance on the  
5 first day of any biennium, and such amount is hereby appropriated to the capitol grounds  
6 planning commission. The expenditure may be made, after consideration of the capitol grounds  
7 master plan, for projects or planning but ~~shall~~may not exceed one hundred seventy-five  
8 thousand dollars per biennium. The expenditure may only be made upon approval by two-thirds  
9 of the total membership of the commission. The expenditure must be made upon a voucher, or  
10 vouchers, prepared by the office of management and budget at the direction of the commission.

11 **SECTION 25. AMENDMENT.** Section 54-44.1-04 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **54-44.1-04. (Effective through July 31, 2013) Budget estimates of budget units filed**  
14 **with the office of the budget - Deadline.**

15 The head of each budget unit, not later than July fifteenth of each year next preceding the  
16 session of the legislative assembly, shall submit to the office of the budget, estimates of  
17 financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
18 in the manner prescribed by the office of the budget, with such explanatory data as is required  
19 by the office of the budget and such additional data as the head of the budget unit wishes to  
20 submit. The budget estimates for the North Dakota university system must include block grants  
21 for the university system for a base funding component and for an initiative funding component  
22 for specific strategies or initiatives and a budget estimate for an asset funding component for  
23 renewal and replacement of physical plant assets at the institutions of higher education. The  
24 estimates so submitted must bear the approval of the board or commission of each budget unit  
25 for which a board or commission is constituted. The director of the budget in the director's  
26 discretion may extend the filing date for any budget unit if the director finds there is some  
27 circumstance that makes it advantageous to authorize the extension. If a budget unit has not  
28 submitted its estimate of financial requirements by the required date or within a period of  
29 extension set by the director of the budget, the director of the budget shall prepare the budget  
30 unit's estimate of financial requirements except the estimate may not exceed ninety percent of  
31 the budget unit's previous biennial appropriation. The director of the budget or a subordinate

1 officer as the director designates shall examine the estimates and shall afford to the heads of  
2 budget units reasonable opportunity for explanation in regard thereto and, when requested,  
3 shall grant to the heads of budget units a hearing thereon which must be open to the public.

4 **(Effective after July 31, 2013) Budget estimates of budget units filed with the office of**  
5 **the budget - Deadline.**

6 The head of each budget unit, not later than July fifteenth of each year next preceding the  
7 session of the legislative assembly, shall submit to the office of the budget, estimates of  
8 financial requirements of the person's budget unit for the next two fiscal years, on the forms and  
9 in the manner prescribed by the office of the budget, with such explanatory data as is required  
10 by the office of the budget and such additional data as the head of the budget unit wishes to  
11 submit. The estimates so submitted must bear the approval of the board or commission of each  
12 budget unit for which a board or commission is constituted. The director of the budget may  
13 extend the filing date by up to sixty days for any budget unit if the director finds there is some  
14 circumstance that makes it advantageous to authorize the extension. If a budget unit has not  
15 submitted its estimate of financial requirements by the required date or within a period of  
16 extension of up to sixty days set by the director of the budget, the director of the budget shall  
17 prepare the budget unit's estimate of financial requirements except the estimate may not  
18 exceed ninety percent of the budget unit's previous biennial appropriation. The director of the  
19 budget or a subordinate officer as the director shall designate shall examine the estimates and  
20 shall afford to the heads of budget units reasonable opportunity for explanation in regard thereto  
21 and, when requested, shall grant to the heads of budget units a hearing thereon which must be  
22 open to the public.

23 **SECTION 26.** A new subsection to section 54-44.1-18 of the North Dakota Century Code is  
24 created and enacted as follows:

25 The governing body of each political subdivision may submit the annual budget  
26 adopted by the governing body to the director of the budget. The director of the budget  
27 shall include on the office of management and budget website any information  
28 submitted by a participating governing body of a political subdivision. The official who  
29 submits the annual budget to the director of the budget may not submit any  
30 information that is confidential under state or federal law. In lieu of submitting the  
31 annual budget adopted by the governing body to the director, any participating



1           governing body may provide to the director a publicly accessible internet link on which  
2           the annual budget adopted by the participating governing body is available.

3           **SECTION 27. AMENDMENT.** Subsection 1 of section 57-02-08.1 of the North Dakota  
4 Century Code as amended by Senate Bill No. 2171, as approved by the sixty-third legislative  
5 assembly, is amended and reenacted as follows:

- 6           1.    a.    Any person sixty-five years of age or older or permanently and totally disabled, in  
7                    the year in which the tax was levied, with an income that does not exceed the  
8                    limitations of subdivision c is entitled to receive a reduction in the assessment on  
9                    the taxable valuation on the person's homestead. An exemption under this  
10                  subsection applies regardless of whether the person is the head of a family.
- 11           b.    The exemption under this subsection continues to apply if the person does not  
12                  reside in the homestead and the person's absence is due to confinement in a  
13                  nursing home, hospital, or other care facility, for as long as the portion of the  
14                  homestead previously occupied by the person is not rented to another person.
- 15           c.    The exemption must be determined according to the following schedule:
- 16                  (1)   If the person's income is not in excess of twenty-two thousand dollars, a  
17                        reduction of one hundred percent of the taxable valuation of the person's  
18                        homestead up to a maximum reduction of four thousand five hundred  
19                        dollars of taxable valuation.
- 20                  (2)   If the person's income is in excess of twenty-two thousand dollars and not in  
21                        excess of twenty-six thousand dollars, a reduction of eighty percent of the  
22                        taxable valuation of the person's homestead up to a maximum reduction of  
23                        three thousand six hundred dollars of taxable valuation.
- 24                  (3)   If the person's income is in excess of twenty-six thousand dollars and not in  
25                        excess of thirty thousand dollars, a reduction of sixty percent of the taxable  
26                        valuation of the person's homestead up to a maximum reduction of two  
27                        thousand seven hundred dollars of taxable valuation.
- 28                  (4)   If the person's income is in excess of thirty thousand dollars and not in  
29                        excess of thirty-four thousand dollars, a reduction of forty percent of the  
30                        taxable valuation of the person's homestead up to a maximum reduction of  
31                        one thousand eight hundred dollars of taxable valuation.

- 1 (5) If the person's income is in excess of thirty-four thousand dollars and not in  
2 excess of thirty-eight thousand dollars, a reduction of twenty percent of the  
3 taxable valuation of the person's homestead up to a maximum reduction of  
4 nine hundred dollars of taxable valuation.
- 5 (6) If the person's income is in excess of thirty-eight thousand dollars and not in  
6 excess of forty-two thousand dollars, a reduction of ten percent of the  
7 taxable valuation of the person's homestead up to a maximum reduction of  
8 four hundred fifty dollars of taxable valuation.
- 9 d. Persons residing together, as spouses or when one or more is a dependent of  
10 another, are entitled to only one exemption between or among them under this  
11 subsection. Persons residing together, who are not spouses or dependents, who  
12 are coowners of the property are each entitled to a percentage of a full exemption  
13 under this subsection equal to their ownership interests in the property.
- 14 e. This subsection does not reduce the liability of any person for special  
15 assessments levied upon any property.
- 16 f. Any person claiming the exemption under this subsection shall sign a verified  
17 statement of facts establishing the person's eligibility.
- 18 g. A person is ineligible for the exemption under this subsection if the value of the  
19 assets of the person and any dependent residing with the person exceeds five  
20 hundred thousand dollars, including the value of any assets divested within the  
21 last three years.
- 22 h. The assessor shall attach the statement filed under subdivision f to the  
23 assessment sheet and shall show the reduction on the assessment sheet.
- 24 i. An exemption under this subsection terminates at the end of the taxable year of  
25 the death of the applicant.

26 **SECTION 28. AMENDMENT.** Subdivision e of subsection 1 of section 62.1-04-03 of the  
27 North Dakota Century Code as amended by House Bill No. 1327, as approved by the sixty-third  
28 legislative assembly, is amended and reenacted as follows:

- 29 e. The applicant satisfactorily completes the bureau of criminal investigation  
30 application form and has successfully passed the criminal history records check  
31 conducted by the bureau of criminal investigation and the federal bureau of

1 investigation. The applicant shall provide all documentation relating to any  
2 court-ordered treatment or commitment for mental health or alcohol or substance  
3 abuse. The applicant shall provide the director of the bureau of criminal  
4 investigation written authorizations for disclosure of the applicant's mental health  
5 and alcohol or substance abuse evaluation and treatment records. The bureau  
6 may deny approval for a ~~class 1 firearm~~ license if the bureau has reasonable  
7 cause to believe that the applicant or licenseholder has been or is a danger to  
8 self or others as demonstrated by evidence, including past pattern of behavior  
9 involving unlawful violence or threats of unlawful violence; past participation in  
10 incidents involving unlawful violence or threats of unlawful violence; or conviction  
11 of a weapons offense. In determining whether the applicant or licenseholder has  
12 been or is a danger to self or others, the bureau may inspect expunged records  
13 of arrests and convictions of adults and juvenile court records; and

14 **SECTION 29. AMENDMENT.** Section 12 of House Bill No. 1012, as approved by the  
15 sixty-third legislative assembly, is amended and reenacted as follows:

16 **SECTION 12. GRANTS.** The grants line item in subdivision 2 of section 1 of  
17 this Act includes \$300,000, or so much of the sum as may be necessary, from the  
18 general fund for grants to a jurisdiction that is adjacent to an Indian reservation but  
19 does not receive reimbursement payments under section 50-01.2-03.2 and is  
20 determined by the department of human services to be the most significantly impacted  
21 based on calendar year 2012 data for the first year of the biennium and calendar year  
22 2013 data for the second year of the biennium considering the provisions of  
23 subsection 2 of section 50-01.2-03.2, for the biennium beginning July 1, 2013, and  
24 ending June 30, 2015. ~~No more than fifty percent of this appropriation may be~~  
25 ~~distributed in each fiscal year of the biennium.~~

26 **SECTION 30. AMENDMENT.** Section 1 of House Bill No. 1019, as approved by the  
27 sixty-third legislative assembly, is amended and reenacted as follows:

28 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much  
29 of the funds as may be necessary, are appropriated out of any moneys in the general  
30 fund in the state treasury, not otherwise appropriated, and from special funds derived  
31 from federal funds and other income, to the parks and recreation department for the

Sixty-third  
Legislative Assembly

1 purpose of defraying the expenses of the parks and recreation department and for  
2 providing a grant to the International Peace Garden, for the biennium beginning July 1,  
3 2013, and ending June 30, 2015, as follows:

4 Subdivision 1.

5 PARKS AND RECREATION DEPARTMENT

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
8 Administration	\$2,484,885	\$188,708	\$2,673,593
9 <del>Accrued leave payments</del>	0	181,577	181,577
10 Natural resources	12,768,203	8,325,122	21,093,325
11 Recreation			
12 Total all funds	\$22,742,179	\$7,292,194	\$30,034,370
13 <del>Less estimated income</del>			
14 Total general fund	\$11,100,647	\$6,932,992	\$18,033,639
15 Full-time equivalent positions	54.00	1.00	55.00
16 <u>Administration</u>	<u>\$2,484,885</u>	<u>\$188,708</u>	<u>\$2,673,593</u>
17 <u>Accrued leave payments</u>	<u>0</u>	<u>181,577</u>	<u>181,577</u>
18 <u>Natural resources</u>	<u>12,768,203</u>	<u>7,875,122</u>	<u>20,643,325</u>
19 <u>Recreation</u>	<u>7,489,091</u>	<u>(1,403,216)</u>	<u>6,085,875</u>
20 <u>Total all funds</u>	<u>\$22,742,179</u>	<u>\$6,842,191</u>	<u>\$29,584,370</u>
21 <u>Less estimated income</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
22 <u>Total general fund</u>	<u>\$11,100,647</u>	<u>\$6,707,992</u>	<u>\$17,808,639</u>
23 <u>Full-time equivalent positions</u>	<u>54.00</u>	<u>1.00</u>	<u>55.00</u>

24 Subdivision 2.

25 INTERNATIONAL PEACE GARDEN

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
28 International Peace Garden	\$773,699	\$1,450,000	\$2,223,699
29 Total general fund	\$773,699	\$1,450,000	\$2,223,699

30 Subdivision 3.

31 BILL TOTAL

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
3	Grand total general fund	\$11,874,346	\$8,382,992	\$20,257,338
4	Grand total special funds			
5	Grand total all funds	\$23,515,878	\$8,742,191	\$32,258,069
6	<u>Grand total general fund</u>	<u>\$11,874,346</u>	<u>\$8,157,992</u>	<u>\$20,032,338</u>
7	<u>Grand total special funds</u>	<u>11,641,532</u>	<u>134,199</u>	<u>11,775,731</u>
8	<u>Grand total all funds</u>	<u>\$23,515,878</u>	<u>\$8,292,191</u>	<u>\$31,808,069</u>

9       **SECTION 31. AMENDMENT.** Section 5 of House Bill No. 1020, as approved by the  
10 sixty-third legislative assembly, is amended and reenacted as follows:

11               **SECTION 5. BANK OF NORTH DAKOTA LOAN - WESTERN AREA WATER**  
12 **SUPPLY AUTHORITY.** The Bank of North Dakota shall provide a loan of \$40,000,000  
13 to the western area water supply authority for construction of the project. The terms-  
14 and conditions of the loan must be negotiated by the western area water supply  
15 authority and the Bank of North Dakota and any previous loans may be added to and  
16 merged into this loan ~~previous loans~~ as agreed by the ~~authority~~ industrial commission  
17 and the Bank of North Dakota. ~~The authority may repay the loan from income from~~  
18 ~~specific project features. If the authority is in default in the payment of the principal of~~  
19 ~~or interest on the obligation to the Bank of North Dakota for the loan, the authority is~~  
20 ~~subject to the default provisions under section 61-40-09.~~

21       **SECTION 32. AMENDMENT.** Section 5 of House Bill No. 1358, as approved by the  
22 sixty-third legislative assembly, is amended and enacted as follows:

23               **SECTION 5. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

24       There is appropriated out of any moneys in the general fund in the state treasury, not  
25 otherwise appropriated, the sum of \$160,000,000, or so much of the sum as may be  
26 necessary, to the department of transportation for the purpose of allocation as  
27 provided in this section among oil-producing counties that received \$5,000,000 or  
28 more of allocations under subsection 2 of section 57-51-15 in the state fiscal year  
29 ending June 30, ~~2012~~ 2013, for the biennium beginning July 1, 2013, and ending  
30 June 30, 2015.

- 1           1. The sum appropriated in this section must be used to rehabilitate or reconstruct county  
2           paved and unpaved roads and bridges needed to support oil and gas production and  
3           distribution in North Dakota.
  - 4           a. Funding allocations to counties are to be made by the department of  
5           transportation based on data supplied by the upper great plains transportation  
6           institute.
  - 7           b. Counties identified in the data supplied by the upper great plains transportation  
8           institute which received \$5,000,000 or more of allocations under subsection 2 of  
9           section 57-51-15 for the state fiscal year ending June 30, ~~2012~~2013, are eligible  
10          for this funding.
- 11          2. Each county requesting funding under this section for county road and bridge projects  
12          shall submit the request in accordance with criteria developed by the department of  
13          transportation.
  - 14          a. The request must include a proposed plan for funding projects that rehabilitate or  
15          reconstruct paved and unpaved roads and bridges within the county.
  - 16          b. The plan must be based on data supplied by the upper great plains transportation  
17          institute, actual road and bridge conditions, and integration with state highway  
18          and other county projects.
  - 19          c. Projects funded under this section must comply with the American association of  
20          state highway transportation officials (AASHTO) pavement design procedures  
21          and the department of transportation local government requirements. Upon  
22          completion of major reconstruction projects, the roadway segment must be  
23          posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
  - 24          d. Funds may not be used for routine maintenance.
- 25          3. The department of transportation, in consultation with the county, may approve the  
26          plan or approve the plan with amendments.
- 27          4. The funding appropriated in this section may be used for:
  - 28          a. Ninety percent of the cost of the approved projects not to exceed the funding  
29          available for that county.
  - 30          b. Funding may be used for construction, engineering, and plan development costs.

- 1       5.    Upon approval of the plan, the department of transportation shall transfer to the county
- 2           the approved funding for engineering and plan development costs.
- 3       6.    Upon execution of a construction contract by the county, the department of
- 4           transportation shall transfer to the county the approved funding to be distributed for
- 5           county and township rehabilitation and reconstruction projects.
- 6       7.    The recipient counties shall report to the department of transportation upon awarding
- 7           of each contract and upon completion of each project in a manner prescribed by the
- 8           department.
- 9       8.    The funding under this section may be applied to engineering, design, and
- 10          construction costs incurred on related projects as of January 1, 2013.
- 11       9.    For purposes of this section, a "bridge" is a structure that has an opening of more than
- 12          20 feet [6.096 meters] as measured along the centerline of the roadway. It may also
- 13          be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long
- 14          as the pipes are spaced less than half the distance apart of the smallest diameter
- 15          pipe.
- 16       10.   Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
- 17          by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
- 18          ending June 30, 2017, and may be expended only for purposes authorized by this
- 19          section.

20       **SECTION 33. AMENDMENT.** Section 6 of House Bill No. 1358, as approved by the  
21       sixty-third legislative assembly, is amended and enacted as follows:

22                   **SECTION 6. APPROPRIATION - DEPARTMENT OF TRANSPORTATION.**

23           There is appropriated out of any moneys in the general fund in the state treasury, not  
24           otherwise appropriated, the sum of \$120,000,000, or so much of the sum as may be  
25           necessary, to the department of transportation for the purpose of allocation among  
26           counties that did not receive \$5,000,000 or more of allocations under subsection 2 of  
27           section 57-51-15 in the state fiscal year ending June 30, ~~2012~~2013, for the biennium  
28           beginning July 1, 2013, and ending June 30, 2015. The amounts available for  
29           allocation under this section must be distributed on or after February 1, 2014.

- 1           1. The sum appropriated in this section must be used to rehabilitate or reconstruct county  
2           paved and unpaved roads and bridges needed to support economic activity in North  
3           Dakota.
  - 4           a. To be eligible to receive an allocation under this section, a county may not have  
5           received \$5,000,000 or more of allocations under subsection 2 of section  
6           57-51-15 during the state fiscal year ending June 30, ~~2012~~2013.
  - 7           b. Allocations among eligible counties under this section must be based on the  
8           miles of roads defined by the department of transportation as county major  
9           collector roadways in each county.
  - 10          c. The department of transportation may use data supplied by the upper great  
11          plains transportation institute in determining the projects to receive funding under  
12          this section.
- 13          2. Each county requesting funding under this section shall submit the request in  
14          accordance with criteria developed by the department of transportation.
  - 15          a. The request must include a proposed plan for funding projects that rehabilitate or  
16          reconstruct paved and unpaved roads and bridges within the county.
  - 17          b. The plan must be based on actual road and bridge conditions and the integration  
18          of projects with state highway and other county projects.
  - 19          c. Projects funded under this section must comply with the American association of  
20          state highway transportation officials (AASHTO) pavement design procedures  
21          and the department of transportation local government requirements. Upon  
22          completion of major reconstruction projects, the roadway segment must be  
23          posted at a legal load limit of 105,500 pounds [47853.993 kilograms].
  - 24          d. Funds may not be used for routine maintenance.
- 25          3. The department of transportation, in consultation with the county, may approve the  
26          plan or approve the plan with amendments.
- 27          4. The funding appropriated in this section may be used for:
  - 28          a. Ninety percent of the cost of the approved projects not to exceed the funding  
29          available for that county.
  - 30          b. Funding may be used for construction, engineering, and plan development costs.



- 1       5.    Upon approval of the plan, the department of transportation shall transfer to the county
- 2       the approved funding for engineering and plan development costs.
- 3       6.    Upon execution of a construction contract by the county, the department of
- 4       transportation shall transfer to the county the approved funding to be distributed for
- 5       county and township rehabilitation and reconstruction projects.
- 6       7.    The recipient counties shall report to the department of transportation upon awarding
- 7       of each contract and upon completion of each project in a manner prescribed by the
- 8       department.
- 9       8.    The funding under this section may be applied to engineering, design, and
- 10      construction costs incurred on related projects as of January 1, 2013.
- 11      9.    For purposes of this section, a "bridge" is a structure that has an opening of more than
- 12      20 feet [6.096 meters] as measured along the centerline of the roadway. It may also
- 13      be the clear openings of more than 20 feet [6.096 meters] of a group of pipes as long
- 14      as the pipes are spaced less than half the distance apart of the smallest diameter
- 15      pipe.
- 16      10.   Section 54-44.1-11 does not apply to funding under this section. Any funds not spent
- 17      by June 30, 2015, must be continued into the biennium beginning July 1, 2015, and
- 18      ending June 30, 2017, and may be expended only for purposes authorized by this
- 19      section.

20       **SECTION 34. AMENDMENT.** Section 7 of House Bill No. 1358, as approved by the  
21   sixty-third legislative assembly, is amended and enacted as follows:

22               **SECTION 7. APPROPRIATION - STATE TREASURER.** There is appropriated  
23   out of any moneys in the general fund in the state treasury, not otherwise  
24   appropriated, the sum of \$8,760,000, or so much of the sum as may be necessary, to  
25   the state treasurer for allocation to counties for allocation to or for the benefit of  
26   townships in oil-producing counties, for the biennium beginning July 1, 2013, and  
27   ending June 30, 2015. The funding provided in this section must be distributed in  
28   equal amounts in July 2013 and May 2014. The state treasurer shall distribute the  
29   funds provided under this section as soon as possible to counties and the county  
30   treasurer shall allocate the funds to or for the benefit of townships in oil-producing  
31   counties through a distribution of \$15,000 each year to each organized township and a

1 distribution of \$15,000 each year for each unorganized township to the county in which  
2 the unorganized township is located. For unorganized townships within the county, the  
3 board of county commissioners may expend an appropriate portion of revenues under  
4 this subdivision for township roads or other infrastructure needs in those townships. A  
5 township is not eligible for an allocation of funds under this section if the township  
6 does not maintain any township roads. For the purposes of this section, an  
7 "oil-producing county" means a county that received an allocation of funding under  
8 section 57-51-15 of more than \$500,000 but less than \$5,000,000 in the state fiscal  
9 year ending June 30, ~~2012~~2013.

10 **SECTION 35. AMENDMENT.** Section 15 of Senate Bill No. 2018, as approved by the sixty-  
11 third legislative assembly, is amended and reenacted as follows:

12 **Research North Dakota grants.**

13 The department shall establish and administer a research North Dakota grant  
14 program to provide grants to a research university for research, development, and  
15 commercialization activities related to a private sector partner. The centers of  
16 excellence commission, established under chapter 15-69, shall make grant award  
17 determinations under this section. The department shall work with the centers of  
18 excellence commission in establishing guidelines to qualify for a grant under this  
19 section, including the requirement that an application must be accompanied by a  
20 partnership agreement between the private sector partner and a research university.  
21 The agreement must include details regarding the scope of the work, the budget, the  
22 location of the work to be completed, the intellectual property ownership rights, and  
23 the intellectual property income distribution. The commission may approve changes to  
24 the scope of the work or the budget only to the extent that the changes are agreed  
25 upon by the private sector partner and the research university. Before the commission  
26 directs the department to distribute funds awarded under this section, the research  
27 university shall provide the commission with detailed documentation of private sector  
28 participation and the availability of one dollar of matching funds for each dollar of state  
29 funds to be distributed. Matching funds must be in the form of cash ~~given to the~~  
30 ~~research university~~ and may not include in-kind assets.

1       **SECTION 36. LEGISLATIVE INTENT - CAPITOL GROUNDS PARKING LOT PROJECT.** It  
2 is the intent of the sixty-third legislative assembly that the office of management and budget, in  
3 improving the parking lots on the capitol grounds during the biennium beginning July 1, 2013,  
4 and ending June 30, 2015, not reduce the number of parking spaces or the size of the  
5 legislative parking lot west of the capitol building.

6       **SECTION 37. LEGISLATIVE MANAGEMENT STUDY - STATE AGENCY FACILITY**  
7 **NEEDS.** During the 2013-14 interim, the legislative management shall consider studying the  
8 facility needs of state agencies located in the Bismarck area, including an evaluation of current  
9 and projected facility needs of state agencies, facilities on the capitol grounds currently being  
10 used by state agencies, and facilities owned or leased by state agencies that are not located on  
11 the capitol grounds. The study, if conducted, must determine if additional facilities are needed  
12 for the operations of state agencies. If it is determined that additional space is needed, the  
13 legislative management shall review the most economical options for increasing the amount of  
14 facilities space available, including options for renovating or expanding existing buildings on the  
15 capitol grounds, options for constructing new buildings on the capitol grounds, and options for  
16 building or leasing facilities that are not located on the capitol grounds. The legislative  
17 management shall report its findings and recommendations, together with any legislation  
18 required to implement the recommendations, to the sixty-fourth legislative assembly.

19       **SECTION 38. LEGISLATIVE MANAGEMENT STUDY - SALARIES AND WAGES**  
20 **APPROPRIATIONS - CLASSIFICATION SYSTEM.** The legislative management shall consider  
21 studying, during the 2013-14 interim, the process of appropriating funds for salaries and wages  
22 and the state's classification system. The study, if conducted, must consider the feasibility and  
23 desirability of appropriating a lump sum amount to each agency for salaries and wages, without  
24 identifying specific purposes for the funding and allowing the agency head the flexibility to use  
25 the funding as necessary to accomplish the duties and responsibilities of the agency. The study  
26 must also include the effect of this change on the state's classification and benefits system and  
27 on the process of reporting by the agency on its use of the funds to the legislative assembly.  
28 The legislative management shall report its findings and recommendations, together with any  
29 legislation required to implement the recommendations, to the sixty-fourth legislative assembly.

30       **SECTION 39. LEGISLATIVE MANAGEMENT STUDY - STATE EMPLOYEE HEALTH**  
31 **INSURANCE PREMIUMS.** The legislative management shall consider studying, during the

1 2013-14 interim, the feasibility and desirability of establishing a maximum state contribution to  
2 the cost of state employee health insurance premiums. The legislative management shall report  
3 its findings and recommendations, together with any legislation required to implement the  
4 recommendations, to the sixty-fourth legislative assembly.

5 **SECTION 40. LEGISLATIVE MANAGEMENT STUDY - FOUNDATION AID**

6 **STABILIZATION FUND.** The legislative management shall consider studying during the  
7 2013-14 interim the foundation aid stabilization fund, including anticipated growth in the fund,  
8 appropriate funding levels, options for the disposition of excess funding if appropriate funding  
9 levels are exceeded, the reallocation of oil extraction taxes currently being deposited in the  
10 fund, and the feasibility and desirability of proposing changes to the constitution relating to the  
11 foundation aid stabilization fund. The legislative management shall report its findings and  
12 recommendations, together with any legislation required to implement the recommendations, to  
13 the sixty-fourth legislative assembly.

14 **SECTION 41. EFFECTIVE DATE.** Section 26 of this Act becomes effective on January 1,  
15 2014 and section 27 of this Act is effective for taxable years after December 31, 2012.

16 **SECTION 42. CONTINGENT EFFECTIVE DATE.** Section 23 of this Act becomes effective  
17 August 1, 2015, or earlier if the secretary of state makes a report to the legislative management  
18 and to the information technology committee certifying that the information technology  
19 components of the electronic filing system are ready for implementation of section 23 of this Act,  
20 in which case section 23 of this Act becomes effective ninety days following the completion of  
21 the certificate requirement.

22 **SECTION 43. EMERGENCY.** Sections 21, 23, 27, 28, 29, 30, and 37, \$200,000 included in  
23 the operations line item in subdivision 8 of section 1 for the Theodore Roosevelt center,  
24 \$5,000,000 included in the operations line item in subdivision 10 of section 1 for flood recovery  
25 funding, and the capital assets, master plan and space utilization study, and deferred  
26 maintenance pool line items in section 1 of Senate Bill No. 2003, as approved by the sixty-third  
27 legislative assembly, are declared to be an emergency measure.