

## JOURNAL OF THE HOUSE

## Fiftieth Legislative Assembly

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## FORTY-SIXTH DAY

Bismarck, March 12, 1987

The House convened at 12:30 p.m., with Speaker Kloubec presiding.

The prayer was written by the Sixth Grade Girl Scouts in Troop #340 at Roosevelt School and was recited by Orlene Wanstrom, Hillary Brown, Sophie King, and Kathy Bickel.

## SPECIAL ORDER OF BUSINESS

REP. STRINDEN MOVED that the House be on a Special Order of Business, which motion prevailed.

In recognition of the 75th birthday of the Girl Scouts of the U.S.A., the following girls participated in the opening flag ceremony: Caitlyn Pehrson, Bethany Pehrson, Joy Horner, Sara Horner and Chandra Martin. All are students at Lewis and Clark Elementary School, Mandan. They are directed by Mrs. Sandi Talkington, a leader at Lewis and Clark School.

## ROLL CALL

The roll was called and all Representatives were present, except Representatives Christman, Gunsch, Myrdahl, and Nicholas.

A quorum was declared by the Speaker.

## MOTIONS

REP. STRINDEN MOVED that the House reconsider its action whereby the committee report was accepted and SB 2050 was placed on the Sixth order of business on the calendar, which motion prevailed.

REP. STRINDEN MOVED that SB 2050 be rereferred to the Committee on Industry, Business and Labor, which motion prevailed.

SPEAKER KLOUBEC ANNOUNCED that SB 2050 was referred to the Committee on Industry, Business and Labor.

## CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your Committee on Correction and Revision of the Journal has carefully examined the Journal of the Forty-fifth Day and finds the same to be correct.

REP. THOMPSON, Chairman

REP. CLEVELAND MOVED that the report be adopted, which motion prevailed.

**ANNOUNCEMENT OF MEMORIAL SERVICE COMMITTEE**

**SPEAKER KLOUBEC** ANNOUNCED the following appointments to the Memorial Service Committee:

Rep. V. Olson, Chairman  
Rep. Shaft  
Rep. Scherber

**ANNOUNCEMENT BY SPEAKER**

**SPEAKER KLOUBEC** ANNOUNCED that Rep. O. Opedahl would replace former Rep. A. Richard on the Legislative Council.

**REPORT OF PROCEDURAL COMMITTEE**

**MR. SPEAKER:** Your procedural Committee on Delayed Bills recommends that the following be introduced:

HR 2, HR 3

**REP. STRINDEN, Chairman**

**REP. GOETZ MOVED** that the report be adopted, which motion prevailed.

**SIXTH ORDER OF BUSINESS**

**REP. PETERSON MOVED** that the amendments to SB 2025 as recommended by the Committee on Appropriations as printed on pages 1783-1784 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2025 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**REP. MARTINSON MOVED** that the amendments to SB 2045 as recommended by the Committee on State and Federal Government as printed on page 1784 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2045 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**REP. KRETSCHMAR MOVED** that the amendments to SB 2090 as recommended by the Committee on Judiciary as printed on page 1786 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2090 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**REP. A. HAUSAUER MOVED** that the amendments to SB 2103 as recommended by the Committee on Finance and Taxation as printed on pages 1787-1788 of the House Journal be adopted, and when so adopted, recommends the same DO PASS which motion prevailed.

## REQUEST

REP. HOFFNER REQUESTED a recorded roll call vote on the motion to adopt the proposed amendments to SB 2103, which request was granted.

## ROLL CALL

The question being on the motion to adopt the amendments to SB 2103, the roll was called and there were 44 YEAS, 59 NAYS, 3 ABSENT AND NOT VOTING.

**YEAS:** Aas; Anderson; Cleveland; DeMers, J.; Dorso; Dotzenrod; Gates; Gerntholz; Gorman; Hamerlik; Hanson, O.; Haugen; Hausauer, A.; Kelly; Kent; Kingsbury; Knudson; Kretschmar; Larson; Lautenschlager; Linderman; Lindgren; Martin; Martinson; Melby; Moore; Murphy; Nowatzki; Olsen, D.; Payne; Rice; Schindler; Schneider; Shide; Skjerven; Smette; Sorensen; Thompson; Tokach; Tollefson; Tomac; Wentz; Winkelman; Speaker Kloubec

**NAYS:** Almlie; Belter; Berg, G.; Berg, R.; Brokaw; Dalrymple; DeMers, P.; Enget; Flaagan; Frey; Goetz; Graba; Halmrast; Hanson, L.; Haugland; Hausauer, R.; Hill; Hoffner; Hokana; Klundt; Knell; Kolander; Kolbo; Kuchera; Lang; Laughlin; Marks; Mertens; Meyer; Myrdal; Nelson, C.; Nelson, J.; Oban; O'Connell; Olson, A.; Olson, V.; Opedahl; O'Shea; Peterson; Riehl; Rydell; Scherber; Shaft; Shaw; Shockman; Solberg; Starke; Stofferahn; Strinden; Trautman; Ulmer; Vander Vorst; Wald; Watne; Whalen; Wilkie; Williams, A.; Williams, C.; Williams, W.

**ABSENT AND NOT VOTING:** Christman; Gunsch; Nicholas

The motion to adopt the amendments to SB 2103 lost.

## MOTION

REP. A. HAUSAUER MOVED that SB 2103 be rereferred to the Committee on Appropriations, which motion prevailed.

THE SPEAKER ANNOUNCED that SB 2103 was rereferred to the Committee on Appropriations.

## MESSAGES FROM THE SENATE

## SENATE CHAMBER

MR. SPEAKER: I have the honor to transmit herewith the following which the President has signed and your signature is respectfully requested:

SB 2049, SB 2067, SB 2104, SB 2117, SB 2140, SB 2157,  
SB 2187, SB 2203, SB 2236, SB 2237, SB 2258, SB 2260,  
SB 2261, SB 2300, SB 2325, SB 2359, SB 2362, SB 2440,  
SB 2443, SB 2462, SB 2481, SCR 4003, SCR 4048, SCR 4064

PERRY GROTBORG, Secretary

## SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith HB 1121, HB 1561, and HCR 3016 which the Senate has amended and subsequently passed:

## SENATE AMENDMENTS TO ENGROSSED HB 1121

On page 1 of the engrossed bill, line 12, after the numerals "39-21" insert an underscored comma

On page 1 of the engrossed bill, line 15, after the underscored period insert the words "However, this power extends only to freight bills and bills of lading less than thirty days old and to logs and other documents less than twelve months old."

And renumber the lines, sections, and pages accordingly

## SENATE AMENDMENTS TO HB 1561

On page 1, 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 and reenact subsection 4 of section 57-39.2-04 of the North Dakota Century Code, relating to a sales tax exemption for gross receipts from an annual educational, religious, or charitable activity held in a publicly owned facility."

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

SECTION 1. AMENDMENT. Subsection 4 of section 57-39.2-04 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

4. Gross receipts from sales of tickets, or admissions to state, county, district, and local fairs, and the gross receipts from educational, religious, or charitable activities, unless the activities are held in a publicly owned facility, where the entire amount of net receipts is expended for educational, religious, or charitable purposes and the gross receipts derived by any public school district if such receipts are expended in accordance with section 15-29-13. This exemption does not apply if the activities are held in a publicly owned facility and are conducted more than once in any calendar year.

And renumber the lines, sections, and pages accordingly

## SENATE AMENDMENTS TO HCR 3016

On page 1, line 13, delete the word "the" and insert in lieu thereof the word "this"

And renumber the lines, sections, and pages accordingly

PERRY GROTEBERG, Secretary

## MOTION

REP. STRINDEN MOVED that the House stand in recess for thirty minutes, which motion prevailed.

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

## SIGNING OF BILLS AND RESOLUTIONS

THE CHIEF CLERK ANNOUNCED that the Speaker signed the following:

SB 2065, SB 2108, SB 2129, SB 2133, SB 2135, SB 2171,  
SB 2216, SB 2221, SB 2227, SB 2241, SB 2271, SB 2334,  
SCR 4007

ROY GILBREATH, Chief Clerk

MESSAGES TO THE SENATE  
HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to return herewith the following which the Speaker has signed:

SB 2065, SB 2108, SB 2129, SB 2133, SB 2135, SB 2171,  
SB 2216, SB 2221, SB 2227, SB 2241, SB 2271, SB 2334,  
SCR 4007

ROY GILBREATH, Chief Clerk

## HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to inform you that the House has concurred in the Senate amendments to HB 1308, HB 1594 and subsequently passed the same.

ROY GILBREATH, Chief Clerk

## HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to return herewith the following which the House has amended, and subsequently passed:

SB 2215, SB 2262, SB 2404

ROY GILBREATH, Chief Clerk

## HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to return herewith the following which the House has passed unchanged.

SB 2047, SB 2094, SB 2096, SB 2105, SB 2154, SB 2169,  
SB 2246, SB 2250, SB 2267, SB 2272, SB 2283, SB 2292,  
SB 2330, SB 2398, SB 2423, SB 2432, SB 2511, SCR 4035,  
SCR 4052, SCR 4053, SCR 4056, SCR 4058

ROY GILBREATH, Chief Clerk

## SIGNING OF BILLS AND RESOLUTIONS

THE CHIEF CLERK ANNOUNCED that the Speaker signed the following:

HB 1275, HB 1276

ROY GILBREATH, Chief Clerk

MESSAGE TO THE SENATE  
HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to transmit herewith the following which the Speaker has signed and your signature is respectfully requested:

HB 1275, HB 1276

ROY GILBREATH, Chief Clerk

## SIGNING OF BILLS AND RESOLUTIONS

THE CHIEF CLERK ANNOUNCED that the Speaker signed the following:

SB 2049, SB 2067, SB 2104, SB 2117, SB 2140, SB 2157,  
SB 2187, SB 2203, SB 2236, SB 2237, SB 2258, SB 2260,  
SB 2261, SB 2300, SB 2325, SB 2359, SB 2362, SB 2440,  
SB 2443, SB 2462, SB 2481, SCR 4003, SCR 4048, SCR 4064

ROY GILBREATH, Chief Clerk

MESSAGE TO THE SENATE  
HOUSE CHAMBER

MADAM PRESIDENT: I have the honor to return herewith the following which the Speaker has signed:

SB 2049, SB 2067, SB 2104, SB 2117, SB 2140, SB 2157,  
SB 2187, SB 2203, SB 2236, SB 2237, SB 2258, SB 2260,  
SB 2261, SB 2300, SB 2325, SB 2359, SB 2362, SB 2440,  
SB 2443, SB 2462, SB 2481, SCR 4003, SCR 4048, SCR 4064

ROY GILBREATH, Chief Clerk

## SIXTH ORDER OF BUSINESS

REP. KRETSCHMAR MOVED that the amendments to SB 2143 as recommended by the Committee on Judiciary as printed on pages 1788-1792 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2143 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

REP. WHALEN MOVED that the amendments to SB 2403 as recommended by the Committee on Industry, Business and Labor as printed on page 1794 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2403 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

REP. A. HAUSAUER MOVED that the amendments to SB 2406 as recommended by the Committee on Finance and Taxation as printed on page 1794 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2406 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

REP. KRETSCHMAR MOVED that the amendments to SB 2458 as recommended by the Committee on Judiciary as printed on page 1795 of the House Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SB 2458 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

#### MOTION

REP. STRINDEN MOVED that HB 1676 be placed after the Fourteenth order on the Eleventh order on the calendar, which motion prevailed.

#### SECOND READING OF HOUSE BILL

HB 1675: A BILL for an Act to create and enact a new section to chapter 57-15 of the North Dakota Century Code, relating to a school district mill levy for asbestos abatement; and to repeal subdivision j of subsection 1 of section 57-15-14.2 of the North Dakota Century Code, relating to school district mill levies for asbestos abatement.

Which has been read.

#### ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 93 YEAS, 7 NAYS, 6 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Cleveland; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Klundt; Knell; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki; Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber; Schindler; Schneider; Shaft; Shaw; Shide; Skjerven; Smette; Solberg; Sorensen; Starke; Stofferahn; Strinden; Thompson; Tollefson; Trautman; Ulmer; Vander Vorst; Watne; Wentz; Wilkie; Williams, A.; Williams, C.; Williams, W.; Winkelman; Speaker Kloubec

NAYS: Dotzenrod; Kingsbury; Knudson; Melby; Shockman; Tokach; Tomac

ABSENT AND NOT VOTING: Christman; Gunsch; Koland; Peterson; Wald; Whalen

HB 1675 passed and the title was agreed to.

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## SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3082: A concurrent resolution urging the Congress of the United States to enact appropriate legislation to curtail advertising and promotion of alcoholic beverages.

Which has been read.

## REQUEST

REP. GERNTHOLZ REQUESTED a recorded roll call vote on the motion to adopt HCR 3082.

## ROLL CALL

The question being on the adoption of HCR 3082, the roll was called and there were 56 YEAS, 45 NAYS, 5 ABSENT AND NOT VOTING.

YEAS: Almlie; Belter; Berg, G.; Brokaw; Cleveland; Dotzenrod; Enget; Flaagan; Frey; Gerntholz; Graba; Halmrast; Hanson, L.; Hanson, O.; Haugland; Kingsbury; Klundt; Knudson; Kolbo; Kretschmar; Lang; Laughlin; Lautenschlager; Linderman; Marks; Martin; Melby; Moore; Myrdal; Nelson, J.; O'Connell; Olson, A.; Olson, V.; Opedahl; Rice; Scherber; Schindler; Shaw; Shide; Shockman; Skjerven; Smette; Sorensen; Starke; Stofferahn; Strinden; Thompson; Tollefson; Trautman; Vander Vorst; Watne; Wentz; Wilkie; Williams, A.; Williams, W.; Winkelman

NAYS: Aas; Anderson; Berg, R.; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Gates; Goetz; Gorman; Hamerlik; Haugen; Hausauer, A.; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Knell; Koland; Kuchera; Larson; Lindgren; Martinson; Meyer; Murphy; Nelson, C.; Nicholas; Nowatzki; Oban; Olsen, D.; O'Shea; Payne; Riehl; Rydell; Schneider; Shaft; Solberg; Tokach; Tomac; Ulmer; Wald; Williams, C.; Speaker Kloubec

ABSENT AND NOT VOTING: Christman; Gunsch; Mertens; Peterson; Whalen

HCR 3082 was declared adopted.

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## FIRST READING OF A HOUSE RESOLUTION

Reps. V. Olson, Gerntholz introduced:

(Approved by the Committee on Delayed Bills)

HR 2: A resolution congratulating and recognizing the State University of North Dakota - Valley City Vikings basketball team on its outstanding 1986-87 basketball season and for winning placement in the NAIA national basketball tournament.



Was read the first time.

#### MOTION

REP. GOETZ MOVED that the rules be suspended, that HR 2 not be printed, not be referred to committee, be read in its entirety, not be printed in the Journal, and placed on the calendar for second reading and final passage, which motion prevailed.

#### SECOND READING OF A HOUSE RESOLUTION

HR 2: A resolution congratulating and recognizing the State University of North Dakota - Valley City Vikings basketball team on its outstanding 1986-87 basketball season and for winning placement in the NAIA national basketball tournament.

Which has been read.

The question being on the final adoption of the resolution.

HR 2 was declared adopted on a voice vote.

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#### FIRST READING OF A HOUSE RESOLUTION

Reps. Mertens, G. Berg introduced:

(Approved by the Committee on Delayed Bills)

HR 3: A resolution congratulating and recognizing the North Dakota State College of Science-Devils Lake Lady Royals basketball team on its outstanding 1986-87 basketball season and for winning a berth in the NJCAA national basketball tournament.

Was read the first time.

#### MOTION

REP. GOETZ MOVED that the rules be suspended, that HR 3 not be printed, not be referred to committee, be read in its entirety, not be printed in the Journal, and placed on the calendar for second reading and final passage, which motion prevailed.

#### SECOND READING OF A HOUSE RESOLUTION

HR 3: A resolution congratulating and recognizing the North Dakota State College of Science-Devils Lake Lady Royals basketball team on its outstanding 1986-87 basketball season and for winning a berth in the NJCAA national basketball tournament.

Which has been read.

The question being on the final adoption of the resolution.

HR 3 was declared adopted on a voice vote.

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## MESSAGES FROM THE SENATE

## SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has concurred in the House amendments to SB 2253 and subsequently passed the same.

PERRY GROTEBERG, Secretary

## SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate does not concur in the House amendments to SB 2113 and the Acting President has appointed as a conference committee to act with a like committee from the House on:

SB 2113: Sens. W. Meyer, Axtman, Lodoen

PERRY GROTEBERG, Secretary

## SENATE CHAMBER

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

HB 1068: Sens. Schoenwald, Hilken, Freborg

PERRY GROTEBERG, Secretary

## CONSIDERATION OF MESSAGE FROM THE SENATE

REP. MARTINSON MOVED that the House do not concur in the Senate amendments to HB 1081 as printed on page 1762 of the House Journal and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

## APPOINTMENT OF A CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1081:

Reps. Christman, Trautman, Marks

## CONSIDERATION OF MESSAGE FROM THE SENATE

REP. KRETSCHEMAR MOVED that the House do not concur in the Senate amendments to HB 1167 as printed on page 1762 of the House Journal and that a conference committee be appointed to meet with a like committee from the Senate, which motion prevailed.

## APPOINTMENT OF A CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on HB 1167:

Reps. Lindgren, Shaft, Flaagan

## CONSIDERATION OF MESSAGE FROM THE SENATE

REP. MARTINSON MOVED that the House do concur in the Senate amendments to HB 1300 as printed on page 1764 of the House Journal, which motion prevailed.

## MOTION

REP. STRINDEN MOVED that the rules be suspended, that HB 1300 be deemed properly reengrossed and placed on the calendar, as amended, for second reading and final passage, which motion prevailed.

## SECOND READING OF HOUSE BILL

HB 1300: A BILL for an Act to amend and reenact subsection 6 of section 15-10-01 and subdivision d of subsection 13 of section 15-10-17 of the North Dakota Century Code, relating to the name of Bismarck junior college.

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 92 YEAS, 7 NAYS, 7 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Cleveland; Dalrymple; DeMers, P.; Dorso; Dotzenrod; Enget; Flaagan; Gates; Gerntholz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hill; Hoffner; Hokana; Kelly; Kent; Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Melby; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nowatzki; Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Payne; Rice; Rydell; Scherber; Schindler; Shaft; Shaw; Shide; Skjerven; Smette; Solberg; Sorensen; Starke; Stofferahn; Strinden; Thompson; Tokach; Tollefson; Tomac; Trautman; Ulmer; Vander Vorst; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, W.; Winkelman; Speaker Kloubec

NAYS: DeMers, J.; Frey; Goetz; Riehl; Schneider; Shockman; Wald

ABSENT AND NOT VOTING: Christman; Gunsch; Hausauer, R.; Mertens; Nicholas; Peterson; Williams, C.

HB 1300 passed and the title was agreed to.

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SECOND READING OF HOUSE CONCURRENT RESOLUTION  
AND SENATE CONCURRENT RESOLUTIONS  
ON CONSENT CALENDAR

HCR 3083: A concurrent resolution urging the Congress of the United States to enact legislation to allow imposition of state sales and use taxes on mail order sales to purchasers within a state by out-of-state mail order companies.

SCR 4031: A concurrent resolution directing the Legislative Council to study the Uniform Juvenile Court Act, child abuse and neglect laws, other state and federal laws, and current administrative rules and practices regarding the confidentiality, management, exchange, and use of records and information relating to services provided to minors.

SCR 4032: A concurrent resolution designating May 14, 1989, as "Founders Day" to remember those citizens involved in creating the Constitution of North Dakota.

SCR 4033: A concurrent resolution designating July 4, 1989, as "Constitution Day" to observe the creation of the Constitution of North Dakota.

SCR 4034: A concurrent resolution designating February 22, 1989, as "Government Day" to observe and remember the day when the organizing of North Dakota state government was authorized to begin.

SCR 4038: A concurrent resolution directing the Legislative Council to study the judicial standard of a "person requiring treatment" as used in mental health commitment proceedings resulting in treatment programs other than hospitalization.

Which have been read.

The question being on the final adoption of the resolutions.

So the resolutions were adopted.

#### SECOND READING OF SENATE BILLS

SB 2337: A BILL for an Act to create and enact four new sections to chapter 43-41 of the North Dakota Century Code, relating to privileged communications between a social worker and client.

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 30 YEAS, 71 NAYS, 5 ABSENT AND NOT VOTING.

YEAS: Brokaw; DeMers, J.; DeMers, P.; Flaagan; Frey; Gerntholz; Halmrast; Hill; Hoffner; Hokana; Knudson; Kolbo; Laughlin; Linderman; Marks; Oban; O'Connell; Olson, D.; Olson, A.; Olson, V.; O'Shea; Rydell; Scherber; Shide; Smette; Sorensen; Starke; Ulmer; Wilkie; Williams, A.

NAYS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Cleveland; Dalrymple; Dorso; Dotzenrod; Enget; Gates;

Goetz; Gorman; Graba; Hamerlik; Hanson, L.; Hanson, O.;  
 Haugen; Haugland; Hausauer, A.; Kelly; Kent; Kingsbury;  
 Klundt; Knell; Koland; Kretschmar; Kuchera; Lang;  
 Larson; Lautenschlager; Lindgren; Martin; Martinson;  
 Melby; Meyer; Moore; Murphy; Myrdal; Nelson, C.;  
 Nelson, J.; Nicholas; Nowatzki; Opedahl; Payne; Rice;  
 Riehl; Schindler; Schneider; Shaft; Shaw; Shockman;  
 Skjerven; Solberg; Stofferahn; Strinden; Thompson;  
 Tokach; Tollefson; Tomac; Trautman; Vander Vorst; Wald;  
 Watne; Wentz; Whalen; Williams, C.; Williams, W.;  
 Winkelman; Speaker Kloubec

ABSENT AND NOT VOTING: Christman; Gunsch; Hausauer, R.;  
 Mertens; Peterson

SB 2337 was declared lost.

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SB 2412: A BILL for an Act to create and enact a new subsection to section 20.1-03-11 and a new section to chapter 20.1-08 of the North Dakota Century Code, relating to licenses issued to landowners to hunt elk and the governor's proclamation on the hunting of elk.

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 93 YEAS, 9 NAYS, 4 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.;  
 Brokaw; DeMers, J.; DeMers, P.; Enget; Flaagan;  
 Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik;  
 Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.;  
 Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent;  
 Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo;  
 Kretschmar; Kuchera; Lang; Laughlin; Lautenschlager;  
 Linderman; Lindgren; Marks; Martin; Martinson; Melby;  
 Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.;  
 Nelson, J.; Nicholas; Nowatzki; Oban; O'Connell;  
 Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Rice;  
 Riehl; Rydell; Scherber; Schindler; Schneider; Shaft;  
 Shaw; Shide; Shockman; Skjerven; Smette; Solberg;  
 Starke; Stofferahn; Strinden; Thompson; Tokach;  
 Tollefson; Tomac; Trautman; Ulmer; Vander Vorst; Wald;  
 Watne; Wentz; Wilkie; Williams, A.; Williams, C.;  
 Williams, W.; Winkelman; Speaker Kloubec

NAYS: Cleveland; Dalrymple; Dorso; Dotzenrod; Frey;  
 Gates; Larson; Payne; Sorensen

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson;  
Whalen

SB 2412 passed and the title was agreed to.

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SB 2415: A BILL for an Act to create and enact a new section to chapter 18-09 of the North Dakota Century Code, relating to the installation of liquefied petroleum gas furnaces or other appliances in residential or commercial buildings.

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 103 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Cleveland; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Dotzenrod; Enget; Flaagan; Frey; Gates; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Melby; Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki; Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber; Schindler; Schneider; Shaft; Shaw; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Starke; Stofferahn; Strinden; Thompson; Tokach; Tollefson; Tomac; Trautman; Ulmer; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, C.; Williams, W.; Winkelman; Speaker Kloubec

NAYS: None

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson

SB 2415 passed and the title was agreed to.

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#### APPOINTMENT OF A CONFERENCE COMMITTEE

THE SPEAKER APPOINTED as a Conference Committee on SB 2113:

Reps. Gorman, Tokach, Skjerven

## SECOND READING OF SENATE BILLS

SB 2230: A BILL for an Act to create and enact two new sections to chapter 29-30.3 of the North Dakota Century Code, relating to inquiry into the guilt or innocence of an accused upon extradition and to the payment of expenses of an extradition.

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 103 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Cleveland; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Dotzenrod; Enget; Flaagan; Frey; Gates; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Melby; Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki; Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber; Schindler; Schneider; Shaft; Shaw; Shide; Shockman; Skjerven; Smette; Solberg; Sorensen; Starke; Stofferahn; Strinden; Thompson; Tokach; Tollefson; Tomac; Trautman; Ulmer; Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie; Williams, A.; Williams, C.; Williams, W.; Winkelman; Speaker Kloubec

NAYS: None

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson

SB 2230 passed and the title was agreed to.

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SB 2293: A BILL for an Act to amend and reenact sections 54-55-01 and 54-55-05 of the North Dakota Century Code, relating to the commission on uniform state laws.

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 87 YEAS, 14 NAYS, 5 ABSENT AND NOT VOTING.

**YEAS:** Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Cleveland; Dalrymple; DeMers, P.; Dorso; Enget; Flaagan; Frey; Gates; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugland; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki; Oban; Olson, V.; Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber; Shaft; Shaw; Shockman; Skjerven; Smette; Solberg; Sorensen; Starke; Stofferahn; Strinden; Tokach; Tollefson; Tomac; Trautman; Ulmer; Watne; Wentz; Wilkie; Williams, A.; Williams, C.; Williams, W.; Speaker Kloubec

**NAYS:** DeMers, J.; Haugen; Hausauer, A.; Melby; O'Connell; Olsen, D.; Olson, A.; Schindler; Schneider; Shide; Vander Vorst; Wald; Whalen; Winkelman

**ABSENT AND NOT VOTING:** Christman; Dotzenrod; Gunsch; Peterson; Thompson

SB 2293 passed and the title was agreed to.

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**SB 2339:** A BILL for an Act to amend and reenact sections 12-48-03.1 and 12-48-06.1 of the North Dakota Century Code, relating to the operation of prison industries, the sale of prison-made products, and the prison industry advisory committee.

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 100 YEAS, 2 NAYS, 4 ABSENT AND NOT VOTING.

**YEAS:** Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.; Brokaw; Dalrymple; DeMers, J.; DeMers, P.; Dorso; Dotzenrod; Enget; Flaagan; Frey; Gates; Gerntholz; Goetz; Gorman; Graba; Halmrast; Hamerlik; Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.; Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent; Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo; Kretschmar; Kuchera; Lang; Larson; Laughlin; Lautenschlager; Linderman; Lindgren; Marks; Martin; Martinson; Melby; Mertens; Meyer; Moore; Murphy; Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki; Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.; Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber;



Schindler; Schneider; Shaft; Shaw; Shide; Shockman;  
Smette; Solberg; Sorensen; Starke; Stofferahn;  
Strinden; Tokach; Tollefson; Tomac; Trautman; Ulmer;  
Vander Vorst; Wald; Watne; Wentz; Whalen; Wilkie;  
Williams, A.; Williams, C.; Williams, W.; Winkelman;  
Speaker Kloubec

NAYS: Cleveland; Skjerven

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson;  
Thompson

SB 2339 passed and the title was agreed to.

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SB 2467: A BILL for an Act to amend and reenact section  
16.1-05-06 of the North Dakota Century Code, relating to  
election poll challengers and poll checkers.

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 102 YEAS, 0 NAYS, 4 ABSENT AND  
NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Berg, G.; Berg, R.;  
Brokaw; Cleveland; Dalrymple; DeMers, J.; DeMers, P.;  
Dorso; Dotzenrod; Enget; Flaagan; Frey; Gates;  
Gertholz; Goetz; Gorman; Graba; Halmrast; Hamerlik;  
Hanson, L.; Hanson, O.; Haugen; Haugland; Hausauer, A.;  
Hausauer, R.; Hill; Hoffner; Hokana; Kelly; Kent;  
Kingsbury; Klundt; Knell; Knudson; Koland; Kolbo;  
Kretschmar; Kuchera; Lang; Larson; Laughlin;  
Lautenschlager; Linderman; Lindgren; Marks; Martin;  
Martinson; Melby; Mertens; Meyer; Moore; Murphy;  
Myrdal; Nelson, C.; Nelson, J.; Nicholas; Nowatzki;  
Oban; O'Connell; Olsen, D.; Olson, A.; Olson, V.;  
Opedahl; O'Shea; Payne; Rice; Riehl; Rydell; Scherber;  
Schindler; Schneider; Shaft; Shaw; Shide; Shockman;  
Skjerven; Smette; Solberg; Sorensen; Starke;  
Stofferahn; Strinden; Tokach; Tollefson; Tomac;  
Trautman; Ulmer; Vander Vorst; Wald; Watne; Wentz;  
Whalen; Wilkie; Williams, A.; Williams, C.;  
Williams, W.; Winkelman; Speaker Kloubec

NAYS: None

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson;  
Thompson

SB 2467 passed and the title was agreed to.

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## MOTION

REP. STRINDEN MOVED that the House reconsider its action whereby SB 2103 was rereferred to the Committee on Appropriations.

## REQUEST

REP. HOFFNER REQUESTED a recorded roll call vote on the motion to reconsider the action whereby SB 2103 was rereferred to the Committee on Appropriations, which request was granted.

## ROLL CALL

The question being on the motion to reconsider the action whereby SB 2103 was rereferred to the Committee on Appropriations, the roll was called and there were 56 YEAS, 47 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Aas; Almlie; Anderson; Belter; Cleveland; Dalrymple; Dorso; Dotzenrod; Gates; Gerntholz; Goetz; Gorman; Hamerlik; Hanson, O.; Haugen; Hausauer, A.; Hausauer, R.; Kelly; Kent; Kingsbury; Knell; Knudson; Koland; Kuchera; Lang; Larson; Lindgren; Martin; Martinson; Melby; Moore; Myrdal; Nicholas; Olsen, D.; Olson, A.; Payne; Rice; Schindler; Schneider; Shaft; Shaw; Shide; Smette; Sorensen; Strinden; Thompson; Tokach; Tollefson; Tomac; Trautman; Vander Vorst; Wald; Wentz; Whalen; Winkelman; Speaker Kloubec

NAYS: Berg, G.; Berg, R.; Brokaw; DeMers, J.; DeMers, P.; Enget; Flaagan; Frey; Graba; Halmrast; Hanson, L.; Haugland; Hill; Hoffner; Hokana; Klundt; Kolbo; Kretschmar; Laughlin; Lautenschlager; Linderman; Marks; Mertens; Meyer; Murphy; Nelson, C.; Nelson, J.; Nowatzki; Oban; O'Connell; Olson, V.; Opedahl; O'Shea; Riehl; Rydell; Scherber; Shockman; Skjerven; Solberg; Starke; Stofferahn; Ulmer; Watne; Wilkie; Williams, A.; Williams, C.; Williams, W.

ABSENT AND NOT VOTING: Christman; Gunsch; Peterson

So the motion to reconsider the action whereby SB 2103 was rereferred to the Committee on Appropriations prevailed.

## MOTION

REP. STRINDEN MOVED that the House reconsider its action whereby the amendments to SB 2103 failed to pass.

## REQUEST

REP. HOFFNER REQUESTED a recorded roll call vote on the motion to reconsider the action whereby the amendments to SB 2103 failed to pass, which request was granted.

## ROLL CALL

The question being on the motion to reconsider the action whereby the amendments to SB 2103 failed to pass, the roll was called and there were 58 YEAS, 45 NAYS, 3 ABSENT AND NOT VOTING.

**YEAS:** Aas; Almlie; Anderson; Belter; Cleveland; Dalrymple; DeMers, J.; Dorso; Dotzenrod; Gates; Gerntholz; Goetz; Gorman; Hanson, O.; Haugen; Hausauer, A.; Hausauer, R.; Kelly; Kent; Kingsbury; Knell; Knudson; Koland; Kretschmar; Kuchera; Lang; Larson; Linderman; Lindgren; Martin; Martinson; Melby; Moore; Murphy; Myrdal; Nicholas; Olsen, D.; Olson, A.; Payne; Rice; Schindler; Schneider; Shaft; Shaw; Shide; Smette; Sorensen; Strinden; Thompson; Tokach; Tollefson; Tomac; Vander Vorst; Wald; Wentz; Whalen; Winkelman; Speaker Kloubec

**NAYS:** Berg, G.; Berg, R.; Brokaw; DeMers, P.; Enget; Flaagan; Frey; Graba; Halmrast; Hamerlik; Hanson, L.; Haugland; Hill; Hoffner; Hokana; Klundt; Kolbo; Laughlin; Lautenschlager; Marks; Mertens; Meyer; Nelson, C.; Nelson, J.; Nowatzki; Oban; O'Connell; Olson, V.; Opedahl; O'Shea; Riehl; Rydell; Scherber; Shockman; Skjerven; Solberg; Starke; Stofferahn; Trautman; Ulmer; Watne; Wilkie; Williams, A.; Williams, C.; Williams, W.

**ABSENT AND NOT VOTING:** Christman; Gunsch; Peterson

So the motion to reconsider the action whereby the amendments to SB 2103 failed to pass prevailed.

SB 2103, as amended, was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

MESSAGES TO THE SENATE  
HOUSE CHAMBER

**MADAM PRESIDENT:** I have the honor to inform you that the House has concurred in the Senate amendments to HB 1300 and subsequently passed the same but has refused to concur in the Senate amendments to HB 1081, HB 1167 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

**HB 1081:** Reps. Christman, Trautman, Marks

**HB 1167:** Reps. Lindgren, Shaft, Flaagan

**ROY GILBREATH, Chief Clerk**

## HOUSE CHAMBER

MADAM 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:

SB 2113: Reps. Gorman, Tokach, Skjerven

ROY GILBREATH, Chief Clerk

## HOUSE CHAMBER

MADAM 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 HB 1056, and now wishes to inform you that it does now concur in the Senate amendments to HB 1056, and subsequently passed the same. Also, the House has dissolved the House Conference Committee on HB 1056.

ROY GILBREATH, Chief Clerk

## MOTIONS

REP. GOETZ MOVED that the absent members be excused, which motion prevailed.

REP. GOETZ MOVED that the House be on the Fifth order of business, and at the conclusion of the Fifth order, the House stand adjourned until 12:30 p.m., Friday, March 13, 1987, which motion prevailed.

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER: Your Committee on Industry, Business and Labor to which was referred HB 1666 has had the same under consideration and recommends by a vote of 13 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1, 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 10-04-06 of the North Dakota Century Code, relating to securities transactions exempt from registration requirements; and to amend and reenact subsection 5 of section 10-04-02 and subsections 5 and 9 of section 10-04-06 of the North Dakota Century Code, relating to the issuance and sale of securities.

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

SECTION 1. AMENDMENT. Subsection 5 of section 10-04-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

5. "Offer for sale" or "offer to sell" means every attempt or offer to dispose of, or solicitation of an order or offer to buy, a security or interest in a security for value. Every sale or

offer for sale of a warrant or right to subscribe to another security of the same issuer or of another issuer, and every sale or offer for sale of a security which gives the holder thereof a present or future right or privilege to convert such security into another security of the same issuer or of another issuer, shall be deemed an offer to sell the security to be acquired by subscription or conversion. The offer or grant of an option to purchase securities may not be deemed an offer to sell the securities to be purchased if:

- a. The offer or grant is a limited offer or grant to employees of a parent or subsidiary of the issuer;
- b. The offer or grant is made to any person by the issuer of the security to be purchased or a parent or subsidiary of the issuer;
- c. No money or other tangible property is given for the option; and
- d. The option, by its terms or by the terms of a supplemental agreement, is nontransferable except by will or the laws of descent and distribution, and is exercisable only by the grantee during the lifetime of the grantee.

SECTION 2. AMENDMENT. Subsections 5 and 9 of section 10-04-06 of the North Dakota Century Code are hereby amended and reenacted to read as follows:

5. The Any offer or sale of securities to any a bank, savings bank, savings institution, trust company, insurance company, registered dealer, or any corporation, organization, or association, a principal part of whose business consists of the buying of securities investment company as defined in the Investment Company Act of 1940, pension or profit-sharing trust, or other financial institution or institutional buyer, or to a dealer.
9. a. Any transaction pursuant to an offer directed by the offeror to not more than twenty-five persons (other than those designated in subsection 5) in this state during any period of twelve consecutive months, whether or not the offeror or any of the offerees is then present in this state, if all of the following conditions are met:

- a- (1) The seller reasonably believes that all the buyers in this state (other than those designated in subsection 5) are purchasing for investment.
- b- (2) No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in subsection 5).
- e- (3) The offeror applies for and obtains the written approval of the commissioner prior to making any offers in this state and pays a filing fee of one hundred dollars, which fee must accompany the application for approval.

Provided, however, that the commissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of offerees permitted, or waive the conditions in subdivisions a- b- and e paragraphs 1, 2, and 3 with or without the substitution of a limitation on remuneration.

b. Any sales by an issuer to not more than twenty persons (other than those designated in subsection 5) in this state during any period of twelve consecutive months, whether or not any of the buyers is then present in this state, if all of the following conditions are met:

- (1) The issuer reasonably believes that all the buyers in this state (other than those designated in subsection 5) are purchasing for investment.
- (2) No commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in subsection 5), except reasonable and customary commissions paid by the issuer to a dealer or salesman registered under this chapter.
- (3) The issuer is both organized under the laws of this state and has its principal place of business in this state.

- (4) No public advertising matter or general solicitation is used in connection with any offers or sales.
- (5) The issuer has, ten days prior to any sale pursuant to this subdivision, supplied the commissioner with a statement on forms prescribed by the commissioner containing the following information:
- (a) The name and address of the issuer and the date and state of its organization.
  - (b) The number of units, price per unit, and description of the securities to be sold.
  - (c) The amount of commissions to be paid and the persons to whom they will be paid.
  - (d) The names of all officers, directors, and persons owning five percent or more of the equity of the issuer.
  - (e) A brief description of the intended use of the proceeds.
  - (f) A description of all sales of securities made by the issuer in this state preceding the date of filing.
  - (g) A copy of the investment letter, if any, intended to be used in connection with any sale.

Provided, however, that the commissioner may by rule or order, as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase or decrease the number of buyers permitted, or waive the conditions in paragraphs 1, 2, and 3 with or without the substitution of a limitation on remuneration.

- c. The exemptions provided under subdivisions a and b may not be combined.

**SECTION 3.** A new subsection to section 10-04-06 of the North Dakota Century Code is hereby created and enacted to read as follows:

Any offer or sale of shares of capital stock issued by a professional corporation which is organized and operated pursuant to chapter 10-31."

And renumber the lines, sections, and pages accordingly  
REP. WHALEN, Chairman

HB 1666 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Finance and Taxation to which was referred HB 1670 has had the same under consideration and recommends by a vote of 15 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same BE PLACED ON THE CALENDAR WITHOUT RECOMMENDATION:

On page 1, line 1, after the word "enact" insert the words "section 57-38-58.1," and after the numerals "57-38" insert a comma

On page 1, line 3, after the first word "to" insert the words "definitions for purposes of withholding from wages of nonresident employees and" and after the semicolon insert the words and numerals "to amend and reenact sections 57-38-59, 57-38-60, 57-38-60.1, 57-38-61, and 57-38-62 of the North Dakota Century Code, as contained in sections 3 through 7 of House Bill No. 1901, as approved by the fiftieth legislative assembly, relating to income tax withholding, and payment of estimated tax for income tax purposes;"

On page 1, after line 6, insert the following new sections:

"**SECTION 1. LEGISLATIVE INTENT.** This Act rescinds legislative action whereby House Bill No. 1901 as approved by the fiftieth legislative assembly increased individual short form income tax rates and provided for mandatory income tax withholding.

**SECTION 2.** Section 57-38-58.1 of the North Dakota Century Code is hereby created and enacted to read as follows:

57-38-58.1. Definitions. As used in sections 57-38-59 through 57-38-64, unless the context or subject matter otherwise requires, the term:



1. "Calendar quarter" means the period of three consecutive months ending March thirty-first, June thirtieth, September thirtieth, or December thirty-first.
2. "Employee" means every individual, except persons employed as farm or domestic workers, performing services for an employer, the performance of which constitutes, establishes, and determines the relationship between the parties as that of employer and employee, and includes officers of corporations, individuals, including elected officials, performing services for the United States government or any agency or instrumentality thereof, or the state of North Dakota or any county, city, municipality, or political subdivision thereof.
3. "Employer" means a person or organization transacting business in or deriving any income from sources within the state of North Dakota for whom an individual performs or performed any services, of whatever nature, and who has control of the payment of wages for such services, or an officer, agent, or employee of the person or organization having control of the payment of wages. "Employer" includes any officer or department of state or federal governments, or any political subdivision or agency thereof.
4. "Nonresident" means any person who did not file an individual income tax return with the state tax commissioner for or during the preceding year and who has not continuously maintained a domicile in North Dakota for a period of one full calendar year from January first to December thirty-first, and that person is deemed a nonresident of North Dakota until that person has filed an individual income tax return with the state tax commissioner for the preceding year and until that person has continuously maintained a domicile in North Dakota for a full calendar year.
5. "Payroll period" means a period for which a payment of wages is ordinarily made to the employee by the employee's employer, and the term "miscellaneous payroll period" means a payroll period other than a daily, weekly, biweekly, semimonthly, monthly, quarterly, semiannually, or annual payroll period.
6. "Wages" means "wages" as defined in the Internal Revenue Code of 1954, as amended, for the purpose

of collection of income tax at the source, on wages.

SECTION 3. AMENDMENT. Section 57-38-59 of the North Dakota Century Code as contained in section 3 of House Bill No. 1901, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

**57-38-59. Withholding from wages of nonresident employees - Penalty.**

1. Every employer making payment of wages to nonresident employees shall deduct and withhold from their wages such percentage or percentages, as determined by the tax commissioner, multiplied times the total amount required to be deducted by an employer from wages of an employee under the provisions of the Internal Revenue Code of 1986, and 1954, as ~~hereafter~~ amended, as will approximate the income taxes due the state, provided, that no employer is required to deduct and withhold any amount on the first six hundred dollars of annual wages paid to a nonresident employee unless that employee is employed for a period of sixty days or more within any one year. The amount of tax withheld shall be computed without regard to any other amount required to be withheld thereunder, but the tax withheld shall as closely as possible pay any tax liability imposed by this chapter.
2. In the event that the tax deducted and withheld under subsection 1 should prove to be disproportionate to the tax liability, the tax commissioner may adjust the percentage that, when withheld, will, as closely as may be possible, pay the income tax liability imposed by this chapter.
3. The tax commissioner may, in lieu of the requirement above for deducting and withholding tax based upon a percentage of federal income tax withheld, adopt by rule tax tables that, when the tax provided for in the tables is withheld, will, as closely as possible, pay the income tax liability imposed by this chapter. When adopted by the tax commissioner said tables shall be followed by every employer required to deduct and withhold any tax imposed by this chapter.
4. Every employer shall deduct and withhold from every nonresident employee's wages the amounts required to be deducted and withheld from a

nonresident employee's wages until such time as the employee has filed with the employee's employer a signed certificate, in such form as the tax commissioner shall provide, that such employee entitled to wages is a resident of the state of North Dakota as defined for withholding purposes. The certificate must contain a written declaration that it is made under the penalties provided in section 12.1-11-02. Once filed, a certificate remains in effect with the employer with whom it is filed, until the employee's status has changed to that of a nonresident as defined in subsection 4 of section 57-38-58.1. The employee shall give written notice to the employee's employer within fifteen days after that change in status. The employer upon receiving that written notice shall deduct and withhold from the employee's wages as provided in this section until the employee files with the employer the signed certificate referred to in this subsection. Any employee willfully failing to give written notice to the employee's employer of the employee's change in status as required in this subsection within the time prescribed is subject to the penalty provided for in subsection 3 of section 57-38-45. Employers are required to make the certificate of residence available to the tax commissioner upon request.

SECTION 4. AMENDMENT. Section 57-38-60 of the North Dakota Century Code as contained in section 4 of House Bill No. 1901, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

**57-38-60. Employer's returns and remittances.**

1. Every employer shall, on or before the last day of April, July, October, and January, pay over to the tax commissioner the amount required to be deducted and withheld from wages paid to all nonresident employees during the preceding calendar quarter under section 57-38-59; provided, that the tax commissioner may alter the time or period for making reports and payment when in the tax commissioner's opinion, the tax is in jeopardy, or may prescribe the use of any other time or period as will facilitate the collection and payment of the tax by the employer.
2. Every employer shall file a return on forms prescribed by the tax commissioner with each payment made to the tax commissioner under this

section which shall show the total amount of wages paid to the employer's nonresident employees, the amount of federal income tax deducted and withheld during the period covered by the return, the amount of tax imposed under this chapter which was deducted and withheld during the period covered by the return, and such other information as the tax commissioner may require.

3. Every employer shall make an annual return to the tax commissioner on forms provided and approved by the tax commissioner, summarizing the total compensation paid, the federal income tax deducted and withheld, and the state tax deducted and withheld, for each nonresident employee during the calendar year and shall file the same with the tax commissioner on or before the thirty-first day of January of the year following that for which the report is made. Every employer shall also, in accordance with such rules as may be prescribed by the tax commissioner, provide each nonresident employee from whom state income tax has been withheld, with a statement of the amounts of total compensation paid and the amounts deducted and withheld for such employee during the preceding calendar year in accordance with section 57-38-59, and said statement shall be made available to the employee on or before the thirty-first day of January of the year following that for which the report is made.
4. The employer shall be liable to the tax commissioner for the payment of the tax required to be deducted and withheld under section 57-38-59, and the employee shall not thereafter be liable for the amount of any such payment, nor shall the employer be liable to any person or to any employee for the amount of any such payment. For the purpose of making penalty provisions of this chapter applicable, any amount deducted or required to be deducted and remitted to the tax commissioner under this section shall be considered to be the tax of the employer and with respect to such amounts the employer is considered the taxpayer.
5. Every employer who deducts and withholds any amounts under section 57-38-59 shall hold the same in trust for the state of North Dakota for payment thereof to the tax commissioner in the manner and at the time provided for in this section, and the state of North Dakota shall have

a lien on the property of the employer to secure the payment of any amounts withheld and not remitted as provided herein, which lien shall attach at the time prescribed and to the property described in section 57-38-48 and shall be subject to the provisions of sections 57-38-49, 57-38-50, and 57-38-51.

6. As a condition precedent to the doing of business in the state of North Dakota, an employer who has not continuously maintained a domicile in this state for a period of one full year from January first to December thirty-first, shall be required, and any other employer, at the discretion of the tax commissioner may be required, to either make a cash deposit or post with the tax commissioner a bond or undertaking executed by a surety company authorized to do business in the state of North Dakota in such amount as is reasonably calculated to ensure the payment to the state of taxes deducted and withheld from wages, but not to exceed five thousand dollars.

**SECTION 5. AMENDMENT.** Section 57-38-60.1 of the North Dakota Century Code as contained in section 5 of House Bill No. 1901, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

**57-38-60.1. Corporate officer liability.** If a corporation is an employer, as defined in subsection 3 of section 57-38-58.1, and fails for any reason to file the required returns or to pay the tax due, the chairman, president, or chief operating officer, jointly or severally charged with the responsibility of supervising the preparation of such returns and payments shall be personally liable for such failure. The dissolution of a corporation shall not discharge an officer's liability for a prior failure of the corporation to file a return or remit the tax due. The taxes, penalty, and interest may be assessed and collected pursuant to the provisions of this chapter.

**SECTION 6. AMENDMENT.** Section 57-38-61 of the North Dakota Century Code as contained in section 6 of House Bill No. 1901, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

**57-38-61. Provisions of chapter applicable.** The provisions of sections 57-38-34, 57-38-38, 57-38-39, 57-38-40, 57-38-44, 57-38-45, 57-38-46, 57-38-47, 57-38-53, 57-38-54, 57-38-55, 57-38-56, and 57-38-57 shall, insofar as consistent therewith, govern the administration of sections

57-38-58.1, 57-38-59, 57-38-60, and 57-38-60.1. The term "employer" as used in sections 57-38-58.1, 57-38-59, 57-38-60, and 57-38-60.1 also means "taxpayer" as used in this chapter. In addition, the authority of the tax commissioner to adopt rules includes the authority to make such agreements with the United States government or any of its agencies as are necessary to provide for the deducting and withholding of tax from the wages of federal employees in this state.

**SECTION 7. AMENDMENT.** Section 57-38-62 of the North Dakota Century Code as contained in section 7 of House Bill No. 1901, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

**57-38-62. Declaration of estimated income.**

1. All individuals, estates, and trusts that are required to file a federal declaration of estimated tax shall nonresident individual taxpayers shall, and resident individual taxpayers may, at the time prescribed in this chapter, make a declaration of their estimated tax for the taxable year, containing such information as the tax commissioner may prescribe by rules, if their estimated tax due the state from all sources, including wages, salaries, bonuses, or other emoluments, not subject to withholding, exceeds two hundred dollars and, except for nonresidents who have not filed a return in this state for the previous year, their previous year's state income tax liability exceeded two hundred dollars.
2. All corporate taxpayers shall, at the time prescribed in this chapter, make a declaration of their estimated tax for the taxable year containing such information as the tax commissioner may prescribe by rules and regulations, if the taxpayer's estimated tax due the state from sources or business done in this state can reasonably be expected to exceed five thousand dollars and if their previous year's state income tax liability exceeded five thousand dollars.
3. The provisions of section 57-38-45 apply in case of failure to file or pay a declaration of estimated tax as required by this chapter, or if a declaration of estimated tax for any quarter is understated or underpaid by more than ten percent. No penalty is due if the total amount

of all payments for estimated tax made on or before the due date for that installment equals or exceeds the total amount that would have been required to be paid on or before that date if the estimated tax equaled the tax shown on the taxpayer's return for the preceding taxable year.

- 4- For purposes of this section, "estimated tax" means the amount that a person estimates to be income tax under this chapter for the taxable year less the amount of any credits allowable, including tax withheld."

On page 1, line 9, underscore the words "Effective years.", after the period insert the subsection numeral "1.", underscore the word and numerals "Sections 57-38-01.2," and delete the numerals "57-38-01.7, 57-38-01.8,"

On page 1, underscore line 10

On page 1, line 11, underscore the numerals and words "57-38-30.3, 57-38-30.4, subsection 2 of section 57-38-31," after the third comma insert the word "and", and delete the word "sections" and insert in lieu thereof the word "section"

On page 1, line 12, underscore the numerals "57-38-34.2" and delete the numerals ", 57-38-67, 57-38-68, 57-38-69, 57-38-70, 57-38-71,"

On page 1, line 13, delete the numerals and word "57-38-72, 57-38-73, and 57-38-74" and underscore the words "shall not be effective for taxable"

On page 1, underscore line 14

On page 1, after line 14, insert the following new subsection:

"2. Sections 57-38-67, 57-38-68, 57-38-69, 57-38-70, 57-38-71, 57-38-72, 57-38-73, 57-38-74, and, notwithstanding the provisions of subsection 1 of this section, subdivisions m and n of subsection 1 of section 57-38-01.2 shall be effective under this Act for taxable years beginning after December 31, 1986, through taxable year 1991."

On page 1, underscore lines 17 through 28

On page 2, underscore lines 1 through 12

On page 2, line 13, underscore the words "plus or minus", delete the comma, and underscore the words "such adjustments as may be provided by this"

On page 2, underscore lines 14 through 34

On page 3, underscore lines 1 through 8

On page 3, delete lines 9 through 35

On page 4, delete lines 1 through 23 and insert in lieu thereof the following:

"SINGLE TAXPAYERS, ESTATES, AND TRUSTS

North Dakota taxable income:

\$ 0 to \$ 1,800	.....	computed at 1.65%	
\$ 1,800 to \$16,800	.....	\$ 29.70 plus 2.25% of excess over \$ 1,800	
\$16,800 to \$27,000	.....	\$ 367.20 plus 4.20% of excess over \$16,800	
\$27,000 to \$54,000	.....	\$ 795.60 plus 5.25% of excess over \$27,000	
Over \$54,000	.....	\$2,213.10 plus 5.775% of excess over \$54,000	

MARRIED FILING JOINT RETURN

North Dakota taxable income:

\$ 0 to \$ 3,000	.....	computed at 1.65%	
\$ 3,000 to \$28,000	.....	\$ 49.50 plus 2.25% of excess over \$ 3,000	
\$28,000 to \$45,000	.....	\$ 612.00 plus 4.20% of excess over \$28,000	
\$45,000 to \$90,000	.....	\$1,326.00 plus 5.25% of excess over \$45,000	
Over \$90,000	.....	\$3,688.50 plus 5.775% of excess over \$90,000	

MARRIED FILING SEPARATE RETURNS - RATES TO BE USED BY EACH SPOUSE

North Dakota taxable income:

\$ 0 to \$ 1,500	.....	computed at 1.65%	
\$ 1,500 to \$14,000	.....	\$ 24.75 plus 2.25% of excess over \$ 1,500	
\$14,000 to \$22,500	.....	\$ 306.00 plus 4.20% of excess over \$14,000	
\$22,500 to \$45,000	.....	\$ 663.00 plus 5.25% of excess over \$22,500	
Over \$45,000	.....	\$1,844.25 plus 5.775% of excess over \$45,000	

HEAD OF HOUSEHOLD

North Dakota taxable income:

\$ 0 to \$ 2,500	.....	computed at 1.65%	
\$ 2,500 to \$23,000	.....	\$ 41.25 plus 2.25% of excess over \$ 2,500	
\$23,000 to \$38,000	.....	\$ 502.50 plus 4.20% of excess over \$23,000	
\$38,000 to \$80,000	.....	\$1,132.50 plus 5.25% of excess over \$38,000	
Over \$80,000	.....	\$3,337.50 plus 5.775% of excess over \$80,000	

For tax years beginning after December 31, 1987, the rates shall be:

SINGLE TAXPAYERS, ESTATES, AND TRUSTS

North Dakota taxable income:

\$ 0 to \$17,850	.....	computed at 2.25%	
\$17,850 to \$43,150	.....	\$ 401.63 plus 4.20% of excess over \$17,850	
Over \$43,150	.....	\$1,464.23 plus 4.95% of excess over \$43,150	

MARRIED FILING JOINT RETURN

North Dakota taxable income:

\$ 0 to \$29,750	.....	computed at 2.25%	
\$29,750 to \$71,900	.....	\$ 669.38 plus 4.20% of excess over \$29,750	



Over \$71,900 ..... \$2,439.68 plus 4.95% of excess over \$71,900

MARRIED FILING SEPARATE RETURNS - RATES TO BE USED BY EACH SPOUSE

North Dakota taxable income:

\$ 0 to \$14,875 ..... computed at 2.25%  
 \$14,875 to \$35,950 ..... \$ 334.69 plus 4.20% of excess over \$14,875  
 Over \$35,950 ..... \$1,219.84 plus 4.95% of excess over \$35,950

HEAD OF HOUSEHOLD

North Dakota taxable income:

\$ 0 to \$23,900 ..... computed at 2.25%  
 \$23,900 to \$61,650 ..... \$ 537.75 plus 4.20% of excess over \$23,900  
 Over \$61,650 ..... \$2,123.25 plus 4.95% of excess over \$61,650"

On page 4, line 24, delete the word "The" and insert in lieu thereof the words "Except for the credits allowed under sections 57-38-01.7 and 57-38-01.8, the" and underscore the words "amount of tax liability computed from any of the foregoing"

On page 4, underscore lines 25 through 34

On page 5, underscore lines 1 through 8

On page 5, after line 8, insert the following new subdivisions:

- "c. Reduced by any ACRS deduction allowable under subdivision b of subsection 3 of section 57-38-01 if the taxpayer utilized this deduction for the taxable year 1986.
- d. Reduced by any beginning farmer deductions allowable under subsection 2 of section 8 of this Act.
- e. Reduced by any beginning businessman deductions allowable under subsection 2 of section 8 of this Act."

On page 5, underscore lines 9 through 33

On page 5, after line 33, insert the following new subdivisions:

- "c. Reduced by any ACRS deduction allowable under subdivision b of subsection 3 of section 57-38-01 if the taxpayer utilized this deduction for the taxable year 1986.
- d. Reduced by any beginning farmer deductions allowable under subsection 2 of section 8 of this Act.

e. Reduced by any beginning businessman deductions allowable under subsection 2 of section 8 of this Act."

On page 5, line 34, delete the letter "c" and insert in lieu thereof the letter "f" and underscore the words "Increased by the proportion of personal exemptions,"

On page 5, underscore line 35

On page 6, underscore lines 1 through 35

On page 7, underscore lines 1 through 17

On page 7, line 18, delete the words and numeral "section 2 of"

And renumber the lines, sections, and pages accordingly  
REP. A. HAUSAUER, Chairman

HB 1670 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Natural Resources to which was referred Engrossed SB 2032 has had the same under consideration and recommends by a vote of 11 YEAS, 0 NAYS, 6 ABSENT AND NOT VOTING that the same DO PASS.

REP. A. OLSON, Chairman

Engrossed SB 2032 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on State and Federal Government to which was rereferred SB 2109 has had the same under consideration and recommends by a vote of 13 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1 of the engrossed bill, line 1, delete the numerals "43-09-10, 43-09-11,"

On page 1 of the engrossed bill delete lines 6 through 23

And renumber the lines, sections, and pages accordingly  
REP. MARTINSON, Chairman

SB 2109 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Political Subdivisions to which was referred Engrossed SB 2190 has had the same under consideration and recommends by a vote of 12 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING that the same DO PASS.

REP. MOORE, Chairman

Engrossed SB 2190 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Political Subdivisions to which was referred Engrossed SB 2350 has had the same under consideration and recommends by a vote of 11 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING that the same DO PASS.

REP. MOORE, Chairman

Engrossed SB 2350 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Natural Resources to which was referred Engrossed SB 2361 has had the same under consideration and recommends by a vote of 8 YEAS, 3 NAYS, 6 ABSENT AND NOT VOTING that the same DO NOT PASS.

REP. A. OLSON, Chairman

Engrossed SB 2361 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Political Subdivisions to which was referred SB 2394 has had the same under consideration and recommends by a vote of 9 YEAS, 0 NAYS, 6 ABSENT AND NOT VOTING that the same DO PASS.

REP. MOORE, Chairman

SB 2394 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Political Subdivisions to which was referred SB 2444 has had the same under consideration and recommends by a vote of 13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1, line 10, remove the overstrike over the word "~~ex~~"

On page 1, line 11, after the word "~~give~~" insert the word "grant"

And renumber the lines, sections, and pages accordingly

REP. MOORE, Chairman

SB 2444 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

**MR. SPEAKER:** Your Committee on Political Subdivisions to which was referred SB 2445 has had the same under consideration and recommends by a vote of 13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1, line 10, remove the overstrike over the word "~~ex~~" and after the word "~~give~~" insert the word "grant"

And renumber the lines, sections, and pages accordingly  
REP. MOORE, Chairman

SB 2445 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on State and Federal Government to which was rereferred SB 2471 has had the same under consideration and recommends by a vote of 13 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS and be rereferred to the Committee on Appropriations:

On page 1 of the engrossed bill, line 2, after the word "Dakota" insert the words "; and to provide an appropriation"

On page 2 of the engrossed bill, after line 2, insert the following new section:

"SECTION 4. APPROPRIATION - UNIVERSITY OF NORTH DAKOTA. There is hereby appropriated \$58,500, or so much thereof as may become available, from federal, private, and other funds to the university of North Dakota to establish a child welfare research bureau at the university of North Dakota."

And renumber the lines, sections, and pages accordingly  
REP. MARTINSON, Chairman

SB 2471 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Transportation to which was referred SB 2472 has had the same under consideration and recommends by a vote of 12 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING that the same DO PASS.

REP. ANDERSON, Chairman

SB 2472 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Political Subdivisions to which was referred Engrossed SB 2514 has had the same under consideration and recommends by a vote of 11 YEAS, 0 NAYS, 4 ABSENT AND NOT VOTING that the same DO PASS.

REP. MOORE, Chairman

Engrossed SB 2514 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Education to which was referred Engrossed SB 2520 has had the same under consideration and recommends by a vote of 10 YEAS, 5 NAYS, 3 ABSENT AND NOT VOTING

that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1 of the engrossed bill, line 14, after the word "balance" insert the words "in excess of twenty thousand dollars"

On page 1 of the engrossed bill, line 15, delete the word "shall" and insert in lieu thereof the word "may"

And renumber the lines, sections, and pages accordingly  
REP. GATES, Chairman

Engrossed SB 2520 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. SPEAKER: Your Committee on Industry, Business and Labor to which was referred Engrossed SB 2533 has had the same under consideration and recommends by a vote of 7 YEAS, 6 NAYS, 3 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

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 and reenact section 19-10-03.1 and subsection 2 of section 57-43.1-02 of the North Dakota Century Code, relating to required disclosure of certain contents of gasoline and to taxes on motor vehicle fuels containing alcohol.

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

SECTION 1. AMENDMENT. Section 19-10-03.1 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

19-10-03.1. Retail sale of alcohol-blended gasoline - Notice required. No dealer may sell at retail alcohol-blended gasoline unless the dispensing unit bears and any price advertising bear the word "contains" and the name of the alcohol blended with the gasoline if the alcohol-blended gasoline consists of one percent or more by volume of any alcohol.

SECTION 2. AMENDMENT. Subsection 2 of section 57-43.1-02 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

2. The tax imposed on gasoline sold which contains a minimum ten percent blend of a qualifying alcohol whose purity is at least ninety-nine percent alcohol is reduced in accordance with this

subsection and subsection 3. An alcohol is a qualifying alcohol if it is methanol produced from coal or if the taxpayer certifies that it is derived from agricultural products produced entirely in the United States. For qualifying alcohols, the tax is:

- a. From July 1, 1985, through June 30, 1987, eight cents per gallon [3.79 liters] less than the tax imposed under subsection 1.
- b. From July 1, 1987, through June 30, 1989, but subject to the termination requirements of this subdivision, four cents per gallon [3.79 liters] less than the tax imposed under subsection 1. During this period, the following procedures apply:
  - (1) Each month, the commissioner shall determine the total number of gallons [3.79 liters] of gasoline sold since June 30, 1987, and entitled to the exemption allowed under this subdivision.
  - (2) The commissioner shall then determine the average number of gallons [3.79 liters] of that gasoline sold each month since June 30, 1987.
  - (3) The commissioner shall then determine the sum of two plus the number of months since June 1987.
  - (4) The commissioner shall then multiply the number determined under paragraph 2 times the number determined under paragraph 3.
  - (5) When the product determined under paragraph 4 reaches one hundred thirty-five million gallons [511,025,000.0 liters], the exemption allowed under this subdivision no longer applies, except that even if the specified number of gallons [3.79 liters] is exceeded for the final month, the exemption applies for that entire month. When appropriate, the commissioner shall publish a notice that the exemption no longer applies and will not apply until after June 30, 1989.

c. From July 1, 1989, through December 31, 1992,  
four cents per gallon [3.79 liters] less than  
the tax imposed under subsection 1.

~~e-~~ d. After December 31, 1992, at the same rate as  
the tax imposed under subsection 1."

And renumber the lines, sections, and pages accordingly

REP. WHALEN, Chairman

Engrossed SB 2533 was placed on the Sixth order of business on  
the calendar for the succeeding legislative day.

The House stood adjourned pursuant to Representative Goetz's  
motion.

ROY GILBREATH, Chief Clerk