

FIFTY-SIXTH DAY

Bismarck, March 25, 1981

The Senate convened at 9:00 a. m., with President Sands presiding.

The prayer was offered by Senator I. E. "Esky" Solberg.

Let us pray. Our heavenly Father, open our hearts and our minds to the great task before us. Help us to comprehend and to enter into the many responsibilities confronting us this day. Help us in a manner becoming to this body politic. Help us comprehend Your influence on the state, on our nation and on our future. If nature somehow provided bountifully all of the things we want, there would be no need to work, no problem of economic production. Very few things in our society and in our living are available in such quantities that everyone can have all he wants for free. Scarcity is a basic economic fact. Help us comprehend this fact, O God, help us to understand that those who seek must also work to receive, that we cannot always be giving but we must also be receiving, and face the responsibility of production in our daily lives so that we can better serve the nation we love. Help us this day to understand this and be better people because of Thy will and Thy leadership in our name and for Your sake, in Jesus' name, Amen.

The roll was called and all Senators were present.

A quorum was declared by the President.

MOTION

Senator Solberg moved that Senator Dykshoorn replace Senator Erickson on the conference committee on House Bill No. 1154, which motion prevailed.

SIGNING OF BILLS AND RESOLUTIONS

The Secretary announced that the President signed the following:

House Bill No. 1093
House Bill No. 1108
House Bill No. 1145
House Bill No. 1178
House Bill No. 1180
House Bill No. 1217
House Bill No. 1288
House Bill No. 1292
House Bill No. 1304
House Bill No. 1332
House Bill No. 1343
House Bill No. 1384
House Bill No. 1395
House Bill No. 1404
House Bill No. 1430
House Bill No. 1463
House Bill No. 1520

House Bill No. 1545
 House Bill No. 1571
 House Bill No. 1619
 House Bill No. 1638
 House Concurrent Resolution No. 3001
 House Concurrent Resolution No. 3031
 House Concurrent Resolution No. 3032
 House Concurrent Resolution No. 3035
 House Concurrent Resolution No. 3039
 House Concurrent Resolution No. 3048
 House Concurrent Resolution No. 3049
 House Concurrent Resolution No. 3051
 House Concurrent Resolution No. 3056
 House Concurrent Resolution No. 3058
 House Concurrent Resolution No. 3062
 House Concurrent Resolution No. 3081

LEO LEIDHOLM, Secretary

MESSAGES TO THE HOUSE
 Senate Chamber

Mr. Speaker: I have the honor to return herewith the following:

House Bill No. 1093
 House Bill No. 1108
 House Bill No. 1145
 House Bill No. 1178
 House Bill No. 1180
 House Bill No. 1217
 House Bill No. 1288
 House Bill No. 1292
 House Bill No. 1304
 House Bill No. 1332
 House Bill No. 1343
 House Bill No. 1384
 House Bill No. 1395
 House Bill No. 1404
 House Bill No. 1430
 House Bill No. 1463
 House Bill No. 1520
 House Bill No. 1545
 House Bill No. 1571
 House Bill No. 1619
 House Bill No. 1638
 House Concurrent Resolution No. 3001
 House Concurrent Resolution No. 3031
 House Concurrent Resolution No. 3032
 House Concurrent Resolution No. 3035
 House Concurrent Resolution No. 3039
 House Concurrent Resolution No. 3048
 House Concurrent Resolution No. 3049
 House Concurrent Resolution No. 3051
 House Concurrent Resolution No. 3056
 House Concurrent Resolution No. 3058
 House Concurrent Resolution No. 3062
 House Concurrent Resolution No. 3081
 Which the President has signed.

LEO LEIDHOLM, Secretary
 Senate Chamber

Mr. Speaker: I have the honor to return herewith the following, which the Senate has failed to pass:

House Bill No. 1083

House Bill No. 1450

House Bill No. 1626

Very Respectfully,

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to inform you that the President has appointed as a conference committee to act with a like committee from the House on:

House Bill No. 1027

Senators:

Senator Vosper

Senator Wenstrom

Senator Tallackson

House Bill No. 1028

Senators:

Senator Hanson

Senator Wentrom

Senator Walsh

House Bill No. 1033

Senators:

Senator Melland

Senator Streibel

Senator Walsh

House Bill No. 1040

Senators:

Senator Fritzell

Senator Naaden

Senator Walsh

House Bill No. 1049

Senators:

Senator Lips

Senator Thane

Senator Tallackson

House Bill No. 1204

Senators:

Senator Peterson

Senator Stenhjem

Senator Grotberg

Very Respectfully,

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to inform you that the President has appointed as a conference committee to act with a like committee from the House on:

House Bill No. 1277

Senators:

Senator Holmberg

Senator Stenhjem

Senator Stromme

House Bill No. 1653

Senators:

Senator Lips

Senator Hanson

Senator Tallackson
Very Respectfully,

LEO LEIDHOLM, Secretary

MESSAGES FROM THE HOUSE
House Chamber

Mr. President: I have the honor to inform you that the House has refused to concur in the Senate amendment to:

House Bill No. 1036

And the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

House Bill No. 1036

Reps.:

Rep. R. Jacobson

Rep. Thompson

Rep. Mertens

Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr. President: I have the honor to transmit herewith the following on which the House has not adopted the conference committee report and the Speaker has appointed as a new conference committee on:

House Bill No. 1132

Reps.:

Rep. A. Olson

Rep. Dagne Olsen

Rep. E. Pomeroy

Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr. President: I have the honor to transmit herewith the following on which the House has not adopted the conference committee report:

And the Speaker has appointed as a new conference committee:

House Bill No. 1225

Reps.:

Rep. Houmann

Rep. Conmy

Rep. Matchie

Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr President: I have the honor to inform you that the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

Senate Bill No. 2046

Reps.:

Rep. Marsden

Rep. Thompson

Rep. Mertens

Senate Concurrent Resolution No. 4087

Reps.:

Rep. Martinson

Rep. Kretschmar

Rep. Gerl

Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr President: I have the honor to transmit herewith the following:

- House Bill No. 1076
- House Bill No. 1077
- House Bill No. 1084
- House Bill No. 1297
- House Bill No. 1427
- House Bill No. 1443
- House Bill No. 1611
- House Concurrent Resolution No. 3036
- House Concurrent Resolution No. 3045
- House Concurrent Resolution No. 3050

Which the Speaker has signed and your signature is respectfully requested.

ROY GILBREATH, Chief Clerk

CONSIDERATION OF AMENDMENTS

Senator Goodman moved that the amendments to House Bill No. 1199 recommended by the Committee on Finance and Taxation and printed on pages 1635 - 1638 of the Senate Journal be adopted, which motion prevailed.

Senator Goodman moved that the rules be suspended, that House Bill No. 1199 be placed on the calendar, as amended, for second reading and final passage, which motion prevailed.

SECOND READING OF HOUSE BILLS

House Bill No. 1199. — A Bill for an Act to create and enact a new section to chapter 57-38 of the North Dakota Century Code, relating to a simplified optional method of computing state income tax liability; and to provide an effective date.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 50, nays 0, absent and not voting 0.

NORTH DAKOTA SENATE											
REGULAR SESSION						1981 LEGISLATURE					
YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS
● ADAMS			● GROETBERG			● NELSON			● STREIBEL		
● ALBERS			● HANSON			● NETHING			● STROMME		
● BAKEWELL			● HOLMBERG			● OLIN			● TALLACKSON		
● BARTH			● ISZLER			● PARKER			● TENNEFOS		
● BERUBE			● LASHKOWITZ			● PETERSON			● THANE		
● CHRISTENSEN, H. #5			● LEE			● QUAIL			● TIERNEY		
● CHRISTENSEN, R. #M			● LEIBHAN			● REDLIN			● TWETEN		
● CUSSONS			● LIPS			● REITEN			● VOSPER		
● DOTZENROD			● LODOEN			● ROEN			● WALSH		
● DYKSHOORN			● MELLAND			● SHABLOW			● WENSTROM		
● ERICKSON			● MOORE			● SOLBERG			● WRIGHT		
● FRITZELL			● MUTCH			● SORUM			● MR. PRESIDENT		
● GOODMAN			● NAADEN			● STENEHJEM					

So the bill passed and the title was agreed to.

Senator Nething moved that the vote by which House Bill No. 1199 was passed, be reconsidered and the motion to reconsider be laid on the table.

Which motion prevailed.

CONSIDERATION OF AMENDMENTS

Senator Lips moved that the amendments to House Bill No. 1001 recommended by the Committee on Appropriations and printed on pages 1680 - 1685 of the Senate Journal be adopted, which motion prevailed.

Senator Lips moved that the rules be suspended, that House Bill No. 1001 be placed on the calendar, as amended, for second reading and final passage, which motion prevailed.

SECOND READING OF HOUSE BILLS

Which the President has signed.

LEO LEIDHOLM, Secretary

SIGNING OF BILLS AND RESOLUTIONS

The Secretary announced that the President signed the following:

Senate Bill No. 2114
Senate Bill No. 2216
Senate Bill No. 2232
Senate Bill No. 2239
Senate Bill No. 2245
Senate Bill No. 2412

LEO LEIDHOLM, Secretary

MESSAGES TO THE HOUSE

Senate Chamber

Mr. Speaker: I have the honor to transmit herewith the following:

Senate Bill No. 2114
Senate Bill No. 2216
Senate Bill No. 2232
Senate Bill No. 2239
Senate Bill No. 2245
Senate Bill No. 2412

Which the President has signed and your signature is respectfully requested.

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to return herewith the following, which the Senate has amended:

House Bill No. 1001
House Bill No. 1199

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to return herewith the following, which the Senate has amended:

House Bill No. 1009
House Bill No. 1565

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to return herewith the following on which the Senate has adopted the conference committee report:

House Bill No. 1568
Very respectfully,

LEO LEIDHOLM, Secretary

Senate Chamber

Mr. Speaker: I have the honor to return herewith the following, which the Senate has passed unchanged:

House Bill No. 1656
House Concurrent Resolution No. 3005
House Concurrent Resolution No. 3083

LEO LEIDHOLM, Secretary

MOTION

Senator H. Christensen moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1225, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1225:

Senator Stenehjem, Chairman
Senator H. Christensen

Senator Lashkowitz

MESSAGE TO THE HOUSE
Senate Chamber

Mr. Speaker: I have the honor to inform you that the President has appointed as a new conference committee to act with a like committee from the House on:

House Bill No. 1225

Senators:

Senator Stenehjerm
Senator H. Christensen
Senator Lashkowitz
Very Respectfully,

LEO LEIDHOLM, Secretary

MOTION

Senator Lips moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1036, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1036:

Senator Olin, Chairman
Senator Vosper
Senator Tallackson

MESSAGES FROM THE HOUSE

House Chamber

Mr. President: I have the honor to inform you that the House has refused to concur in the Senate amendment to:

House Bill No. 1038
House Bill No. 1060
House Bill No. 1061
House Bill No. 1218

and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

House Bill No. 1038

Reps.:

Rep. Unhjerm
Rep. Lipsiea
Rep. Solberg
House Bill No. 1060

Reps.:

Rep. Wentz
Rep. Kretschmar
Rep. E. Pomeroy
House Bill No. 1061

Reps.:

Rep. Wentz
Rep. Kretschmar
Rep. E. Pomeroy
House Bill No. 1218

Reps.:

Rep. Boyum
Rep. Black
Rep. Heigaard
Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr. President: I have the honor to return herewith the following:
Senate Bill No. 2114

● BARTH	● ISZLER	● PARKER	● TENNEFOS
● BERUBE	● LASHKOWITZ	● PETERSON	● THANE
● CHRISTENSEN, H. #5	● LEE	● QUAIL	● TIERNEY
● CHRISTENSEN, R. #36	● LEIBHAN	● REDLIN	● TWETEN
● CUSSONS	● LIPS	● REITEN	● VOSPER
● DOTZENROD	● LODDEN	● ROEN	● WALSH
● DYKSHOORN	● MELLAND	● SHABLOW	● WENSTROM
● ERICKSON	● MOORE	● SOLBERG	● WRIGHT
● FRITZELL	● MUTCH	● SORUM	● MR. PRESIDENT
● GOODMAN	● NAADEN	● STENEHJEM	

So the bill passed, the title was agreed to, and the emergency clause carried.

Senator Lips moved that the amendments to House Bill No. 1011 recommended by the Committee on Appropriations and printed on pages 1687, 1688 of the Senate Journal be adopted, which motion prevailed.

Senator Olin moved that the rules be suspended, that House Bill No. 1011 be placed on the calendar, as amended, for second reading and final passage, which motion prevailed.

House Bill No. 1011. — A Bill for an Act making an appropriation for defraying the expenses of the state penitentiary and various divisions thereof of the state of North Dakota; and declaring an emergency.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 48, nays 2, absent and not voting 0.

NORTH DAKOTA SENATE											
ROLL-CALL											
REGULAR SESSION						1981 LEGISLATURE					
YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS
● ADAMS			● GROETBERG			● NELSON			● STREIBEL		
● ALBERS			● HANSON			● NETHING			● STROMME		
● BAKEWELL			● HOLMBERG			● OLIN			● TALLACKSON		
● BARTH			● ISZLER			● PARKER			● TENNEFOS		
● BERUBE			● LASHKOWITZ			● PETERSON			● THANE		
● CHRISTENSEN, H. #5			● LEE			● QUAIL	●		● TIERNEY		
● CHRISTENSEN, R. #36			● LEIBHAN			● REDLIN			● TWETEN		
● CUSSONS			● LIPS			● REITEN			● VOSPER		
● DOTZENROD			● LODDEN			● ROEN			● WALSH		
● DYKSHOORN			● MELLAND			● SHABLOW			● WENSTROM		
● ERICKSON			● MOORE			● SOLBERG			● WRIGHT		
● FRITZELL			● MUTCH			● SORUM			● MR. PRESIDENT	●	
● GOODMAN			● NAADEN			● STENEHJEM					

So the bill passed, the title was agreed to, and the emergency clause carried.

Senator Lips moved that the amendments to House Bill No. 1013 recommended by the Committee on Appropriations and printed on page 1688 of the Senate Journal be adopted, which motion prevailed.

Senator Melland moved that the rules be suspended, that House Bill No. 1013 be placed on the calendar, as amended, for second reading and final passage, which motion prevailed.

House Bill No. 1013. — A Bill for an Act making an appropriation for defraying the expenses of the state hospital of the state of North Dakota; and declaring an emergency.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 50, nays 0, absent and not voting 0.

NORTH DAKOTA SENATE											
ROLL-CALL											
REGULAR SESSION						1981 LEGISLATURE					
YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS
● ADAMS			● GROETBERG			● NELSON			● STREIBEL		
● ALBERS			● HANSON			● NETHING			● STROMME		
● BAKEWELL			● HOLMBERG			● OLIN			● TALLACKSON		

● BARTH	● ISZLER	● PARKER	● TENNEFOS
● BERUBE	● LASHKOWITZ	● PETERSON	● THANE
● CHRISTENSEN, H. JS	● LEE	● QUAIL	● TIERNEY
● CHRISTENSEN, R. JM	● LEIBMAN	● REDLIN	● TWETEN
● CUSSONS	● LIPS	● REITEN	● VOSPER
● DOTZENROD	● LODDEN	● ROEN	● WALSH
● DYKSHOORN	● MELLAND	● SHABLOW	● WENSTROM
● ERICKSON	● MOORE	● SOLBERG	● WRIGHT
● FRITZELL	● MUTCH	● SORUM	● MR. PRESIDENT
● GOODMAN	● NAADEN	● STENEHJEM	

So the bill passed, the title was agreed to, and the emergency clause carried.

Senator Nething moved that the Senate stand in recess until 1:00 p.m., which motion prevailed.

The Senate reconvened, with President Sands presiding.

Senator Olin moved that consideration of the amendments of House Bill No. 1039 be placed at the bottom of the 6th Order of Business, which motion prevailed.

Correction and Revision of The Journal

Mr. _____ President _____ Your Committee on Revision and Correction of the Journal has carefully examined the Journal of the _____ Fifty-fifth _____ day and finds the same to be correct.

_____ Chairman
 _____ Senator Tennefos
 _____ Senator Sorum _____ moved that the report be adopted, which motion prevailed.

**MESSAGE FROM THE HOUSE
 House Chamber**

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendments to:

- House Bill No. 1003
- House Bill No. 1005
- House Bill No. 1006
- House Bill No. 1007
- House Bill No. 1010
- House Bill No. 1012
- House Bill No. 1014
- House Bill No. 1016
- House Bill No. 1019
- House Bill No. 1022
- House Bill No. 1023
- House Bill No. 1024
- House Bill No. 1029
- House Bill No. 1030
- House Bill No. 1031

and subsequently passed the same.

Very respectfully,

ROY GILBREATH, Chief Clerk

MOTION

Senator Nething moved that the Senate reconsider its action whereby Senate Bill No. 2323 passed, which motion prevailed.

SECOND READING OF SENATE BILLS

Senate Bill No. 2323. — A Bill for an Act relating to the taxation of property at true and full value, the assessment of agricultural land, protection of taxpayers and taxing districts for certain years, and

statements of full consideration; to create and enact five new subsections to section 57-02-01 of the North Dakota Century Code, relating to definitions; to amend and reenact sections 57-02-11, 57-02-27, and 57-02-28, subsection 1 of section 57-13-04, and section 57-55-04 of the North Dakota Century Code, relating to the annual assessment of property at true and full value, the basis for the computation of property taxes, the powers and duties of the state board of equalization, and the taxation of mobile homes; to provide a penalty; to provide an effective date; and to declare an emergency.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were ayes 39, nays 11, absent and not voting 0.

NORTH DAKOTA SENATE											
REGULAR SESSION			ROLL CALL						1981 LEGISLATURE		
YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS	YEAS	N-V	NAYS
● ADAMS			● GROETBERG			● NELSON			● STREIBEL		
● ALBERS			HANSON		●	● NETHING			● STROMME		●
● BAKEWELL			● HOLMBERG			● OLIN			● TALLACKSON		
BARTH		●	● JSZLER			● PARKER			● TENNEFOS		
BERUBE		●	LASHKOWITZ		●	● PETERSON			● THANE		
● CHRISTENSEN, H. #5			● LEE			● QUAIL			● TIERNEY		●
● CHRISTENSEN, R. #36			● LEIBHAN			● REDLIN		●	● TWETEN		
● CUSSONS			LIPS		●	● REITEN			● VOSPER		
● DOTZENROD			LODOEN		●	● ROEN			● WALSH		●
● DYKSHOORN			● MELLAND			● SHABLOW		●	● WENSTROM		
● ERICKSON			● MOORE			● SOLBERG			● WRIGHT		
● FRITZELL			● MUTCH			● SORUM			● MR. PRESIDENT		
● GOODMAN			● NAADEN			● STENEHJEM					

So the bill passed, the title was agreed to, and the emergency clause carried.

EXPLANATION OF VOTES

Senator Holmberg: Mr. President, I rise to explain my vote. I was not in favor of Senate Bill No. 2323, but in the spirit of the fact that we do have an emergency situation in which assessing is going to begin, I felt it important that we put into law at this time, a bill dealing with property tax; therefore I did support this vote on Senate Bill No. 2323 for the emergency clause purposes.

Senator Stenehjelm: Mr. President: I rise to explain my vote. I voted against the bill yesterday, but I voted for it today so that the emergency clause would carry.

MESSAGE TO THE HOUSE

Senate Chamber

Mr. Speaker: I have the honor to inform you that the Senate has concurred in the House amendment to:

Senate Bill No. 2323

Very respectfully,

LEO LEIDHOLM, Secretary

MOTION

Senator Nething moved that the following report of the chairman of the committee to investigate operations in the Insurance Commissioner's office be printed in the Journal, which motion prevailed.

**STATEMENT OF SENATOR STREIBEL, CHAIRMAN
SELECT SENATE COMMITTEE TO
INVESTIGATE INSURANCE DEPARTMENT**

Mr. President and members of the Senate, your Select Committee

established by Senate Resolution No. 1, operating under the limited time constraint of sixteen legislative days, has concluded its work. The report has been filed with the Secretary of the Senate and will be dis-

tributed to the desks of the members of the Senate.

The Select Committee held five meetings and conducted its business within the framework of Chapter 54-03.2 of the North Dakota Century Code which relates to the conduct of legislative investigations. The Select Committee called, and took testimony from, seven witnesses.

Your Select Committee chose to limit its inquiry to the following specific areas:

- 1) The Insurance Departments use of Wide Area Telephone Service (WATS) and the Combined Automatic Telecommunications System (CATS) for the months of November and December, 1980.
- 2) The Insurance Departments hiring policy, qualifications of personnel hired, job classification, contracts, working papers, consultant reports and dollars spent for the months of November and December, 1980.
- 3) The Insurance Departments activity in organizing a statewide program to promote the Saskatchewan Health Care Plan.
- 4) A review of the Audit Report of the Insurance Department by the State Auditor for the years ended June 30, 1979, 1978 and 1977.

With regard to the Insurance Departments use of the Wide Area Telephone Service (WATS) and the Combined Automatic Telecommunications System (CATS) for the month of December, 1980 we discovered:

- 1) A proliferation of telephone use, post election, November 1980.
- 2) Phone calls from the Insurance Department to the residences of relatives of the Insurance Commissioners family.
- 3) Dozens of phone calls from the Insurance Department made on Christmas Day, 1980 and New Years Day, 1981.
- 4) Innumerable phone calls made after 8:00P.M. and many as late as 11:00P.M. with some approaching the mid-night hour.
- 5) Countless calls made on week-ends and legal state holidays.

Your Select Committee made a cursory check of the type of phone calls made during the month of December, 1980 by the Insurance Department. The Director of Institutions, upon the request of the Committee, provided a computer print out of calls made and Northwest Bell Telephone Company, likewise at the request of the Committee, provided the names attendant to the telephone numbers listed. The sampling check revealed the following:

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- 1) A goodly number could not recall receiving any phone call which your Committee considered quite unusual for several reasons ---
 - a - If an inquiry or complaint on behalf of either the Department or the taxpayer had indeed been registered it is extremely unusual that the individual would have no recollection of same.
 - b - The incident of an individual taxpayer receiving a call from a department of state government, and in this case from a constitutional office, is not an everyday occurrence and should have a "memory recall" longevity exceeding three months.
- 2) A sampling of responses the Committee received by respondents to the check survey were ---
 - a - Complete denial that a call had been received.
 - b - Uncertain as to whether or not a call had been received.
 - c - Maybe the husband received the call --- perhaps the wife.
 - d - Thinks there was a call --- male voice.
 - e - Thinks there was a call --- female voice.
 - f - Many could not recall what, if any, insurance business had been discussed.

Your Select Committee was also appraised that a certain House of Representatives floor phone, or phones, was being used by the former Insurance Commissioner. The computer print out from the Director of Institutions reveals numerous calls on Sundays and late night hours. The former Insurance Commissioner was seen on numerous occasions using certain floor phones or phone, in the House Chambers during week-ends and late night hours. The former Insurance Commissioner was also detected indiscriminately using copying machines of the Legislative Assembly. A copy of a memorandum dated March 18, 1981 from the Majority Floor Leader of the House of Representatives to the Chief Clerk and all employees of the House of Representatives accompanies your Select Committees report and reads as follows:

"It has come to my attention through several complaints that former Insurance Commissioner Byron Knutson is using House property for his own personal use. This includes the telephones and copying machines. All House property is to be used exclusively by the members of the Legislature, and employees on behalf of Legislative members. Please report to the Chief Clerk immediately

any violations of this policy."

The Insurance Departments hiring policy and lack of concern for qualifications of personnel hired undoubtedly was the most salient part of your Select Committees inquiry. There appeared to be an almost complete disregard for professional expertise with total emphasis on "political cronies". Attest the following:

- 1) A certain Robert Lamb of Michigan, North Dakota, hired for "consulting services" as stated on an Insurance Department voucher dated December 22, 1980. and signed by former Commissioner Knutson, for a period of less than one month at a fee of \$2,380.00. Mr. Lamb's contractual agreement called for him to arrange for a series of open meetings throughout North Dakota featuring Orville Hjertaas, MD, a surgeon and general practitioner from Prince Albert, Saskatchewan, to lecture on the the Saskatchewan Health Care Plan. Mr. Lamb had been retained for his services in the 1980 elections.
- 2) A certain Les Witkowski, age 22, graduate of Dickinson State College in May 1980 with a bachelor's degree in Social Science hired for "consulting services" from May 1980 to November 1980, from November 3, 1980 through November 26, 1980 for a retainer of \$1,080, from December 1, 1980 through December 31, 1980 for a retainer of \$1,380.00 --- all for services performed on "Human Service Transportation Insurance Systems". Eight months time to ascertain whether or not there was "rate" abuse on Senior Citizen buses conducted by a young man with no actuary or rate experience whatsoever.
- 3) A certain Paul W. Hoag, present address Kansas City, Kansas, signed an agreement for consulting services on December 26, 1980, a legal state holiday, through December 31, 1980 for a retainer fee of \$550.00.
- 4) A certain Karen Knutson, age 27, graduate of the University of North Dakota with a BA degree in business administration hired for consulting services during the month of December while also on the University of North Dakota payroll as a teaching assistant. Insurance Department purchased, through Satrom Travel and Tour, a round trip, Grand Forks to Bismarck, airline ticket in the amount of \$108.00 which Ms. Knutson used December 17th to fly from Grand Forks to Bismarck, returning to Grand Forks after

the holidays.

- 5) A certain Maggie Davis, education two years of High School, residing in Bismarck contracted for "certain valuable services, namely distribution of information --- ". Mrs. Davis stated she did not sign a contract with the Insurance Department and that during the period of December 10, 1980 through December 31, 1980 she was at no time physically present in the Insurance Department but did the work at her home. Her work consisted of addressing 777 envelopes and "stuffing" them with Saskatchewan Health Care Plan literature prepared by the former Insurance Commissioner with a cover letter attentioning time and place of informational meetings throughout the state. She received \$87.50 for her services.

In an attempt to justify the vouchers in question which totalled some \$12,595.75 and the last minute "flurry" of hiring "so-called" consultants, with 258 telephone calls made after 6:00P.M. during the month of December, all of them after December 15th, with a goodly number of them made on Christmas Eve, Christmas Day, New Year's Eve and New Year's Day, with 134 calls being made on December 31st and New Year's Day, thirty of which were made after 6:00P.M. on New Year's Eve. Witness after witness attempted to lend credibility to this "last minute flurry" of activity in the Department with statements such as:

- 1) The Commissioner wanted as many claims as possible processed before he left office.
- 2) The Commissioner explained to the staff that the work left behind by his predecessor had been a major burden when he took office in January 1977.
- 3) The Commissioner was determined to do a good job of transition.

Here is what the record shows. All files, documents, records, papers, claims, applications and data, by order of the former Commissioner, had been ordered removed from the premises of the Insurance Department and transferred to the State Historical Society. There was not even a copy of the Audit report of the Department on file --- the incoming Commissioner made a formal request of the State Auditor to procure a copy. The testimony received during the inquiry completely belied the fact. The attempt on the part of the witnesses, who were former employees of the Department, to justify a flurry of activity in December 1980 was not only grossly incon-

sistent but bordered on an attempt to orchestrate blatant disregard for fact.

A substantial amount of the accelerated activity in the Department during the month of December 1980 centered around the former Commissioners mid-night hour attempt to promote the Saskatchewan Health Care Plan. Expenditures of taxpayers dollars to hire "so called" consultants, proliferation of WATS and CATS phone calls to every corner of the state, publication costs of promotion pamphlets, contracting for a Canadian doctor to tour the state, hiring an individual, who had been actively involved in the campaign just concluded, for \$2,380.00 to arrange for meetings, hiring individuals outside the Department to "stuff" and address envelopes --- can only be construed as a blatant disregard, not only for the expeditious expenditure of tax dollars, but also for "Legislative Intent" of the budget for the Insurance Department which was approved by the 1979 Session of the Legislature.

Perhaps even more disconcerting is the utter disregard for the views of the people of North Dakota who in the General Election on November 7, 1978 voting on an Initiated Measure, promoted by the same former Insurance Commissioner, relating to Health Care Cost Control, overwhelmingly defeated same --- Yes - 54,060, No - 169,823 --- a margin of better then three to one.

The Audit Report of the Insurance Department which was submitted June 4, 1980 and covered the fiscal years of 1977, 1978 and 1979 spotlights in glaring fashion the lack of concern on the part of the former Commissioner to abide by certain long established administrative practices in the field of insurance. Attest the following excerpts taken from the Audit Report:

- 1) The Insurance Department has not provided formal training to the examiners for over three years.
- 2) In May 1977, the Department's life and health actuary resigned. The Department hired an individual for this position having no previous actuarial, accounting or statistical experience or background.
- 3) The Department adopted the practice of denying rate increases to any company having less than a 60% loss ratio in the previous year. Loss ratios should be considered over a five year period to allow for fluctuation in losses, especially hail and casualty insurance.
- 4) There was no recording of complaints by company in relation to premium volume. Therefore, no reliable comparison of companies with poor claim practices can be obtained by the insured public

from our Insurance Department.

- 5) One of the primary purposes of insurance regulation should be the protection of the interests of the public. No data is available on the types and reasons of unfair claim practices by agents and companies. In addition, little action to suspend or revoke agent and company licenses can be taken because documentation to support the action is not available. For example, Wisconsin levied 163 penalties against agents and 47 against companies in 1978. North Dakota, whose Commissioner professed to be a strong advocate for the consumer, levied only 1 legal action against a company and only 2 against agents in the four year term served.
- 6) The Department took an average of seven and one-half months to process applications of insurance firms desiring to do business in North Dakota when the usual office routine would allow the same to be expedited in several weeks.

There were 20 recommendations made as a result of the performance portion of the audit. When the auditors returned to the Insurance Department on their six month follow-up review, they found that the former Commissioner had not implemented any of the recommendations. The only conclusion one can draw is that the former Commissioner placed a higher priority on spending tax dollars to promote a socialized form of insurance than he did on regulating the insurance industry and protecting the consumer who pays the insurance premium bill. Had these recommendations been implemented by the Department the auditors estimated a savings of \$360,000 would accrue.

A review of rate increases during the period of January 1, 1977 to January 1, 1981 reveals extremely large rate increases were allowed by the Department. An example, in the category of "builder risk fire rates" as issued by ISO and that have to be used as a basis by companies doing business in North Dakota. The rates we are using are those charged in Bismarck, North Dakota in comparison to a similar city in Montana with the same fire protection rating as filed effective June 1, 1977.

	North Dakota	Montana
Frame building	1.929	.604

An example, in the category of "basic fire rates" effective June 1, 1977, again comparing similar cities in South Dakota and Montana, reveals:

North Dakota	South Dakota	Montana
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Masonary Churches	.50	.228	.148
Schools	.435	.133	.264

In the case of "builder risk fire rates" we observe North Dakota's rate for frame buildings were 319% greater than Montana's.

In the case of "basic fire rates" we observe North Dakota's rate for Masonary Churches were 219% higher than South Dakota's and 338% higher than Montana's. Basic fire rate coverage for schools reveals North Dakota's rates were 327% higher than South Dakota's and 165% higher than Montana's.

These rate comparisons gave your Select Committee little indication that the former Insurance Commissioner had all that much concern about the consumer. In fact just the opposite appears to be the case when North Dakota's rates are compared with its sister states and the comparisons show North Dakota three to four hundred percent higher. The insurance consumer of North Dakota was the "forgotten man"!!!

The conclusions of your Select Committee are:

- 1) Tax dollars were spent by the former Insurance Commissioner for telephone calls that had no relevance to the regulation of the insurance industry in North Dakota or the protection of North Dakotas consumer interests.
- 2) The former commissioners use of legislative floor phones and copying equipment not only borders on illegal action but is an extension of his total disregard for proper expenditure of state funds.
- 3) The former commissioners "flurry" of hiring so-called consultant in the month of December 1980, with no academic or work experien was undoubtedly the most flagrant violation of professional administrative standards.
- 4) The former commissioner exhibited a most obvious and glaring inconsistency when witness after witness testified that the reason for the accelerated activity in the department in Decembe 1980 was to provide for an orderly transition and process as many claims before he left office so his successor would not have the major burden of unfinished work he had when he took office in January 1977. The former Commissioner then promptly order@d all files, documents, records, papers, claims, applications and data removed from the premises of the Department to the State Historical Society.
- 5) The all out attempt on the part of the former Commissione

with the expenditure of thousands of tax dollars, in a mid-night hour attempt to promote the Saskatchewan Health Care Plan throughout North Dakota has no modern parallel in the government of our state. Of special note is the consideration that the voters spoke in an overwhelming voice just two years previous in opposition by a better than three to one margin.

- 6) The former Commissioners utter disregard of the Audit Report and total failure to implement even one of the twenty recommendations either underlines his total lack of concern for the implementation of good management practices in the department or it emphasizes his lack of ability to indeed administer the business affairs of the Department of Insurance.

The recommendations of your Select Committee are:

- 1) The implementation of a stricter enforcement and monitoring system of the indiscriminate use of the WATS and CATS system by departments of state government including the Legislature.
- 2) The establishment of a disciplined review and monitoring capability with regard to consultant hiring, resume and/or vita filing for any and all positions to be filled in state government and appropriateness of job classification thereto.
- 3) The development of an enforcement policy, by Administrative Rule, with regard to implementation of recommendations of audits, particularly in the area of performance review --- thereby prohibiting a complete disregard of recommendations by the department as was the case with the former Commissioner of Insurance.
- 4) Commission the Chairman of the Legislative Council to assign to an interim committee of the Council, the task of reviewing and recommending measures and legal actions that should be established by statute to deal with flagrant misuse of the public trust by employees, officials or departments of state government.

Subsequent to its final hearing, the committee was apprised of the fact that the former Insurance Commissioner and/or members of his staff placed calls on departmental telephones on January 1, 1981. According to an official Attorney General's Opinion dated December 24, 1980 to Mr. Dean L. Conrad, Director of the Department of Accounts and Purchases, the

present Insurance Commissioner, having filed his oath of office and certificate of election with the Secretary of State, became the incumbent of the office of Insurance Commissioner on the earliest moment of January 1, 1981. When the telephone calls in question were made, a transfer of office had already taken place. We pose the question, were there indeed violations of state law and should there be prosecution of such violations? The former Insurance Commissioner was no longer a constitutional officer of the state of North Dakota. A check of the "Night Register" of those entering the Capitol Building after business hours on December 31, 1980, a copy of which is included with the Committee Report, shows the former Commissioner entered the building on two separate occasions. One of the time entries has been tampered with by erasure and by overinscription. Your Committee would suggest that this tampering be investigated by state authorities. What is clearly evident, however, is the fact that the former Commissioner was indeed in the building on January 1, 1981. If the former Commissioner or any of his employees conducted business for the State of North Dakota when he was no longer Insurance Commissioner, without the knowledge and consent of Commissioner Wigen, we do indeed have cause to evidence our concern. We feel it is our obligation to the people of North Dakota to make these facts known.

For the information of the Senate, and perhaps more importantly for the media and the citizenry who believe we have spent thousands of dollars in conducting the inquiry, please be advised, one and all, this Select Committee cost the taxpayers of North Dakota less than \$200.00. Quite a contrast to the former Insurance Commissioners failure to implement audit report recommendations, in performance review, that have cost the taxpayer, by auditor estimates, some \$360,000.

Your Select Committee is in unanimous accord, and trustfully hope, that the inquiry serve as a reminder that we are indeed "stewards of the tax dollar" and it is incumbent upon each one of us to daily remind and admonish ourselves to strive diligently to uphold that trust.

Byron Streibel

Submitted by

Senate Select Committee
Senator Streibel, Chairman

Byron Streibel

Senator Streibel

Chairman

Senator Streibel moved that the report be adopted, Senator Redlin moved that the adoption of the report be laid over one legislative day, which motion prevailed.

POINT OF PERSONAL PRIVILEGE

Senator Grotberg: Mr. President, I rise on a point of personal privilege and request my remarks be printed in the Journal. Mr. President, I would like the record to show that in the time we have had to operate as far as this committee is concerned, there was not one meeting called to let us review in concert as a committee, the findings or development of the summary of this report. On that basis I have a report that I would like to offer. I would have liked to have reviewed it first with some of the members of the Minority group, but Mr. President, members of the Senate, Senate Resolution No. 1 created a select committee to investigate the administration and the operation of the North Dakota Insurance Department. Mr. President, the committee pursued its responsibility and within the time frame allowed, brought forth the information just presented to you and the Senate by Chairman Streibel. The Minority offers no challenge to the statement presented; however the report does not address specifically some important aspects inherent in all of us that would be our individualism or if you will, our humanistic traits. In our democratic process those citizens who have the desire may seek public office, and that office is not to be denied. We do after our election, take an oath of office stating that we will accept the charge of the responsibility of that office to the best of our ability. I submit to the members of the Senate that after an election, we all review the names of those newly elected persons and occasionally find a name that causes us to say the least, "draw a quick breath." We as proud members of this body review the action between committees and again occasionally draw the same quick breath. Perfection is difficult to achieve. The report of the select committee was to review certain activities of the Insurance Department, especially during the month of December 1980. An audit report of prior years brought forth several recommendations that would suggest improvements. The Crime Bureau report revealed no criminal intent on the part of Mr. Knutson, and the \$12,595 referred to in several expenditures was not, in my opinion, proven to be totally unjustified. Ladies and gentlemen of the Senate, it has been stated that the costs of this investigation will approach \$60,000 to \$70,000. The report further does not give credit to returning to the State General Fund some \$98,000 plus at the end of the 1979 biennium which can hardly embrace the meaning of such words as "blatant" and "flagrant." It has also been stated that the investigation is a waste of the taxpayers money. I believe that the Minority would concur with that comment. I think in conclusion that the report of the committee would admonish each and every elected official including senators to set forth meaningful job descriptions of all the departments and well defined in-house rules if you will under which each department shall function unless the budget constrictions require otherwise. I have a feeling, that when we were appointed as members to that committee, we undertook to do our job within the rules set forth that the rules were quite strict, there was no one who went to that committee in eagerness, that I know of, yet we did in our opinion, come up with a report that I feel is in order or in line with the requests presented to us.

POINT OF PERSONAL PRIVILEGE

Senator Redlin: Mr. President, members of the Senate, my first observation would be that I am disappointed that this was moved up on

the schedule of operations this afternoon, because I had been led to believe that it would take place not prior to 4:00 and I had so informed the members of our delegation on the Minority side. However, we are in the middle of it, I am disappointed too that we have not received a copy of the report, at least it hasn't arrived at my desk yet, and how in the world are we to discuss the features of something that is not before us in print? My understanding is and I haven't got that clear yet, precisely, who is submitting this report, is it all five members, is it the chairman, were the Minority members consulted, and did they hold a final report meeting wherein they reviewed the report that is supposed to be the product of all the committee members? These are all questions in my mind and they leave me with great disappointment, because I would hope that this kind of a procedure would be avoided. I am disappointed in this type of procedure because we have nothing before us on which to comment, we have nothing in writing at all. The other disappointment I want to register is the fact that I am told, the press has had this for an hour or more already and knows all about it. I wish the senators would be able to be as well informed at least as the press when things come before this body that we may wish to discuss. As I understand it this is a matter of information now. It is available to us and each member of the Senate will deal with it in the manner in which they believe to be correct and accurate. I have seen no suggestion of legislation come out of the committee, and apparently none is to come forth. I am hopeful that in the future, with this kind of a report every senator will be given a report to review it and study it so that they can be in a position to make comments on it and ask questions about it so that they can be further illuminated as to what it contains. This is not my privilege now because I have no text to work with and am disappointed in that.

POINT OF PERSONAL PRIVILEGE

Senator Streibel: Mr. President, I feel compelled to answer some of the queries posed by the Senator from the 40-50 District. With regard to time for review, the reports were given to the seven members of the committee yesterday afternoon, with a memo requesting that they read them, scrutinize the report, add their comments or their additions or deletions to it, and return them. That was done to the committee members, and the reason it was done only to committee members is very obvious. Why there are no copies of the report on your desks, there are two reasons. One was a selfish one, I figured you would listen to me a little better, and the second and more important, was that by committee motion, we determined not to distribute any information until the report was delivered, and a portion of that was my delivery to you. That was the motion of my committee. All seven signed the report, and with regard as to why the press was given it before you were, the press was given it under the strict stipulation that it not be released until the evening news, which was after the Senate would receive it.

POINT OF PERSONAL PRIVILEGE

Senator Redlin: Mr. President, members of the Senate, I am compelled to indicate, because I received notice from my office, that I did not receive this copy in the office and I would be very surprised had I received it, had not my secretary or staff brought it to my attention immediately. They have sent me a note that, and I am only suggesting that on that part of it, it may have been an error, and I will admit that, but the point is, we did not have the information before us and I am disappointed in that very much. I might also say that there

are those who have been monitoring broadcasts, and I have been informed and I believe reliably, that some of this information is already out on the air waves. This is a long time before the evening newscast in my opinion, and I believe that therein, leaves us in a situation wherein the wrong kind of judgments can be made relative to the reason for doing what we are doing. I think regardless of one's conclusions regarding this, that we must be more careful in procedural matters so that the purposes intended by whatever we do are more easily accomplished.

Report of Procedural Committee

MR. PRESIDENT:

Your committee on Enrollment and Engrossment respectfully report that they have examined the following bills:

Senate Bill No. 2021
 Senate Bill No. 2061
 Senate Bill No. 2068
 Senate Bill No. 2118
 Senate Bill No. 2135
 Senate Bill No. 2142
 Senate Bill No. 2149
 Senate Bill No. 2184
 Senate Bill No. 2187
 Senate Bill No. 2202
 Senate Bill No. 2230
 Senate Bill No. 2247
 Senate Bill No. 2274
 Senate Bill No. 2301
 Senate Bill No. 2308
 Senate Bill No. 2322
 Senate Bill No. 2338
 Senate Bill No. 2356
 Senate Bill No. 2377
 Senate Bill No. 2419
 Senate Bill No. 2424
 Senate Concurrent Resolution No. 4002
 Senate Concurrent Resolution No. 4004
 Senate Concurrent Resolution No. 4008
 Senate Concurrent Resolution No. 4043
 Senate Concurrent Resolution No. 4085

and find the same correctly } Enrolled


 Stella Fritzell
 Chairman

Senator Bakewell

moved that the report be adopted, which motion prevailed.


The committee on Enrollment and Engrossment respectfully reports that:

~~Senate Bill No. 2114~~
~~Senate Bill No. 2216~~
 Senate Bill No. 2232
~~Senate Bill No. 2239~~
 Senate Bill No. 2245
~~Senate Bill No. 2412~~

were delivered to the } Governor

for his approval

on March 25, 1981.


 Stella Fritzell Chairman
"BY BIRTH OF OUR PRODUCTS"

MOTIONS

Senator Lips moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1038, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1038:

Senator Lips, Chairman
 Senator Wenstrom
 Senator Tallackson

Senator H. Christensen moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1060, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1060:

Senator H. Christensen, Chairman
 Senator Stenehjøm
 Senator Stromme

Senator H. Christensen moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1061, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1061:

Senator H. Christensen, Chairman
 Senator Stenehjøm
 Senator Stromme

Senator H. Christensen moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1218, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1218:

Senator Stenehjøm, Chairman
 Senator H. Christensen
 Senator Stromme

MESSAGE FROM THE HOUSE

House Chamber

Mr. President: I have the honor to return herewith the following, which the House has amended:

Senate Bill No. 2438

ROY GILBREATH, Chief Clerk

HOUSE AMENDMENTS TO SENATE BILL NO. 2438

On page 2, line 4, after the word "land" and before the period insert the following: "provided that this exception shall only apply to so much agricultural land as is reasonably necessary for industrial purposes"; and after the word "corporation" insert the following: "which owns agricultural land for industrial purposes but which discontinues using the land for industrial purposes"

On page 2, line 5, delete the word "agricultural" and insert in lieu thereof the word "the" and delete the words "acquired for an industrial site"

On page 2, line 6, after the numeral "10-06" delete the comma and insert in lieu thereof the following: "A foreign corporation shall dispose of agricultural land acquired for industrial purposes within one year after acquisition"

And renumber the lines accordingly

House Chamber

Mr. President: I have the honor to inform you that the House has concurred in the Senate amendments to:

House Bill No. 1105

House Bill No. 1190

House Bill No. 1444

House Bill No. 1466

House Bill No. 1648

and subsequently passed the same.

Very respectfully,

ROY GILBREATH, Chief Clerk

Senator Nething moved that the Senate recess until 4:00 p.m., which motion prevailed.

The Senate reconvened, with President Sands presiding.

POINT OF PERSONAL PRIVILEGE

Senator Tweten: Mr. President, I rise on a point of personal privilege and request my remarks be printed in the journal.

Last night the North Dakota Music Educators Association sponsored the fifteenth annual all-state band, orchestra and chorus concert at Mary College.

This select group of 335 band, orchestra and chorus students, representing 75 towns in North Dakota, was chosen for their ability through auditions and judged by outstanding authorities in each class.

Our sports oriented society seldom fails to recognize outstanding athletes. Here is our opportunity to recognize 335 of North Dakota's outstanding high school musicians who have spent two solid days rehearsing for the all-state band, all-state orchestra and the all-state chorus. As is usual for all-state students, they did a bang-up job at their grand concert last night at Mary College.

I would suggest to the Senate we give a hand to these 335 outstanding high school musicians and their directors for this achievement.

MESSAGE FROM THE HOUSE

House Chamber

Mr. President: I have the honor to inform you that the House has refused to concur in the Senate amendment to:

House Bill No. 1050

And the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

House Bill No 1050

Reps.:

Rep. Dagne Olsen

Rep. Hedstrom

Rep. E. Pomeroy

Very respectfully,

ROY GILBREATH, Chief Clerk

House Chamber

Mr. President: I have the honor to inform you that the House has reconsidered its action whereby it did not concur with the Senate amendments to House Bill No. 1095, and now wishes to inform you that it does concur in the Senate amendments to House Bill No. 1095, and

subsequently passed the same. Also, the House has dissolved the House conference committee on House Bill No. 1095.
 Very respectfully,

ROY GILBREATH, Chief Clerk

CONSIDERATION OF AMENDMENTS

Senator Melland moved that the amendment to House Bill No. 1341 be amended as follows:

On page 1, lines 23, 27 and 33, delete the figure \$410,000,000 and insert in lieu thereof the figure \$400,000,000

Senator Melland moved that the amendment to the amendment be adopted, which motion prevailed.

Senator Berube moved that the amendment to House Bill No. 1341 be amended as follows:

On page 2 of the bill, move International peace garden Superintendent's residence and utility lines 85,000 to the top of the list of the institutions.

Senator Berube moved that the amendment be adopted, which motion prevailed.

Senator Melland moved to further amend the amendment to House Bill No. 1341 as follows:

On page 1 of the bill, lines 13 and 20, delete the figure 350,000,000 and insert in lieu there of the figure 348,500,000,

On page 2 of the bill, the agencies, departments or institutions shall be as follows:

1 -	International peace garden	Superintendent's residence and utility lines	\$ 85,000
2 -	Minot state college	Complete athletic facility	400,000
3 -	School for the deaf	Activities building	869,000
4 -	Dickinson state college	Multipurpose arena	990,000
5 -	Northern crop intitute North Dakota state university	New facility	1,500,000
6 -	University of North Dakota	Physical education facility addition	6,000,000
7 -	State hospital	Ward building	8,000,000
8 -	North Dakota state	Computer center addition	1,270,000
9 -	State school of science	Agricultural mechanics and welding building	1,875,000
10-	State fair association	Exhibition building	1,200,000
			\$22,189,000

Senator Melland moved that the amendment to the amendments be adopted, which motion prevailed.

Senator _____ Lips _____ moved that the amendments to

admirably shown a point of appreciation of Coach Brown. We can all be proud of "Ookie" Hammond and Dale Brown and I am proud to have these remarks in the record. Thank you.

MESSAGE FROM THE HOUSE
House Chamber

Mr. President: I have the honor to transmit herewith the following on which the house has adopted the conference committee report and the Speaker has appointed as a new conference committee on:

House Bill No. 1132

Reps.:

Rep. A. Olson
Rep. Dagne Olsen
Rep. E. Pomeroy
House Bill No. 1230

Reps.:

Rep. Wentz
Rep. Boyum
Rep. Berger
Very respectfully,

ROY GILBREATH, Chief Clerk
MESSAGES TO THE HOUSE
Senate Chamber

Mr. Speaker:

I have the honor to inform you that Senator Dykshoorn is to replace Senator Erickson on the conference committee on House Bill No. 1154.

Very respectfully,

LEO LEIDHOLM, Secretary
Senate Chamber

Mr. Speaker: I have the honor to inform you that the President has appointed as a conference committee to act with a like committee from the House on:

House Bill No. 1038

Senators:

Senator Lips
Senator Wenstrom
Senator Tallackson
House Bill No. 1060

Senators:

Senator H. Christensen
Senator Stenehjem
Senator Stromme
House Bill No. 1061

Senators:

Senator H. Christensen
Senator Stenehjem
Senator Stromme
House Bill No. 1218

Senators:

Senator Stenehjem
Senator Christensen
Senator Stromme
Very respectfully,

LEO LEIDHOLM, Secretary
Senate Chamber

Mr. Speaker: I have the honor to inform you that the President has appointed as a conference committee to act with a like committee from

the House on:

House Bill No. 1036

Senators:

Senator Olin

Senator Vosper

Senator Tallackson

Very Respectfully,

LEO LEIDHOLM, Secretary

MESSAGE FROM THE HOUSE

House Chamber

Mr. President: I have the honor to return herewith the following on which the House has adopted the conference committee report:

Senate Bill No. 2101

Senate Bill No. 2370

Senate Bill No. 2389

Senate Bill No. 2417

Senate Bill No. 2431

Very respectfully,

ROY GILBREATH, Chief Clerk

Report of Conference Committees

Mr. PRESIDENT: Your Conference Committee to whom was referred SENATE Bill No. 2117 has had the same under consideration and recommends:

That the House recede from its amendments and that Senate Bill No. 2117 be amended as follows:

On page 1, line 2, of the engrossed bill, after the numerals "52-06-02" insert the words and numerals "and subsection 4 of section 52-06-01"

On page 1, line 3, of the engrossed bill, after the word "disqualification" insert the words "and eligibility"

On page 1, line 16 of the engrossed bill, delete "ten" and insert in lieu thereof "eight"

On page 1, after line 26 of the engrossed bill, insert the following new section:

"SECTION 2. AMENDMENT. Subsection 4 of section 52-06-01 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. He has been unemployed for a waiting period of one week. No week shall be counted as a week of unemployment for the purposes of this subsection:
 - a. Unless it occurs within the benefit year which included the week with respect to which he claims payment of benefits, ~~provided, that this requirement shall not interrupt the payment of benefits for consecutive weeks of unemployment;~~
 - b. If benefits have been paid with respect thereto;
 - c. Unless the individual was eligible for benefits, with respect thereto as provided in this section and section 52-06-02."

And renumber the lines, sections, and pages accordingly

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For the Senate
Senator Tennessee-Chrnm.

For the House
Rep. Vandervorst-Chrnm.

Tennessee
Senator Muton

Vandervorst
Rep. Peltier

Muton
Senator Parker

Peltier
Rep. Gerl-refused to sign

SENATE Bill No. 2117 was placed on the SEVENTH

order of business on the calendar for the succeeding legislative day.

Mr. President: Your Conference Committee to whom was referred Senate Bill No. 2152 has had the same under consideration and recommends:

that the House recede from its amendments and that Senate Bill No. 2152 be amended as follows:

- On page 1, line 5, after the words "North Dakota" insert a period
- On page 1, line 5, delete the ";" and delete the words "and to amend and reenact subsection 4 of"
- On page 1, delete lines 6 through 9
- On page 1, delete lines 12 through 21
- On page 2, delete lines 3 through 20

And renumber the lines, sections, and pages accordingly

For the Senate
Mad L Adams
Senator Adams
J. M. Cussons
Senator Cussons
William D. Peterson
Senator Peterson

For the House
Carl S. Hedstrom
Rep. Hedstrom
Steve Swiontek
Rep. Swiontek
Refuses to sign
Rep. Hoffner

Senate Bill No. 2152 was placed on the seventh

order of business on the calendar for the succeeding legislative day.

Mr. President: Your Conference Committee to whom was referred

red _____ Senate _____ Bill No. 2249 _____ has had the same under consideration and recommends:

that the House recede from its amendments, and that engrossed Senate Bill No. 2249 be amended as follows:

That the House recede from its amendments and that engrossed Senate Bill No. 2249 be amended as follows:

On page 1 of the engrossed bill, line 1, after the words "A BILL" delete the remainder of the bill and insert in lieu thereof the following: "for an Act to amend sections 4-14.1-01, 4-14.1-02, 4-14.1-03, 57-50-01, 57-50-03.1, 57-50-05, and 57-54-08 of the North Dakota Century Code, relating to the production and taxation of synthetic fuels from agricultural products; to repeal sections 4-14.1-04 and 4-14.1-05 of the North Dakota Century Code, relating to meetings, personnel, and expenses of the agricultural products utilization commission; and to provide an effective date.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Section 4-14.1-01 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4-14.1-01. LEGISLATIVE POLICY AND PURPOSE. It is hereby declared to be the public policy of the state of North Dakota to protect and foster the prosperity and general welfare of its people by providing a new domestic ~~source~~ sources of energy, and by stimulating the agricultural economy of the state. In furtherance of this policy, it is the purpose of this chapter to provide necessary assistance in the construction, operation, and maintenance of ~~an agriculturally-derived alcohol-plant~~ agricultural and biomass residue derived fuel plants in North Dakota for the manufacture and marketing of ~~agriculturally-derived alcohol-and-methanol-derived-from~~ agricultural and biomass residue derived fuel and ~~byproducts.~~

SECTION 2. AMENDMENT. Section 4-14.1-02 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4-14.1-02. ~~AGRICULTURALLY-DERIVED-ALCOHOL-MOTOR~~ VEHICLE-FUEL-TAX AGRICULTURAL PRODUCTS UTILIZATION FUND - PURPOSES. There is hereby created in the state treasury, a fund, to be known as the ~~agriculturally-derived alcohol~~ motor-vehicle-fuel-tax agricultural products utilization fund, which shall be used to provide a program for the implementation of a state ~~agriculturally-derived alcohol~~ agricultural and biomass residue derived fuel industry for motor vehicle fuels. The fund shall be used for the following purposes:

1. ~~Establishment, with-cooperation-from-private~~ industry in cooperation with private industry, ~~farm operators, and farm organizations, of~~ farm operators, and farm organizations, of ~~procedures and processes necessary to the~~ manufacture and marketing of agriculturally ~~derived alcohol-blended-fuels-and-motor-vehicle~~ derived alcohol-blended-fuels-and-motor-vehicle ~~fuels-blended-with-methanol-derived-from~~ fuels-blended-with-methanol-derived-from ~~biomass-residue for the development of~~ biomass-residue for the development of ~~agricultural and biomass residue derived fuel.~~ agricultural and biomass residue derived fuel.
2. Establishment of a procedure for entering the ~~agriculturally-derived alcohol-blended-fuel-and~~ agriculturally-derived alcohol-blended-fuel-and ~~fuel-blended-with-methanol-derived-from-biomass~~

residue agricultural and biomass residue derived fuel into the marketplace by private enterprise, farm operators, and farm organizations.

3. Analysis of the marketing process and testing of marketing procedures to assure acceptance of agriculturally-derived alcohol-blended fuels, motor vehicle fuels blended with methanol derived from biomass residue, and byproducts resulting from their manufacture, agricultural and biomass residue derived fuel and byproducts in the private marketplace.
4. Cooperation with private industry, farm operators, and farm organizations to establish privately-owned agriculturally-derived alcohol agricultural and biomass residue derived fuel manufacturing plants in this state to supply demand for agriculturally-derived alcohol and methanol-derived from biomass residue agricultural and biomass residue derived fuel.
5. Provision of grants to North Dakota institutions of higher learning and private industry to establish programs designed to educate private industry representatives, farm operators, and farm organization representatives in the manufacture and marketing of agricultural and biomass residue derived fuel and byproducts.

SECTION 3. AMENDMENT. Section 4-14.1-03 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

4-14.1-03. AGRICULTURAL PRODUCTS UTILIZATION COMMISSION---COMPOSITION---APPOINTMENT FUND - ADMINISTRATION BY COMMISSIONER OF AGRICULTURE - GRANT APPROVAL BY INDUSTRIAL COMMISSION. The agriculturally derived alcohol-motor vehicle-fuel-tax agricultural products utilization fund shall be administered by the agricultural-products-utilization-commission-which-is hereby-established---The-commission-shall-consist-of seven-members-to-be-appointed-by-the-governor-for-terms of-two-years-each,-arranged-so-that-at-least-three-terms expire-every-year--Four-members-shall-be-actively engaged-in-farming-in-this-state,-one-member-shall-be actively-engaged-in-the-petroleum-industry,-and-two members-shall-be-actively-engaged-in-business-in-this state--Commission-members-may-be-reappointed-to-the commission--Terms-of-commissioners-shall-run-from-the first-day-of-July-of-odd-numbered-years-commissioner of agriculture. The commissioner shall, within the limits of legislative appropriations and with the approval of the industrial commission, provide grants for educational programs pursuant to subsection 5 of section 4-14.1-02.

SECTION 4. AMENDMENT. Section 57-50-01 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-01. REFUND OF TAX PROVIDED FOR - REDUCTION FOR AGRICULTURALLY-DERIVED-ALCOHOL-MOTOR-VEHICLE-FUEL-TAX AGRICULTURAL PRODUCTS UTILIZATION FUND. Any person who shall buy or use any motor vehicle fuel as defined in subsection 2 of section 57-54-03, for agricultural or industrial purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of the state of North Dakota on which the motor vehicle fuel tax has been paid, shall be reimbursed or repaid within the time hereinafter provided, the amount of such tax paid by him upon the presentation to and the approval of the tax

commissioner of a claim for refund. Provided, however, the amount of the tax refund provided for in this section shall be reduced by ~~one-eighth one-fourth~~ cent per gallon [3.79 liters], and the ~~one-eighth one-fourth~~ cent per gallon [3.79 liters] withheld from the refund shall be deposited in the ~~agriculturally-derived-aleehol-motor-vehicle-fuel-tax~~ agricultural products utilization fund. However, the amount of tax refund shall not be reduced by one-fourth cent per gallon [3.79 liters] for any claim for a refund submitted for aviation motor fuel by aircraft users. Those persons who have a valid tax assignment permit issued by the state tax commissioner under the provisions of section 57-50-11.1 shall be charged ~~one-eighth one-fourth~~ cent per gallon [3.79 liters] by the dealer and the ~~one-eighth one-fourth~~ cent charge shall be remitted to the state tax commissioner by the dealer when the dealer submits the tax assigned invoices for credit. Those aviation gasoline fuel taxes collected, upon which no refund is claimed and those revenues remaining as unclaimed refunds under the provisions of the statutory refunds on aviation gasoline and aviation motor fuels are hereby appropriated, in accordance with the time limitations as provided by law, and used exclusively for construction, reconstruction, repair, maintenance, and operation of small landing strips near highways and communities in this state and for the purchase of necessary land required therefor and shall be administered and expended by the state of North Dakota aeronautics commission for the above purpose.

SECTION 5. AMENDMENT. Section 57-50-03.1 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-03.1. REFUND TO PREVENT DOUBLE TAXATION - ~~REDUCTION FOR AGRICULTURALLY-DERIVED-ALCOHOL-MOTOR-VEHICLE-FUEL-TAX~~ AGRICULTURAL PRODUCTS UTILIZATION FUND. Any person to whom special fuel or motor vehicle fuel is sold on which the tax imposed by chapter 57-52 or chapter 57-54 has been paid who thereafter removes such fuel from this state to another state which requires payment of a tax upon the use of the fuel in that state shall be granted a refund of the tax that was paid pursuant to chapter 57-52 or chapter 57-54. Provided, however, the refund of tax paid pursuant to chapter 57-54 shall be reduced by the amount provided in section 57-50-01, and the reduction shall be deposited in the ~~agriculturally-derived-aleehol-motor-vehicle-fuel-tax~~ agricultural products utilization fund. Such refund shall be granted only upon application to the tax commissioner on forms prescribed by the tax commissioner, including proof of payment of the tax imposed by the other state, and shall be subject to the limitations provided in section 57-50-03. The tax provided for in chapter 57-53 shall not be levied on sales of any such fuel for which a refund of tax is made pursuant to this section.

SECTION 6. AMENDMENT. Section 57-50-05 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-05. REFUND TO STATE OR POLITICAL SUBDIVISION. When any construction, reconstruction, or maintenance of a public road, highway, street, or airport is undertaken by the state or any county, city, township, park district, or other municipality in the state and where public funds of the United States, state, county, city, township, park district, or other municipality are directly used for the purchasing of motor vehicle fuel to be used in publicly owned vehicles for such construction, reconstruction, or maintenance, such motor vehicle fuel shall be subject to a refund of the tax paid thereon as provided for in this chapter and under the same terms and

conditions. Provided, however, the refund provided for in this section shall not be reduced ~~for deposit to the agriculturally-derived alcohol motor vehicle fuel tax fund by the amount to be deposited in the agricultural products utilization fund pursuant to section 57-50-01.~~

SECTION 7. AMENDMENT. Section 57-54-08 of the 1979 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-54-08. TAX IMPOSED ON MOTOR VEHICLE FUELS - TAX REDUCED FOR AGRICULTURALLY-DERIVED-ALCOHOL-BLENDED AGRICULTURAL AND BIOMASS RESIDUE DERIVED FUELS. There is hereby imposed a tax of eight cents per gallon [3.79 liters] on all motor vehicle fuel sold or used in this state. Provided, however, the tax imposed by this section on gasoline sold which contains a minimum ten percent blend of an agricultural ethyl alcohol whose purity is at least ninety-nine percent alcohol shall be four cents per gallon [3.79 liters]. The tax imposed by this section shall be collected by the dealer from the consumer on all sales. Sales of fuel in the original package may be made to a licensed dealer, and he shall have the option of collecting the tax imposed by this chapter, but on sales in the original package to persons other than licensed dealers, the dealer shall be liable for the tax thereon.

SECTION 8. AMENDMENT. Section 57-50-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-01. REFUND OF TAX PROVIDED FOR --REDUCTION FOR-AGRICULTURAL-PRODUCTS-UTILIZATION-FUND. Any person who shall buy or use any motor vehicle fuel as defined in subsection 2 of section 57-54-03, for agricultural or industrial purposes, except motor vehicle fuel used in motor vehicles operated or intended to be operated in whole or in part upon any of the public highways of the state of North Dakota on which the motor vehicle fuel tax has been paid, shall be reimbursed or repaid within the time hereinafter provided, the amount of such tax paid by him upon the presentation to and the approval of the tax commissioner of a claim for refund. ~~Provided, however, the amount of the tax refund provided for in this section shall be reduced by one-fourth cent per gallon {3.79 liters}, and the one-fourth cent per gallon {3.79 liters} withheld from the refund shall be deposited in the agricultural products utilization fund. However, the amount of tax refund shall not be reduced by one-fourth cent per gallon {3.79 liters} for any claim for a refund submitted for aviation motor fuel by aircraft users. Those persons who have a valid tax assignment permit issued by the state tax commissioner under the provisions of section 57-50-11.1 shall be charged one-fourth cent per gallon {3.79 liters} by the dealer and the one-fourth cent charge shall be remitted to the state tax commissioner by the dealer when the dealer submits the tax assigned invoices for credit.~~ Those aviation gasoline fuel taxes collected, upon which no refund is claimed and those revenues remaining as unclaimed refunds under the provisions of the statutory refunds on aviation gasoline and aviation motor fuels are hereby appropriated, in accordance with the time limitations as provided by law, and used exclusively for construction, reconstruction, repair, maintenance, and operation of small landing strips near highways and communities in this state and for the purchase of necessary land required therefor and shall be administered and expended by the state of North Dakota aeronautics commission for the above purpose.

SECTION 9. AMENDMENT. Section 57-50-03.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-03.1. REFUND TO PREVENT DOUBLE TAXATION --~~REDUCTION-FOR-AGRICULTURAL-PRODUCTS-UTILIZATION-FUND.~~ Any person to whom special fuel or motor vehicle fuel is sold on which the tax imposed by chapter 57-52 or chapter 57-54 has been paid who thereafter removes such fuel from this state to another state which requires payment of a tax upon the use of the fuel in that state shall be granted a refund of the tax that was paid pursuant to chapter 57-52 or chapter 57-54. ~~Provided, however, the refund of tax paid pursuant to chapter 57-54 shall be reduced by the amount provided in section 57-50-01, and the reduction shall be deposited in the agricultural products utilization fund.~~ Such refund shall be granted only upon application to the tax commissioner on forms prescribed by the tax commissioner, including proof of payment of the tax imposed by the other state, and shall be subject to the limitations provided in section 57-50-03. The tax provided for in chapter 57-53 shall not be levied on sales of any such fuel for which a refund of tax is made pursuant to this section.

SECTION 10. AMENDMENT. Section 57-50-05 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-50-05. REFUND TO STATE OR POLITICAL SUBDIVISION. When any construction, reconstruction, or maintenance of a public road, highway, street, or airport is undertaken by the state or any county, city, township, park district, or other municipality in the state and where public funds of the United States, state, county, city, township, park district, or other municipality are directly used for the purchasing of motor vehicle fuel to be used in publicly owned vehicles for such construction, reconstruction, or maintenance, such motor vehicle fuel shall be subject to a refund of the tax paid thereon as provided for in this chapter and under the same terms and conditions. ~~Provided, however, the refund provided for in this section shall not be reduced by the amount to be deposited to the agricultural products utilization fund pursuant to section 57-50-01.~~

SECTION 11. REPEAL. Sections 4-14.1-04 and 4-14.1-05 of the 1979 Supplement to the North Dakota Century Code are hereby repealed.

SECTION 12. EFFECTIVE DATE. Sections 8 through 10 of this Act shall become effective on July 1, 1983."

And renumber the lines and pages accordingly

For the Senate	For the House
Sen. Adams <u><i>Mark P. Adams</i></u>	Rep. Hughes <u><i>Stuart Hughes</i></u>
Sen. Goodman <u><i>John Goodman</i></u>	Rep. Moore <u><i>John Moore</i></u>
Sen. Barth <u><i>Barth Barth</i></u>	Rep. Berg <u><i>Don Berg</i></u>

Senate Bill No. 2249 was placed on the seventh order of business on the calendar for the succeeding legislative day.

Mr. PRESIDENT: Your Conference Committee to whom was referred SENATE Bill No. 2363 has had the same under consideration and recommends:

That the House recede from its amendments and Senate Bill 2363 be amended as follows:

That the House recede from its amendments and that Senate Bill No. 2363 be amended as follows:

On page 1 of the engrossed bill, line 1, after the words "A BILL" delete the remainder of the bill and insert in lieu thereof the following: "for an Act to create and enact a new subsection to section 39-01-15, a new subsection to section 39-06.1-06, a new subsection to section 39-10-48, and a new subsection to section 39-10-50 of the North Dakota Century Code, relating to parking spaces designated for use by physically handicapped persons on state charitable or penal institution property or on the state capitol grounds, authority of law enforcement officers to enforce traffic and parking violations on state charitable and penal institution property and on the state capitol grounds, to fees assessed for violations, and to envelopes for traffic and parking violations on state charitable and penal institution property or on the state capitol grounds.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF THE STATE OF NORTH DAKOTA:

SECTION 1. A new subsection to section 39-01-15 of the North Dakota Century Code is hereby created and enacted to read as follows:

No person may stop, stand, or park any vehicle in any designated parking space which is reserved for the physically handicapped on any state charitable or penal institution property or on the state capitol grounds unless the vehicle displays a physically handicapped identification certificate or insignia issued by the motor vehicle registrar to a physically handicapped person.

SECTION 2. PROVISION OF ENVELOPES FOR TRAFFIC AND PARKING VIOLATIONS ON STATE CHARITABLE OR PENAL INSTITUTION PROPERTY OR STATE CAPITOL GROUNDS. Preprinted envelopes shall be provided for any person who elects to post bond by mail, pursuant to section 39-06.1-02, for a violation of section 1 of this Act or any state traffic parking regulations on any state charitable or penal institution property or on the state capitol grounds.

SECTION 3. A new subsection to section 39-06.1-06 of the North Dakota Century Code is hereby created and enacted to read as follows:

For a violation of section 1 of this Act, any municipal ordinance equivalent to section 1 of this Act, or any traffic parking regulations on any state charitable or penal institution property or on the state capitol grounds, a fee in the amount of five dollars.

SECTION 4. A new subsection to section 39-10-48 of the North Dakota Century Code is hereby created and enacted to read as follows:

Whenever any authorized law enforcement officer finds, on state charitable or penal institution property or on the state capitol grounds, a vehicle standing, stopped, or parked in a dangerous location or in violation of any official traffic control device prohibiting or restricting the stopping, standing, or parking of any vehicle, the officer shall place a written warning on the vehicle for the first offense and thereafter an authorized traffic citation

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may be issued. However, no traffic citation may be issued for a violation of this subsection occurring on the state capitol grounds during a legislative session.

SECTION 5. A new subsection to section 39-10-50 of the North Dakota Century Code is hereby created and enacted to read as follows:

The state highway department, with respect to streets, roadways, and parking areas of any state charitable or penal institution and on the state capitol grounds, may authorize the purchase and placement by the director of institutions of official traffic control devices prohibiting or restricting the stopping, standing, or parking of vehicles. The placement of signs pursuant to this section shall be done when, in the department's opinion, the stopping, standing, or parking is dangerous or would unduly interfere with the free movement of traffic, especially the free flow of traffic required for proper fire protection. No person may stop, stand, or park any vehicle in violation of the restriction indicated by any official traffic control device. Any registered owner shall be presumed to have been the operator of a vehicle that is parked in violation of any official traffic control device prohibiting or restricting the stopping, standing, or parking of vehicles on any highway, state charitable or penal institution property, or on the state capitol grounds. This presumption may be rebutted by a showing of clear and convincing evidence to the contrary.

However, no traffic citation may be issued for a violation of this subsection occurring on the state capitol grounds during a legislative session, except that a written warning shall be placed on any vehicle for such a violation."

And renumber the lines and pages accordingly

For the Senate
SENATOR TENNESOS
SENATOR CASHKOWITZ
SENATOR DYKSHOORN

For the House
REP. TIMM
REP. GOETZ
REP. BOSKI

SENATE Bill No. 2363 was placed on the Seventh

order of business on the calendar for the succeeding legislative day.

Mr. President: Your Conference Committee to whom was referred Senate Bill No. 2404 has had the same under consideration and recommends:

that the House recede from its amendments and that the reengrossed bill be amended as follows:

On page 1, line 10 of the reengrossed bill, after the word "consist", add the words "of nine members to be appointed by the chairman of the legislative council."

On page 1 of the reengrossed bill, delete lines 11 through 22

On page 4, line 16 of the reengrossed bill, after the word "assembly" insert the words "and, following adjournment of the forty-eighth legislative assembly, the commission shall be dissolved."

On page 4 of the reengrossed bill, line 19, delete the numerals "100,000" and insert in lieu thereof the numerals "75,000"

And renumber lines, pages and sections accordingly

For the Senate

Senator Melland

Senator Thane

Senator Walsh

For the House

Representative Lipsiea

Representative Marsden

Representative Mertens

Senate Bill No. 2404 was placed on the 7th

order of business on the calendar for the succeeding legislative day.

Mr. PRESIDENT: Your Conference Committee to whom was referred HOUSE Bill No. 1132 has had the same under

consideration and recommends:

That your Conference Committee on House Bill 1132 having been unable to agree, recommends that the Conference Committee be discharged and a new committee be appointed.

For the Senate

Senator Cussons

Senator Peterson

Senator Grotberg

For the House

Rep. Arles Olson

Rep. Dagne Olsen

Rep. Earl Pomeroy

Senator Cussons moved that the report be adopted, which motion

prevailed.

Mr. PRESIDENT: Your Conference Committee to whom was referred HOUSE Bill No. 1230 has had the same under

consideration and recommends:

That your Conference Committee on House Bill No. 1230, having been unable to agree, recommends that the Conference Committee be discharged and a new committee be appointed.

For the Senate	For the House
<u>Sen. <i>Mutch</i></u>	<u>Rep. <i>Wentz</i></u>
<u>Sen. <i>Parker</i></u>	<u>Rep. <i>Boehm</i></u>
<u>Sen. <i>Parker</i></u>	<u>Rep. <i>Gerl</i></u>
<u>Sen. <i>R. Christianson</i></u>	
<u>Sen. <i>Mutch</i></u>	

_____ moved that the report be adopted, which motion

prevailed.

Mr. PRESIDENT : Your Conference Committee to whom was referred HOUSE Bill No. 1484 has had the same under consideration and recommends:

That the Senate recede from its amendments, and that HB 1484 be amended as follows:

- On page 1, line 12, following the comma insert the word "and"
- On page 1, line 14, after the word "period" delete ", and a class C felony for"
- On page 1, delete line 15
- On page 1, line 16, delete "month period"

And renumber the lines, sections, and pages accordingly

For the Senate	For the House
<u>Sen. <i>Parker</i></u>	<u>Rep. <i>Dietsch</i></u>
<u>Sen. <i>Mutch</i></u>	<u>Rep. <i>Wentz</i></u>
<u>Sen. <i>Mutch</i></u>	<u>Rep. <i>Kiehl</i></u>

HOUSE Bill No. 1484 was placed on the 7th

order of business on the calendar for the succeeding legislative day.

Mr. President : Your Conference Committee to whom was referred House Bill No. 1563 has had the same under consideration and recommends:

That the Senate recede from its amendments and that House Bill 1563 be further amended as follows:

- On page 1 of the engrossed bill, line 21, delete the last word "and"
- On page 1 of the engrossed bill, line 22, delete the word "exterior" and delete the words "and facilities"
- On page 1 of the engrossed bill, line 23 after the period, delete the words, "The committee shall develop a master plan for the"

On page 1 of the engrossed bill, delete lines 24, 25, 26, 27, and 28

On page 2 of the engrossed bill, line 1, delete the words, "section 48-10-01."

On page 2 of the engrossed bill, line 1, delete the words "least twice" and insert in lieu thereof the words "the call of the chairman"

On page 2 of the engrossed bill, line 2, delete the words "during each fiscal year", after the word "whenever" insert the words "major interior"

And renumber the lines and pages accordingly

For the Senate

l E Solberg

 Sen. Solberg

Anna Bakewell

 Sen. Bakewell

J. M. Cussons

 Sen. Cussons

For the House

Rep. Black

 Rep. Black

Rep. Eagles

 Rep. Eagles

Rep. Musnik

 Rep. Musnik

House Bill No. 1563 was placed on the 7th

order of business on the calendar for the succeeding legislative day.

Report of Standing Committee

Mr. President: Your Committee on Appropriations

to whom was referred House Bill No. 1002

Has had the same under consideration and recommends that the same

- do pass
- do not pass
- be placed on calendar without recommendation

be amended as follows:

On page 1 of the engrossed bill, line 3, after the word "Dakota" and before the period insert the following: "; and to amend and reenact subsections 1 and 3 of section 7 of initiated measure No. 6 to change the allocation of the proceeds of the oil extraction tax; and declaring an emergency"

On page 1 of the engrossed bill, line 15, delete the numerals "4,775,770" and insert in lieu thereof the numerals "4,620,168"

On page 1 of the engrossed bill, line 19, delete the numerals "19,308,128" and insert in lieu thereof the numerals "19,558,128"

On page 1 of the engrossed bill, line 20, delete the numerals "352,333,544" and insert in lieu thereof the numerals "388,704,876"

On page 1 of the engrossed bill, line 25, delete the numerals "428,924,022" and insert in lieu thereof the numerals "465,389,752"

On page 1 of the engrossed bill, line 26, delete the numerals "191,580,498" and insert in lieu thereof the numerals "238,849,135"

On page 1 of the engrossed bill, line 27, delete the numerals "237,343,524" and insert in lieu thereof the numerals "226,540,617"

On page 2 of the engrossed bill, line 17, delete the numerals "138,600,000" and insert in lieu thereof the numerals "169,266,667"

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On page 2 of the engrossed bill, delete lines 22 through 31 and insert in lieu thereof the following new sections:

"SECTION 5. AMENDMENT. Subsections 1 and 3 of section 7 of initiated measure No. 6 as adopted by the people at the general election in 1980 are hereby amended and reenacted to read as follows:

1. Fifty-five Sixty percent shall be allocated to the state school aid program for use in accordance with the provisions of chapter 15-40.1 of the North Dakota Century Code. It is the intent of the electors that other appropriations made by the legislative assembly for state aid to schools in accordance with chapter 15-40.1 of the North Dakota Century Code when added to the amount allocated under this subsection shall provide at least seventy percent of the funds required to meet the educational cost per pupil in elementary and secondary education as determined under the provisions of that chapter and the legislative assembly that the allocation made by this subsection shall not exceed seventy percent of the educational cost per pupil in public elementary and secondary education as determined under the provisions of chapter 15-40.1. Should the allocation exceed seventy percent, the balance of the allocation above seventy percent shall be deposited in the general fund. Should the allocation not exceed seventy percent, it is the intent of the electors and the legislative assembly that other appropriations made by the legislative assembly for state aid to schools in accordance with chapter 15-40.1, when added to the amount allocated under this subsection, shall provide at least seventy percent of the funds required to meet the educational cost per pupil in public elementary and secondary education as determined under the provisions of chapter 15-40.1.

3. Fifty-five Thirty percent shall be allocated and credited to the state's general fund for general state purposes and as an offset for the reduction in income tax revenue and for the replacement of the county twenty-one mill property tax credit for school as provided in section 10 of this Act.

SECTION 6. OIL EXTRACTION TAX COLLECTIONS. Effective on and after April 1, 1981, collections from the state oil extraction tax shall be allocated in accordance with section 5 of this Act.

SECTION 7. FEDERAL REVENUE SHARING APPROPRIATION. There is hereby appropriated to the department of public instruction, from moneys not otherwise appropriated, the sum of \$700,000 of federal revenue sharing funds, or such greater amounts as may be available, for the purpose of using such funds in the foundation aid grant line item in section 1 of this Act, during the biennium beginning July 1, 1981, and ending June 30, 1983. The moneys appropriated in this section are reflected in the estimated income line item in section 1 of this Act.

SECTION 8. EMERGENCY. Sections 5 and 6 of this Act are hereby declared to be emergency measures and shall be in full force and effect from and after their passage and approval."

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The salaries and wages line item is reduced \$155,602, of which \$98,030 is estimated income and \$57,572 is from the general fund to delete funds for the noncontributory retirement plan.

The special education line item is increased \$250,000 for the fiscal impact of Senate Bill No. 2153.

The foundation program line item is calculated as follows:

Per-pupil payments:

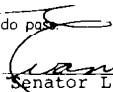
1981-82		
125,343.42 Wt. Units X \$1,425 =		\$178,614,374
6,500 Kgtm Units X \$670 =		4,355,000
1982-83		
124,296.69 Wt. Units X \$1,591 =		197,756,034
7,000 Kgtm Units X \$748 =		<u>5,236,000</u>
Total Per-Pupil Payments		<u>\$385,961,408</u>

Transportation:

1981-82		
1,600,000 Miles @ .34	\$ 544,000	
23,500,000 Miles @ .68	15,980,000	
7,234,000 Pupils @ .19	1,374,460	
1982-83		
1,600,000 Miles @ .38	608,000	
23,500,000 Miles @ .76	17,860,000	
7,100,043 Pupils @ .19	<u>1,349,008</u>	
Total Transportation		<u>37,715,468</u>

Total Payments		\$423,676,876
Less Adjustment for 20-Mill District Contribution		<u>34,972,000</u>
Total Foundation Program Line Item		<u>\$388,704,876</u>
Less:		
60 Percent of Oil Extraction Tax		169,266,667
1/2 of Estimate of Oil and Gas Bonuses		16,000,000
Revenue Sharing		<u>700,000</u>
General Fund Appropriation		<u>\$202,738,209</u>

And when so amended recommends the same do pass


 Senator Lips Chairman

House Bill No. 1002 was placed on the 6th

order of business on the calendar for the succeeding legislative day.

Mr. President: Your Committee on Appropriations to whom was referred House Bill No. 1092

Has had the same under consideration and recommends that the same

do pass do not pass be placed on calendar without recommendation

be amended as follows:

On page 1 of the reengrossed bill, line 1, after the word "reenact" insert the following: "section 15-40.1-02,"
 On page 1 of the reengrossed bill, line 2, after the numeral "15-40.1-06" insert a comma

On page 1 of the reengrossed bill, line 4, delete the first word "to" and insert in lieu thereof the word "of", and delete the following: "; and to repeal" and insert in lieu thereof the following: "of the cost of education, and what constitutes state school aid; providing an appropriation; and providing an effective date."

On page 1 of the reengrossed bill, delete lines 5 through 7

On page 1 of the reengrossed bill, after line 9, insert the following new section:

"SECTION 1. AMENDMENT. Section 15-40.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

15-40.1-02. STATE SCHOOL AID - APPROPRIATION. All payments authorized by this chapter shall be made by the state treasurer out of the general fund of the state within the limits of legislative appropriation. Funds distributed to each school district pursuant to article IX, section 2 of the constitution are hereby appropriated and shall constitute state aid to meet the educational cost per pupil in elementary and secondary schools."

On page 2 of the reengrossed bill, delete lines 6 through 35 and insert in lieu thereof the following:

"15-40.1-16. AID FOR TRANSPORTATION. There shall be paid from the county equalization fund and from state funds to each school district providing school bus transportation in contract school buses or in district-owned and operated school buses, and to school districts with students riding commercial buses to and from school within the incorporated limits of a city the following amounts:

1. For school buses transporting pupils who live outside the incorporated limits of the city in which the school the pupil is enrolled is located, a sum equal to twenty three-four cents per mile [1.61 kilometers] during the first year of the 1981-83 biennium and thirty-eight cents during the second year of the 1981-83 biennium for school buses having a capacity of sixteen or fewer pupils and forty six-eight cents per mile [1.61 kilometers] during the first year of the 1981-83 biennium and seventy-six cents per mile the second year of the 1981-83 biennium for school buses having a capacity of seventeen or more pupils. In addition, those school districts qualifying for payments for buses having a capacity of seventeen or more pupils shall be entitled to an amount equal to fifteen nineteen cents per day for each public school pupil living outside the city limits who is transported in such buses, provided that no such payment shall be made for any pupil who lives within the incorporated limits of a city with a population in excess of two hundred fifty and an area in excess of two square miles {518.00 hectares} in which the school in which he is enrolled is located except as provided in section 15-40-1-16-1.
2. For pupils who ride school buses or commercial buses to or from school and who live within the incorporated limits of the city in which the school the pupil is enrolled is located, a sum equal to nine and one-half cents per pupil per one-way trip. However, no payment shall be made under this subsection for a student who

rode on a vehicle for which payments are
claimed under subsection 1 of this section.

The mileage payments provided for in this section shall be made to each school district for transporting pupils to and from school. Such payments shall be made only to school districts operating school buses in accordance with the laws of this state relating to standards for school buses, and to the qualifications of school bus drivers. Certification as to the compliance with the laws of this state in regard to school buses and their drivers shall be made in such manner and in such detail as the superintendent of public instruction may require at the time an application is made for payments provided under this section."

On page 3 of the reengrossed bill, delete lines 1 through 6


On page 3 of the reengrossed bill after line 6 insert the following new section: "SECTION 4. EFFECTIVE DATE. Section 1 of this Act shall be effective on and after July 1, 1983."

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The bill is amended to provide that effective July 1, 1983, moneys distributed from the state tuition fund pursuant to Article IX, Section 2 of the Constitution shall constitute state aid for elementary and secondary schools. The bill is also amended to make the language in Section 15-40.1-16 conform to the language of that section in Senate Bill No. 2245 which has already passed both houses.

And when so amended recommends the same do pass

 Chairman
Senator Lips

House Bill No. 1092 was placed on the 6th

order of business on the calendar for the succeeding legislative day.

MOTIONS

Senator Solberg moved that the Senate do not concur in the House amendments to Senate Bill No. 2204 as printed on pages 1651 and 1652 of the Senate Journal, and that a conference committee be appointed to meet with a like committee from the House, which motion prevailed.

**APPOINTMENT OF A
CONFERENCE COMMITTEE**

The President appointed as a conference committee on Senate Bill No. 2204:

Senator Erickson, Chairman
Senator Tennesof
Senator Lashkowitz

MOTION

Senator Peterson moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1050, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1050:

Senator Peterson, Chairman
Senator Grotberg
Senator Stromme

Senator Peterson moved that the President appoint a committee of three to act with a like committee from the House as a Conference

Committee on House Bill No. 1132, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1132:

Senator Cussons, Chairman
Senator Peterson
Senator Grotberg

MOTION

Senator Reiten moved that the President appoint a committee of three to act with a like committee from the House as a Conference Committee on House Bill No. 1230, which motion prevailed.

The President appointed as a Conference Committee on House Bill No. 1230:

Senator Tennefos, Chairman
Senator Quail
Senator Grotberg

Senator Nething moved that at the conclusion of the 5th Order of Business and the 7th Order of Business, the Senate adjourn and convene at 9:00 a.m., Thursday, March 26, 1981, which motion prevailed.

LEO LEIDHOLM, Secretary