

THURSDAY, APRIL 9, 1987

2261

JOURNAL OF THE SENATE

Fiftieth Legislative Assembly

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SIXTY-SIXTH DAY

Bismarck, April 9, 1987

The Senate convened at 8:00 a.m., with President Pro Tem Redlin presiding.

The prayer was offered by Reverend Gary Ball-Kilbourne, United Methodist Church, Center, North Dakota.

Let us pray.

Almighty and merciful God, we pause before You as the Senate prepares to begin another day filled with work. We give thanks to You for the gift of life. If any are ill in body or spirit this day or hurt for a loved one who is ill, we pray for healing and for the peace of mind to go on with the legislative work.

We ask three gifts for the Senators who are entrusted with the task of making good laws for all the people of the state: for the gift of harmony - not that they put aside honest disagreements, but that they set aside concerns of party and instead seek only the welfare of the whole people; for the gift of wisdom to be able to discern Your Holy will; and for the gift of endurance - the stamina to see through these last few days in session. Guard them from fatigue. Keep them fresh and alert and cheerful.

We commend these servants to Your care this day. Watch over them, and let them know that even as they make the difficult but necessary decisions, they are loved. We pray through Jesus Christ, our Lord, our Savior, Amen.

ROLL CALL

The roll was called and all Senators were present, except Senators Nething and Stenehjem.

A quorum was declared by the President Pro Tem.

MESSAGES FROM THE HOUSE
HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith SB 2547 and SCR 4047 which the House has amended and subsequently passed:

HOUSE AMENDMENTS TO REENGROSSED SB 2547

On page 1 of the reengrossed bill, line 1, delete the word "two" and insert in lieu thereof the word "a" and delete the word "sections" and insert in lieu thereof the word "section"

- On page 1 of the reengrossed bill, line 22, after the underscored period insert the words "Ownership of the offsite hazardous waste is different than the ownership of the processing facility and the wastes are processed for a fee or other consideration."
- On page 4 of the reengrossed bill, line 1, delete the words "Local commercial" and insert in lieu thereof the word "Commercial"
- On page 4 of the reengrossed bill, line 3, delete the words "hazardous waste"
- On page 4 of the reengrossed bill, line 4, delete the words "disposal site" and insert in lieu thereof the words "commercial facility"
- On page 4 of the reengrossed bill, delete lines 7 through 9
- On page 4 of the reengrossed bill, line 10, delete the words "Commercial facility permits."
- On page 4 of the reengrossed bill, line 14, delete the second word "and" and insert in lieu thereof the word "or"
- On page 4 of the reengrossed bill, line 15, after the word "is" insert the word "located"
- On page 4 of the reengrossed bill, line 16, delete the words "in which the"
- On page 4 of the reengrossed bill, line 17, delete the words "proposed facility is or proposed to be located"
- On page 4 of the reengrossed bill, line 18, after the word "county" insert the words "or city" and delete the words ", and if the"
- On page 4 of the reengrossed bill, delete line 19
- On page 4 of the reengrossed bill, line 20, delete the words "territorial zoning authority of a city, the city"
- On page 4 of the reengrossed bill, line 21, after the word "is" insert the words "located or", after the word "hold" insert the words "a public hearing", and delete the words "an informal"
- On page 4 of the reengrossed bill, delete lines 22 through 28
- On page 4 of the reengrossed bill, line 29, delete the words "Notice of the hearing must be published"

On page 4 of the reengrossed bill, line 30, delete the words "subdivisions a and b of" and delete the word "The"

On page 4 of the reengrossed bill, delete lines 31 and 32

And renumber the lines, sections, and pages accordingly

HOUSE AMENDMENTS TO ENGROSSED SCR 4047

On page 1 of the engrossed resolution, line 4, after the word "property" insert the words "to allow imposition of property taxes and state oil and gas taxes or other taxes imposed in lieu of property taxes on minerals or property owned by the federal land bank and relating to taxation of state or local government property if exemption of the property is waived by the legislative assembly"

On page 1 of the engrossed resolution, line 8, after the word "property" insert the words "to allow imposition of property taxes and state oil and gas taxes or other taxes imposed in lieu of property taxes on minerals or property owned by the federal land bank and relating to taxation of state or local government property if exemption of the property is waived by the legislative assembly"

On page 1 of the engrossed resolution, line 14, delete the word "statewide" and insert in lieu thereof the word "general"

On page 2 of the engrossed resolution, line 1, delete the words "or an act of the legislative assembly"

On page 2 of the engrossed resolution, line 2, after the word "county" insert an underscored comma and after the second underscored comma insert the words "to the extent immunity from taxation has not been waived by an act of the legislative assembly,"

And renumber the lines, sections, and pages accordingly

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith the following on which the House has adopted the conference committee report and subsequently passed the same:

SB 2230, SB 2314, SB 2510, SB 2520

ROY GILBREATH, Chief Clerk

MOTIONS

SEN. HEIGAARD MOVED that HB 1019, which is on the Fourteenth order, be rereferred to the Committee on Appropriations, which motion prevailed.

SEN. HEIGAARD MOVED that the Senate stand in recess until 10:00 a.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Pro Tem Redlin presiding.

MESSAGES TO THE HOUSE

SENATE CHAMBER

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

HB 1007: Sens. Waldera, Shea, Lips

PERRY GROTBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to transmit herewith the following on which the Senate has adopted the conference committee report and subsequently passed the same:

SB 2011, SB 2128, SB 2365, SB 2404

PERRY GROTBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith the following on which the Senate has adopted the conference committee report and subsequently passed the same:

HB 1062, HB 1121, HB 1131, HB 1161, HB 1167, HB 1176,
HB 1228, HB 1266, HB 1274, HB 1350, HB 1355, HB 1365,
HB 1369, HB 1416, HB 1561, HB 1643

PERRY GROTBERG, Secretary

SENATE CHAMBER

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

HB 1038, HB 1192, HB 1535

PERRY GROTBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has adopted the conference committee report on SB 2387 and the President Pro Tem has appointed as a new conference committee to act with a like committee from the House on:

SB 2387: Sens. Dotzenrod, Holmberg, Lodoen

PERRY GROTBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has not adopted the conference committee report on HB 1388 and the President Pro Tem has appointed as a new conference committee to act with a like committee from the House on:

HB 1388: Sens. Richard, D. Meyer, Todd

PERRY GROTBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has not adopted the conference committee report on HB 1231 and the President Pro Tem has appointed as a new conference committee to act with a like committee from the House on:

HB 1231: Sens. Keller, Krauter, Reiten

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith the following which the Senate has amended and failed to pass:

HB 1539

PERRY GROTEBERG, Secretary

CORRECTION AND REVISION OF THE JOURNAL

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

SEN. J. MEYER, Chairman

SEN. AXTMAN 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 HB 1026 and subsequently passed the same but has refused to concur in the Senate amendments to HB 1027 and HB 1674 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1027: Reps. Thompson, R. Hausauer, Nowatzki

HB 1674: Reps. R. Hausauer, Peterson, Graba

ROY GILBREATH, Chief Clerk

APPOINTMENT OF CONFERENCE COMMITTEES

SEN. TALLACKSON MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a Conference Committee on HB 1018, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1018:

Sens. Tallackson, Stromme, Thane

SEN. TALLACKSON MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a Conference Committee on HB 1021, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1021:

Sens. Wogsland, Shea, Nelson

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. TALLACKSON MOVED that the Senate do not concur in the House amendments to SB 2005 as printed on pages 2157-2159 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 PRO TEM APPOINTED as a Conference Committee on SB 2005:

Sens. Yockim, Redlin, Lips

MOTION

SEN. HEIGAARD MOVED that SB 2319, SB 2468, and SB 2471 be moved to the head of the Twelfth order on the calendar, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. TALLACKSON MOVED that the Senate do concur in the House amendments to SB 2319 as printed on pages 2159-2160 of the Senate Journal, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2319: A BILL for an Act to provide for parimutuel horse racing conducted by certain civic and service clubs, charitable, fraternal, religious, and veterans' organizations, and other public-spirited organizations, the creation of a racing commission, license authorization, and fees; to provide a penalty; and to provide an appropriation.

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 38 YEAS, 12 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Adams; Bakewell; David; Heigaard; Heinrich; Holmberg; Ingstad; Keller; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Mushik; Naaden; Nalewaja; Nething; Olson; Peterson; Reiten; Richard; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Todd; Vosper; Waldera; Wogsland; Yockim

NAYS: Axtman; Freborg; Hilken; Kelly; Mathern; Moore; Nelson; Redlin; Tennefos; Thane; Tweten; Wright

ABSENT AND NOT VOTING: Dotzenrod; Mutch; Satrom

SB 2319 passed and the title was agreed to.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. LASHKOWITZ MOVED that the Senate do not concur in the House amendments to SB 2468 as printed on pages 2008-2009 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 PRO TEM APPOINTED as a Conference Committee on SB 2468:

Sens. Maxson, Holmberg, Stenehjem

MESSAGE FROM THE HOUSE
HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has adopted the conference committee report on HB 1359 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

HB 1359: Reps. Koland, Larson, Frey

ROY GILBREATH, Chief Clerk

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. TALLACKSON MOVED that the Senate do concur in the House amendments to SB 2471 as printed on pages 2160-2161 of the Senate Journal, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2471: A BILL for an Act to establish a child welfare research bureau at the university of North Dakota and to provide an appropriation.

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 33 YEAS, 17 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Axtman; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelsh; Krauter; Langley; Lashkowitz; Lips; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Mushik; Nalewaja; Olson; Peterson; Redlin; Reiten; Richard; Schoenwald; Shea; Stenehjem; Stromme; Tallackson; Waldera; Wogsland; Yockim

NAYS: Adams; Bakewell; David; Freborg; Kelly; Lodoen; Moore; Naaden; Nelson; Nething; Streibel; Tennefos; Thane; Todd; Tweten; Vosper; Wright

ABSENT AND NOT VOTING: Dotzenrod; Mutch; Satrom

SB 2471 passed and the title was agreed to.

MESSAGE TO THE HOUSE
SENATE CHAMBER

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

HB 1018: Sens. Tallackson, Stromme, Thane

HB 1021: Sens. Wogsland, Shea, Nelson

PERRY GROTEBERG, Secretary

SECOND READING OF HOUSE BILL

HB 1005: A BILL for an Act making an appropriation for defraying the expenses of the cooperative extension division, the upper great plains transportation institute, and the experiment stations of North Dakota state university of agriculture and applied science; to provide a statement of legislative intent; to provide for a transfer from the lignite research fund; and to provide a contingent appropriation.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 51 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; David; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjelm; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Maxson; Mutch

HB 1005 passed and the title was agreed to.

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 amendments to HB 1016 and HB 1023 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1016: Reps. Rice, Winkelman, Stofferahn

HB 1023: Reps. Winkelman, Wald, Opedahl

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

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

HB 1601, HCR 3007, HCR 3064

ROY GILBREATH, Chief Clerk

MOTIONS

SEN. KELSH MOVED that the Senate reconsider its action whereby HB 1539 lost.

Sen. Kelsh withdrew his motion to reconsider HB 1539.

SEN. HEIGAARD MOVED that a message be sent to the House requesting the return of HB 1539, which motion prevailed on a verification vote.

SECOND READING OF HOUSE BILL

HB 1002: A BILL for an Act making an appropriation for defraying the expenses of the judicial branch of the government of the state of North Dakota; to amend and reenact section 27-05-01 of the North Dakota Century Code, relating to the number of district court judges; and to provide an effective date.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 51 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; David; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennesfos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Maxson; Mutch

HB 1002 passed and the title was agreed to.

MESSAGE TO THE HOUSE
SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has concurred in the House amendments to SB 2319 and SB 2471 and subsequently passed the same but has refused to concur in the House amendments to SB 2005 and SB 2468 and the President Pro Tem has appointed as a conference committee to act with a like committee from the House on:

SB 2005: Sens. Yockim, Redlin, Lips

SB 2468: Sens. Maxson, Holmberg, Stenehjem

PERRY GROTEBERG, Secretary

MOTIONS

SEN. HEIGAARD MOVED that the vote by which HB 1002 and HB 1005 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

SEN. HEIGAARD MOVED that the rules be suspended and that HB 1002 and HB 1005 be messaged to the House immediately, which motion prevailed.

SEN. HEIGAARD MOVED that the Senate stand in recess until 1:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Pro Tem Redlin presiding.

MESSAGES TO THE HOUSE
SENATE CHAMBER

MR. SPEAKER: The Senate respectfully requests the return of HB 1539 for the purpose of reconsideration.

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith the following which the Senate has amended and subsequently passed:

HB 1005

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith the following which the Senate has passed unchanged:

HB 1002

THURSDAY, APRIL 9, 1987

2271

PERRY GROTEBERG, Secretary

PRESENTATION OF PETITIONS AND COMMUNICATIONS

State of North Dakota
EXECUTIVE OFFICE
Bismarck

April 9, 1987

The Honorable Rolland Redlin
President Pro Tempore
North Dakota Senate
Senate Chamber
State Capitol
Bismarck, North Dakota 58505

Dear Mr. President Pro Tempore:

This is to inform you that on April 7, 1987, I signed the following:

SB 2430, SB 2449, SB 2461, SB 2465, SB 2527, SB 2007,
SB 2097, SB 2127, SB 2181, SB 2383, SB 2413, SB 2418,
SB 2427, SB 2031, SB 2040, SB 2072, SB 2076, SB 2078,
SB 2304, SB 2307, SB 2451, SB 2489, SB 2540, SB 2549.

Sincerely,

GEORGE A. SINNER
Governor

SIGNING OF BILLS AND RESOLUTIONS

THE SECRETARY ANNOUNCED that the President Pro Tem signed the following:

SB 2006, SB 2024, SB 2028, SB 2068, SB 2080, SB 2294,
SB 2303, SCR 4026

PERRY GROTEBERG, Secretary

MESSAGE TO THE HOUSE
SENATE CHAMBER

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

SB 2006, SB 2024, SB 2028, SB 2068, SB 2080, SB 2294,
SB 2303, SCR 4026

PERRY GROTEBERG, Secretary

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred HB 1359 has had the same under consideration and recommends that your conference committee, having been unable to agree,

recommends that the conference committee be discharged and a new conference committee be appointed.

For the Senate: Sens. Schoenwald, Krauter, Reiten

For the House: Reps. Whalen, Dorso, Oban

HB 1359 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed SB 2339 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on page 1542 of the Senate Journal and that Engrossed SB 2339 be amended as follows:

That the House recede from its amendments and that engrossed Senate Bill No. 2339 be amended as follows:

On page 1 of the engrossed bill, line 28, delete the first underscored comma and insert in lieu thereof the word "and" and delete the word and numeral "and 3,"

On page 2 of the engrossed bill, line 18, after the word "buildings" insert the words "and by nonprofit organizations"

On page 2 of the engrossed bill, delete lines 23 through 30

On page 2 of the engrossed bill, line 31, delete the words and numerals "3. Subsections 1 and 2 do" and insert in lieu thereof the words and numerals "2. Subsection 1 does"

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. W. Meyer, Axtman, David (refused to sign)

For the House: Reps. Martinson, Christman, Hokana

Engrossed SB 2339 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

MESSAGES FROM THE HOUSE HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has reconsidered its action whereby it passed and adopted the conference committee report on HB 1231 and HB 1388 and has not adopted the conference committee report on HB 1231 and HB 1388, and the Speaker has appointed as a new conference committee to meet with a like committee from the Senate on the following:

HB 1231: Reps. Dalrymple, Vander Vorst, Scherber

HB 1388: Reps. R. Berg, Schindler, L. Hanson

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the Speaker has appointed Rep. Vander Vorst to replace Rep. Myrdahl on the Conference Committee on SB 2035.

ROY GILBREATH, Chief Clerk

MOTIONS

SEN. TALLACKSON MOVED that HB 1635, which is on the Sixth order, be rereferred to the Committee on Appropriations, which motion prevailed.

SEN. SATROM MOVED that SB 2558, which is on the Eleventh order, be rereferred to the Committee on Finance and Taxation, which motion prevailed.

SEN. HEIGAARD MOVED that SB 2036, SB 2038, and SB 2548 be moved to the head of the Twelfth order on the calendar, which motion prevailed.

SEN. HEINRICH MOVED that the Senate reconsider its action whereby HB 1596 lost, which motion prevailed on a verification vote.

SEN. HEIGAARD MOVED that HB 1596 be placed at the foot of the Fourteenth order on the calendar, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. TALLACKSON MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a Conference Committee on HB 1548, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1548:

Sens. Yockim, Wogsland, Thane

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. MEYER MOVED that the Senate do not concur in the House amendments to SB 2036 as printed on page 2239 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 PRO TEM APPOINTED as a Conference Committee on SB 2036:

Sens. J. Meyer, Mathern, Stenehjem

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. J. MEYER MOVED that the Senate do not concur in the House amendments to SB 2038 as printed on page 2239 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 PRO TEM APPOINTED as a Conference Committee on
SB 2038:

Sens. Heinrich, Mathern, Nalewaja

CONSIDERATION OF MESSAGE FROM THE HOUSE
SEN. J. MEYER MOVED that the Senate do concur in the House
amendments to SB 2548 as printed on page 2242 of the Senate
Journal, which motion prevailed.

SECOND READING OF SENATE BILL
SB 2548: A BILL for an Act to amend and reenact subsection 1 of
section 25-04-13.1 of the North Dakota Century Code, and
section 16 of chapter 313 of the 1983 Session Laws of North
Dakota, relating to the superintendent of the Grafton state
school acting as guardian of any resident.

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

YEAS: Adams; Axtman; Bakewell; Dotzenrod; Freborg;
Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller;
Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips;
Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.;
Meyer, W.; Moore; Naaden; Nalewaja; Nelson; Nething;
Olson; Peterson; Redlin; Reiten; Richard; Satrom;
Schoenwald; Shea; Stenehjerm; Streibel; Stromme;
Tallackson; Tennefos; Thane; Tweten; Vosper; Waldera;
Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: David; Mushik; Mutch; Todd

SB 2548 passed and the title was agreed to.

SECOND READING OF SENATE CONCURRENT RESOLUTION
SCR 4069: A concurrent resolution directing the Legislative
Council to study state aid to local fire departments and
districts.

Which has been read and has committee recommendation of DO PASS.

The question being on the final adoption of the resolution.

SCR 4069 was declared adopted and the title was agreed to on a
voice vote.

MOTION

SEN. HEIGAARD MOVED that HB 1600 be moved to the head of the Sixth order on the calendar, which motion prevailed.

CONSIDERATION OF AMENDMENTS

SEN. MAIXNER MOVED that the amendments to HB 1600 as recommended by the Committee on Finance and Taxation as printed on pages 2254-2258 of the Senate Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

MOTIONS

SEN. HEIGAARD MOVED that HB 1600 be placed at the foot of the Fourteenth order on the calendar, which motion prevailed.

SEN. HEIGAARD MOVED that the vote by which SCR 4069 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

SEN. HEIGAARD MOVED that the rules be suspended and that SCR 4069 be messaged to the House immediately, which motion prevailed.

MESSAGES TO THE HOUSE

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has concurred in the House amendments to SB 2548 and subsequently passed the same but has refused to concur in the House amendments to SB 2036 and SB 2038 and the President Pro Tem has appointed as a conference committee to act with a like committee from the House on:

SB 2036: Sens. J. Meyer, Mathern, Stenehjem

SB 2038: Sens. Heinrich, Mathern, Nalewaja

PERRY GROTEBERG, Secretary

SENATE CHAMBER

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

HB 1548: Sens. Yockim, Wogslund, Thane

PERRY GROTEBERG, Secretary

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 3:00 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Pro Tem Redlin presiding.

DELIVERY OF ENROLLED BILLS

THE PRESIDENT PRO TEM ANNOUNCED that the following bills were delivered to the Governor for his approval at the hour of 1:42 p.m., April 9, 1987:

SB 2003, SB 2027, SB 2109, SB 2536

DELIVERY OF ENROLLED RESOLUTIONS

THE PRESIDENT PRO TEM ANNOUNCED that the following resolutions were delivered to the Secretary of State for his filing at the hour of 1:40 p.m., April 9, 1987:

SCR 4066, SCR 4067

MESSAGES FROM THE HOUSE

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:

SB 2005: Reps. Kuchera, Peterson, Kelly

SB 2468: Reps. Aas, Shaft, C. Williams

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has refused to concur in the Senate amendments to HB 1005 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1005: Reps. R. Hausauer, Thompson, Nowatzki

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has adopted the conference committee report on SB 2387 and the Speaker has appointed as a new conference committee to act with a like committee from the Senate on:

SB 2387: Reps. Gorman, Lindgren, Enget

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to transmit herewith the following on which the House has adopted the conference committee report and subsequently passed the same:

HB 1448, HB 1645

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith the following on which the House has adopted the conference committee report and subsequently passed the same:

SB 2011, SB 2128, SB 2365

ROY GILBREATH, Chief Clerk

MOTIONS

SEN. HEIGAARD MOVED that HB 1600 be moved to the head of the Fourteenth order on the calendar, which motion prevailed.

SEN. SATROM MOVED that HB 1600 be further amended as follows:

That the amendments to House Bill No. 1600, as adopted by the Senate, as they appear on pages 2254 through 2258 of the Senate Journal be amended as follows:

On page 2258 of the Senate Journal, delete lines 10 through 16 and insert in lieu thereof the following new subsection:

"4. For a well drilled and completed after the effective date of this Act, the initial production of oil from the well is exempt from any taxes imposed under this chapter for a period of one year or until the gross value at the well of oil extracted from the well equals the costs of drilling the well, whichever is longer. For purposes of this subsection, the costs of drilling the well include only direct costs of drilling and casing the well and do not include administrative, interest, or other indirect costs nor does it include any costs incurred before the beginning of drilling operations on the well. Oil recovered during testing prior to well completion is exempt from the oil extraction tax. However, if the average price of a barrel of crude oil between June first and October thirty-first of any year is thirty-two dollars or more then the rate of tax for the following calendar year on all taxable wells is six and one-half percent of the gross value at the well of the oil extracted."

And renumber the lines, sections, and pages accordingly

SEN. SATROM MOVED that the proposed amendments be adopted.

REQUEST

SEN. INGSTAD REQUESTED that the proposed amendments to HB 1600 be divided, which request was granted.

DIVISION I being the following: "However, if the average price of a barrel of crude oil between June first and

October thirty-first of any year is thirty-two dollars or more then the rate of tax for the following calendar year on all taxable wells is six and one-half percent of the gross value at the well of the oil extracted."

DIVISION II being the entire amendment, except the following: "However, if the average price of a barrel of crude oil between June first and October thirty-first of any year is thirty-two dollars or more then the rate of tax for the following calendar year on all taxable wells is six and one-half percent of the gross value at the well of the oil extracted."

REQUEST

SEN. OLSON REQUESTED a recorded roll call vote on Division I of the motion to adopt the proposed amendments to HB 1600, which request was granted.

ROLL CALL

The question being on the motion to adopt Division I of the proposed amendments to HB 1600, the roll was called and there were 25 YEAS, 27 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heinrich; Hilken; Keller; Kelsh; Krauter; Langley; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Mushik; Redlin; Richard; Satrom; Schoenwald; Shea; Stromme; Tallackson; Waldera; Wogsland; Yockim

NAYS: Adams; Bakewell; David; Freborg; Heigaard; Holmberg; Ingstad; Kelly; Lashkowitz; Lips; Lodoen; Moore; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Reiten; Stenehjem; Streibel; Tennefos; Thane; Todd; Tweten; Vosper; Wright

ABSENT AND NOT VOTING: Mutch

Division I of the proposed amendments to HB 1600 lost.

The question being on the Division II of the proposed amendments to HB 1600.

Division II of the proposed amendments to HB 1600 lost on a verification vote.

MOTIONS

SEN. SATROM MOVED that HB 1600 be further amended as follows:

On page 2257 of the Senate Journal, the 12th printed line, remove the overstrike over the numerals "1972" and delete the numerals "1985"

And renumber the lines, sections, and pages accordingly

SEN. SATROM MOVED that the proposed amendments be adopted, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1600: A BILL for an Act to create and enact a new section to chapter 57-51.1 of the North Dakota Century Code, relating to the budget stabilization fund; to amend and reenact subsections 4 and 5 of section 38-08-04, and sections 57-51.1-01, 57-51.1-02, and 57-51.1-03 of the North Dakota Century Code, relating to the duties of the industrial commission, the definitions of stripper well property, qualifying secondary recovery project, and qualifying tertiary recovery project for oil extraction purposes, the definition of average price, the rate of the oil extraction tax, and exemption from the oil extraction tax; and to declare an emergency.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 46 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; David; Dotzenrod; Freborg; Heigaard; Heinrich; Holmberg; Ingstad; Keller; Kelly; Krauter; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Satrom; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wright; Yockim

NAYS: Hilken; Kelsh; Langley; Richard; Schoenwald; Wogsland

ABSENT AND NOT VOTING: Mutch

HB 1600 passed, the title was agreed to, and the emergency clause carried.

MESSAGE TO THE HOUSE SENATE CHAMBER

MR. SPEAKER: I have the honor to transmit herewith the following which the Senate has passed and your favorable consideration is requested on:

SCR 4069

PERRY GROTEBERG, Secretary

SIGNING OF BILLS AND RESOLUTIONS

THE SECRETARY ANNOUNCED that the President Pro Tem signed the following:

HB 1601, HCR 3007, HCR 3064

PERRY GROTBORG, Secretary

MESSAGE TO THE HOUSE
SENATE CHAMBER

MR. SPEAKER: I have the honor to return herewith the following which the President Pro Tem has signed:

HB 1601, HCR 3007, HCR 3064

PERRY GROTBORG, Secretary

MESSAGES FROM THE HOUSE
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:

SB 2038: Reps. Larson, Haugland, J. DeMers

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has concurred in the Senate amendments to HB 1028 and subsequently passed the same but has refused to concur in the Senate amendments to HB 1544 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1544: Reps. Gunsch, Wald, Hill

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith the following on which the House has adopted the conference committee report and subsequently passed the same:

SB 2404

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

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

SB 2006, SB 2024, SB 2028, SB 2068, SB 2080, SB 2294,
SB 2303, SCR 4026

ROY GILBREATH, Chief Clerk

CONSIDERATION OF AMENDMENTS

SEN. SATROM MOVED that the amendments to SB 2557 as recommended by the Committee on Finance and Taxation as printed on page 2115 of

the Senate Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2557: A BILL for an Act to amend and reenact subsection 1 of section 57-43.1-02, subsection 1 of section 57-43.2-02, and section 57-43.2-03 of the North Dakota Century Code, relating to the tax imposed on motor vehicle fuels and special fuels and a special fuel tax exemption for state and political subdivisions.

Which has been read.

REQUEST

SEN. MAIXNER REQUESTED a call of the Senate, which request was granted.

MOTION

SEN. MAIXNER MOVED that the call of the Senate be dispensed with, which motion prevailed.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 33 YEAS, 19 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelsh; Krauter; Langley; Lips; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Mushik; Olson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Stromme; Tallackson; Thane; Waldera; Wogsland; Wright; Yockim

NAYS: Adams; Bakewell; David; Freborg; Kelly; Lashkowitz; Lodoen; Meyer, W.; Moore; Naaden; Nalewaja; Nelson; Nething; Peterson; Streibel; Tennefos; Todd; Tweten; Vosper

ABSENT AND NOT VOTING: Mutch

SB 2557 passed and the title was agreed to.

MESSAGES 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 subsequently passed the same:

HB 1633

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House does not accede to the Senate's request for the return of HB 1539.

ROY GILBREATH, Chief Clerk

CONSIDERATION OF AMENDMENTS

SEN. D. MEYER MOVED that the amendments to HB 1682 as recommended by the Committee on State and Federal Government as printed on page 2259 of the Senate Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1682: A BILL for an Act to prohibit payment by the state of occupational or professional license fees of state officers and employees; and to provide an effective date.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 25 YEAS, 25 NAYS, 3 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; David; Freborg; Hilken; Kelly; Krauter; Langley; Lodoen; Mathern; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Naaden; Nalewaja; Redlin; Richard; Schoenwald; Shea; Stromme; Tweten; Vosper; Yockim

NAYS: Dotzenrod; Heigaard; Heinrich; Holmberg; Ingstad; Keller; Lashkowitz; Lips; Maixner; Maxson; Nelson; Nething; Olson; Peterson; Reiten; Satrom; Stenehjelm; Streibel; Tallackson; Tennefos; Thane; Todd; Waldera; Wogsland; Wright

ABSENT AND NOT VOTING: Bakewell; Kelsh; Mutch

HB 1682 lost for want of a Constitutional majority.

MOTION

SEN. MAIXNER MOVED that the Senate stand in recess until 5:20 p.m., which motion prevailed.

THE SENATE RECONVENED pursuant to recess taken, with President Pro Tem Redlin presiding.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural Committee on Delayed Bills has examined a bill relating to obstructing public highways.

Your Committee on Delayed Bills cast a ballot of 4 YEAS, 1 NAY in favor of accepting this bill.

SEN. MAIXNER, Chairman

SEN. BAKEWELL MOVED that the report be adopted, which motion prevailed.

FIRST READING OF SENATE BILL

Sen. Stromme introduced:

(Approved by the Committee on Delayed Bills)

SB 2560: A BILL for an Act to amend and reenact section 24-12-02 of the North Dakota Century Code, relating to obstructing public highways.

Was read the first time and referred to the Committee on Agriculture.

REPORT OF PROCEDURAL COMMITTEE

MR. PRESIDENT: Your procedural Committee on Delayed Bills has examined a bill relating to the rulemaking authority of the public service commission; and to declare an emergency.

Your Committee on Delayed Bills cast a ballot of 3 YEAS, 2 NAYS in favor of accepting this bill.

SEN. MAIXNER, Chairman

SEN. HEINRICH MOVED that the report be adopted, which motion prevailed.

FIRST READING OF SENATE BILL

Sens. Kelsh, Reiten, Thane and Rep. Shockman, Shaw, Tollefson introduced:

(Approved by the Committee on Delayed Bills)

SB 2561: A BILL for an Act to create and enact two new sections to chapter 49-09 of the North Dakota Century Code, relating to acquisition of railroad rights of way; to amend and reenact section 49-09-11.7 of the North Dakota Century Code, relating to the rulemaking authority of the public service commission; and to declare an emergency.

Was read the first time and referred to the Committee on Industry, Business and Labor.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1448 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on page 1822 of the Senate Journal and that Engrossed HB 1448 be amended as follows:

On page 3 of the engrossed bill, line 17, delete the word "thirtieth" and insert in lieu thereof the word "thirty-first"

On page 11 of the engrossed bill, line 17, delete the words "so that the"

On page 11 of the engrossed bill, line 18, delete the words
"material arrives at the designated"

On page 11 of the engrossed bill, line 19, delete the word
"address"

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. J. Meyer, Heinrich, Stenehjem

For the House: Reps. Larson, Haugland, Schneider

Engrossed HB 1448 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1645 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on page 2004 of the Senate Journal and that Engrossed HB 1645 be amended as follows:

On page 1 of the engrossed bill, line 10, delete the words
"incorporated in this state"

On page 1 of the engrossed bill, line 12, delete the words
"twelve and one-half" and insert in lieu thereof the word
"eight" and delete the word "two" and insert in lieu
thereof the words "one and one-half"

On page 1 of the engrossed bill, line 14, delete the words "six
and" and insert in lieu thereof the word "four"

On page 1 of the engrossed bill, line 15, delete the word "one-
fourth"

On page 1 of the engrossed bill, line 16, delete the word "two"
and insert in lieu thereof the words "one and one-half"

On page 2 of the engrossed bill, line 5, after the period delete the remainder of the line and insert in lieu thereof the following: "In the case of a corporation which is a partner in a partnership, the credit allowed for the taxable year may not exceed an amount separately computed with respect to the corporation's interest in the trade, business, or entity equal to the amount of tax attributable to that portion of the corporation's taxable income which is allocable or apportionable to the corporation's interest in the trade, business, or entity."

On page 2 of the engrossed bill, delete lines 6 through 13

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Maixner, Richard, Ingstad
For the House: Reps. Anderson, Tollefson, W. Williams

Engrossed HB 1645 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1633 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on pages 1692-1703 of the Senate Journal and that Engrossed HB 1633 be amended as follows:

- On page 1 of the engrossed bill, line 1, delete the words "relating to North Dakota Venture Capital," and insert in lieu thereof the words "to provide for the establishment of a North Dakota venture capital corporation"
- On page 1 of the engrossed bill, line 2, delete the word "Incorporated"
- On page 1 of the engrossed bill, line 9, delete the first word "and" and after the numeral "6-03-38" insert the words and numerals "and 6-09.2-01, subsection 1 of section 6-09.2-03, sections 6-09.2-04, 6-09.2-05, 6-09.2-07, 6-09.2-08, 6-09.2-09, 6-09.2-10, 6-09.2-11, and", delete the first comma, and after the second comma insert the words and numerals "subsection 14 of section 15-03-04 as amended by section 1 of House Bill No. 1031, as approved by the fiftieth legislative assembly,"
- On page 1 of the engrossed bill, line 11, after the word "to" insert the words "the industrial development revenue bond guarantee program,"
- On page 1 of the engrossed bill, line 12, after the word "corporations" insert a comma and after the comma insert the words "the board of university and school lands,"
- On page 1 of the engrossed bill, line 13, after the word "companies" insert the words "; and to repeal section 6-09.2-06 of the North Dakota Century Code, relating to the industrial development revenue bond fund"
- On page 1 of the engrossed bill, delete lines 16 through 28 and insert in lieu thereof the following new sections:

"SECTION 1. Definitions. As used in this Act, unless the context otherwise requires, the term:

1. "Board of directors" means the board of directors of the corporation.

2. "Corporation" means the corporation established by section 2 of this Act.
3. "North Dakota business" means a business owned by a North Dakota resident, a partnership, association, or corporation domiciled in North Dakota, or a corporation, including a wholly owned subsidiary of a foreign corporation, that does business primarily in North Dakota or does substantially all of its production in North Dakota.
4. "Professional investor" means any bank, bank holding company, savings institution, trust company, credit union, insurance company, or any person, partnership, or other entity whose principal business is making venture capital investments.
5. "Shareholder" means a registered owner of shares in the corporation.

SECTION 2. Public corporation established - Corporate purpose. A committee comprised of three representatives of the business sector appointed by the industrial commission and three members of the economic development commission shall establish under the Business Corporation Act a public corporation known as the "Myron G. Nelson Fund, Incorporated" and file articles of incorporation for the corporation with the secretary of state. The committee shall also adopt the initial bylaws of the corporation. The purpose of the corporation is to organize and manage an investment fund capitalized through the sale of shares of the corporation to the Bank of North Dakota and other public and private investors to provide a source of investment capital for the establishment, expansion, and rehabilitation of North Dakota businesses.

SECTION 3. Powers of corporation. The corporation shall have the powers and privileges conferred upon domestic corporations under the Business Corporation Act, to the extent not limited by this Act, including the power to:

1. Make contracts and execute all instruments necessary for the exercise of its powers and functions.
2. Coordinate and cooperate with state agencies and the state's political subdivisions, colleges, universities, and other academic and research sources, both private and public, agencies and organizations of the federal government, and all public or private entities.

3. Receive appropriations from the legislative assembly and other public moneys, as well as contributions from other public agencies, private individuals, companies, and other contributors.
4. Review cooperative funding agreements with federal and state loan and grant programs and commercially funded projects.
5. Administer an industrial development revenue bond guarantee program as provided in chapter 6-09.2.

SECTION 4. Capitalization - Payment of dividends. The funds deposited in the industrial development revenue bond fund pursuant to former section 6-09.2-06 and all accumulated earnings from the investment of the fund shall be used by the Bank of North Dakota to purchase shares of the corporation upon the issuance of the certificate of incorporation. Beginning on July 1, 1987, the Bank of North Dakota may purchase annually shares of the corporation in an amount to be determined by the industrial commission. In determining the annual investment to be made in the corporation by the Bank of North Dakota, the industrial commission shall consider the level of private investment in the corporation and attempt to match the private investment on a dollar-for-dollar basis. The corporation may issue shares to other public and private entities or persons when authorized by the board of directors.

SECTION 5. Board of directors. A board of directors, elected by the shareholders pursuant to initial bylaws adopted by the incorporators pursuant to section 2 of this Act, shall direct the business and affairs of the corporation. There must be representation on the board of directors from the economic development commission, investors, and the business sectors of the North Dakota economy. The business sector and investors must constitute a majority of the board.

SECTION 6. Professional investor to manage corporate funds - Investment policy. The board of directors shall contract with a professional investor, determined by the board of directors to be experienced in making successful venture capital investments, for the purpose of managing the corporation's investment fund. The management contract may provide that the professional investor take an active role in the management of any entity in which an equity interest is purchased. The board of directors shall annually review the investment performance of the professional investor. It shall be the policy of the corporation to invest primarily in North Dakota businesses. The corporation's investment in any one entity may not exceed a maximum of forty percent of the entity's capital.

This percentage limitation does not apply to co-venture investments made on behalf of the corporation in conjunction with one or more additional professional investors. The board of directors may prescribe in the management contract that a percentage of the corporation's investment fund be made available for investment outside the state.

SECTION 7. Confidentiality of corporation records. The following records of the corporation are confidential:

1. Commercial or financial information, whether obtained by the corporation directly or indirectly, of any entity in which an equity interest is purchased or considered for purchase pursuant to this Act.
2. Internal or interagency memorandums or letters which would not be available by law to a party other than in litigation with the corporation.

SECTION 8. Guarantee of industrial revenue bonds. The board of directors may authorize that a portion of the corporation's investment fund be made available to guarantee industrial revenue bonds pursuant to chapter 6-09.2.

SECTION 9. Annual audit. The board of directors shall contract with a certified public accounting firm to audit annually the financial statements of the corporation in accordance with generally accepted auditing standards. The cost of the audit must be borne by the corporation."

On page 2 of the engrossed bill, delete lines 1 through 34

On page 3 of the engrossed bill, delete lines 1 through 35

On page 4 of the engrossed bill, line 1, delete the words "North Dakota Venture Capital," and insert in lieu thereof the words "The corporation"

On page 4 of the engrossed bill, line 2, delete the word "Incorporated,"

On page 4 of the engrossed bill, line 4, after the word "which" insert the words "must include audited financial statements of the corporation for the fiscal year covered by the report and"

On page 4 of the engrossed bill, line 5, delete the words "North Dakota Venture" and insert in lieu thereof the words "the corporation"

- On page 4 of the engrossed bill, line 6, delete the words "Capital, Incorporated," and delete the word and numeral "sections 1" and insert in lieu thereof the word and numeral "section 2"
- On page 4 of the engrossed bill, line 7, delete the word and numeral "through 8"
- On page 4 of the engrossed bill, line 8, delete the words "North Dakota" and insert in lieu thereof the words "the corporation"
- On page 4 of the engrossed bill, line 9, delete the words "Venture Capital, Incorporated,"
- On page 4 of the engrossed bill, line 11, delete the words "North Dakota Venture Capital, Incorporated," and insert in lieu thereof the words "the corporation"
- On page 4 of the engrossed bill, line 14, delete the words "North Dakota Venture Capital," and insert in lieu thereof the words "the corporation"
- On page 4 of the engrossed bill, line 15, delete the word "Incorporated,"
- On page 4 of the engrossed bill, line 16, delete the word "North" and insert in lieu thereof the words "the corporation"
- On page 4 of the engrossed bill, line 17, delete the words "Dakota Venture Capital, Incorporated,"
- On page 4 of the engrossed bill, line 20, delete the word "North" and insert in lieu thereof the word "corporation"
- On page 4 of the engrossed bill, line 21, delete the words "Dakota Venture Capital, Incorporated,"
- On page 4 of the engrossed bill, line 24, delete the words "North Dakota Venture Capital, Incorporated," and insert in lieu thereof the words "the corporation"
- On page 4 of the engrossed bill, line 28, after the first underscored comma insert the numerals "57-35-02,"
- On page 5 of the engrossed bill, line 6, delete the words "North Dakota Venture Capital, Incorporated" and insert in lieu thereof the word "corporation"
- On page 5 of the engrossed bill, line 7, delete the words "North Dakota Venture Capital, Incorporated," and insert in lieu thereof the words "the corporation"

On page 5 of the engrossed bill, line 27, delete the words "North Dakota Venture Capital," and insert in lieu thereof the words "the corporation"

On page 5 of the engrossed bill, line 28, delete the word "Incorporated"

On page 5 of the engrossed bill, line 30, delete the word "North" and insert in lieu thereof the words "the corporation"

On page 5 of the engrossed bill, line 31, delete the words "Dakota Venture Capital, Incorporated"

On page 5 of the engrossed bill, delete lines 32 through 35

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

On page 6 of the engrossed bill, line 14, delete the words "North Dakota" and insert in lieu thereof the words "Myron G. Nelson Fund"

On page 6 of the engrossed bill, line 15, delete the words "Venture Capital" and after the second underscored comma insert the words "pursuant to section 4 of this Act,"

On page 7 of the engrossed bill, after line 7, insert the following new sections:

"SECTION 16. AMENDMENT. Section 6-09.2-01 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-01. Industrial development revenue bond guarantee program - Administration. The ~~economic development commission~~ corporation shall administer an industrial development revenue bond guarantee program as provided in this chapter.

SECTION 17. AMENDMENT. Subsection 1 of section 6-09.2-03 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

1. "~~Commission~~" "Corporation" means the ~~economic development commission~~ corporation established by section 2 of this Act.

SECTION 18. AMENDMENT. Section 6-09.2-04 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-04. Powers. In carrying out the provisions of this chapter, the ~~commission~~ corporation is authorized and empowered:

1. To guarantee the payment of debt service on evidence of indebtedness secured by security interests in an industrial development project consistent with the terms and limitations expressed in this chapter.
2. To accept from a federal agency or North Dakota, its agencies and instrumentalities, loans or grants for use in carrying out its purposes, and to enter into agreements with such agency or North Dakota, its agencies and instrumentalities, respecting any such loans or grants.
3. To enter into agreements with prospective bondholders and issuers for the purpose of financing industrial development projects and require as a condition of guarantee that the Bank of North Dakota be the designated trustee, paying agency, and depository of all funds and accounts of all guaranteed evidence of indebtedness of the program.
4. To acquire, purchase, manage and operate, and hold and dispose of, real and personal property, to take assignments of rentals and leases, and make and enter into all contracts, leases, agreements, and arrangements necessary or incidental to the performance of its duties.
5. When in the opinion of the ~~commission~~ corporation it is necessary or advisable, in order to further the purposes of this chapter or to safeguard the bond guarantee fund, to purchase, acquire, attach, seize, accept, or take title to any industrial development project, by conveyance or, when any guaranteed evidence of indebtedness has been redeemed in whole or in part exercise with the consent of the bondholder any of the bondholder's rights under any of the covenants of issuance including but not limited to foreclosure, sale, lease, or rent an industrial development project for a use specified in subsection 4 of section 6-09.2-03, or for any other use.

SECTION 19. AMENDMENT. Section 6-09.2-05 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-05. Default by issuer. When an issuer's project lessee does not make debt service payments guaranteed by the ~~commission's bond guarantee fund corporation~~, the ~~commission~~ corporation for the purpose of maintaining income from industrial development projects on which bonds

have been guaranteed by the ~~commission~~ and for the purpose of safeguarding the ~~bond guarantee fund corporation~~, may grant the issuer permission to lease or rent the property to a tenant for a use other than that specified in subsection 4 of section 6-09.2-03, such lease or rental to be temporary in nature and subject to such conditions as the ~~commission corporation~~ may prescribe; provided, however, no lease shall in any manner conflict with the provisions of chapter 40-57 or in the opinion of bond counsel issuing the opinion on the evidence of indebtedness in any way jeopardize the income tax exempt status of the interest on the bonds.

SECTION 20. AMENDMENT. Section 6-09.2-07 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-07. Guarantee of bonds. The ~~commission~~, as the administrator of the fund created in this chapter, corporation is authorized, upon application of the proposed issuer, to guarantee debt service payments required by evidence of indebtedness on any industrial development project, or part thereof, upon such terms and conditions as the ~~commission corporation~~ may prescribe, and subject to the limitations of this chapter, provided the aggregate amount of the unpaid principal balance of all obligations of all evidence of indebtedness so guaranteed outstanding at any one time shall not exceed twenty times the unencumbered balance in the fund debt service guarantee account of the fund made available by the corporation. To be eligible for guarantee under the provisions of this chapter bonds shall:

1. Be issued by a municipality as defined in chapter 40-57.
2. Involve a principal obligation, including initial service charges and appraisal, inspection, and other fees approved by the ~~commission corporation~~.
3. Have a maturity date satisfactory to the ~~commission corporation~~, but in no case later than forty years from the date of issuance for any project.
4. Contain complete amortization provisions satisfactory to the ~~commission corporation~~ requiring periodic payments, costs of local property taxes and assessments, land lease rentals, if any, and hazard insurance on the property and such bond guarantee fees as are required under section 6-09.2-08, all as the

commission corporation shall from time to time prescribe or approve.

5. Be in such form and contain such terms and provisions, with respect to property, insurance, repairs, alterations, payment of taxes and assessments, restrictions as to location of machinery and equipment, default reserves, delinquency charges, default remedies, anticipation of maturity, additional and secondary liens, and other matters as the commission corporation may prescribe.

SECTION 21. AMENDMENT. Section 6-09.2-08 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-08. Bond guarantee fees. The commission corporation shall charge three two percent of the principal obligation of the evidence of indebtedness as a fee for guarantee of debt service payments on evidence of indebtedness guaranteed by the fund debt service guarantee account corporation. The commission shall deposit the fee in the fund debt service guarantee account. The commission corporation shall charge an annual administrative fee of three-eighths of one percent of the outstanding principal obligation of all evidence of indebtedness guaranteed by the fund debt service guarantee account corporation. The issuer's project lessee shall pay the fee in the manner the commission corporation prescribes. Earnings on bond-funded reserve accounts and debt service accounts must be deposited in that bond's debt service account for the payment of principal and interest on the bonds. Other earnings on the investment of any accounts held by the fund must be first deposited in the fund administration account. Any moneys declared by the commission to be surplus and not essential to the administration of this chapter may be transferred on order of the commission to the fund debt service guarantee account.

SECTION 22. AMENDMENT. Section 6-09.2-09 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-09. Expenses. The commission corporation may expend out of the fund administration account such moneys as may be necessary for any expenses of the commission corporation in carrying out the provisions of this chapter.

SECTION 23. AMENDMENT. Section 6-09.2-10 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-10. Bonds eligible for investment. Evidence of indebtedness bonds guaranteed by the ~~commission~~ corporation under this chapter are legal investments for all trust companies, banks, investment companies, savings banks, credit unions, savings and loan associations, executors, administrators, guardians, conservators, trustees and other fiduciaries, pension, profit-sharing, and retirement funds to the extent limited by law.

SECTION 24. AMENDMENT. Section 6-09.2-11 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09.2-11. Limitation - Credit of commission and state not pledged. Nothing in this chapter shall be construed to authorize or permit the ~~commission~~ corporation or any officer thereof to create any indebtedness of the ~~commission~~ corporation or of North Dakota, or to incur any obligation of any kind or nature, except such as shall be payable solely from the fund ~~created in~~ made available by the corporation pursuant to this chapter and the revenues appropriated and accumulated therein."

On page 7 of the engrossed bill, line 11, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund"

On page 7 of the engrossed bill, line 12, after the word "Incorporated" insert the words and numeral ", purchased pursuant to section 4 of this Act"

On page 7 of the engrossed bill, line 16, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund"

On page 7 of the engrossed bill, line 17, after the underscored comma, insert the word "pursuant", delete the words "meet the provisions of" and delete the numeral "2" and insert in lieu thereof the numeral "4"

On page 7 of the engrossed bill, line 22, delete the words "North Dakota" and insert in lieu thereof the words "Myron G. Nelson Fund"

On page 7 of the engrossed bill, line 23, delete the words "Venture Capital", after the second underscored comma insert the word "pursuant", and delete the words "meet the provisions of"

On page 7 of the engrossed bill, line 24, delete the numeral "2" and insert in lieu thereof the numeral "4"

On page 7 of the engrossed bill, line 34, delete the word "North" and insert in lieu thereof the words "Myron G. Nelson Fund"

On page 7 of the engrossed bill, line 35, delete the words "Dakota Venture Capital"

On page 8 of the engrossed bill, after line 9, insert the following new section:

"SECTION 29. AMENDMENT. If House Bill No. 1031 of the fiftieth legislative assembly becomes effective, subsection 14 of section 15-03-04 of the North Dakota Century Code, as amended by House Bill No. 1031, is hereby amended and reenacted to read as follows:

14. Common or preferred stocks of any corporation organized under the laws of any state, including nonvoting preferred stock of Myron G. Nelson Fund, Incorporated, issued pursuant to section 4 of this Act but not more than twenty percent of the assets of each fund may be invested in common and preferred stocks."

On page 8 of the engrossed bill, line 10, delete the word "Subsection" and insert in lieu thereof the words "If House Bill No. 1031 of the fiftieth legislative assembly does not become effective, subsection"

On page 8 of the engrossed bill, line 15, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund" and after the second underscored comma insert the words "issued pursuant to section 4 of this Act"

On page 8 of the engrossed bill, line 23, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund" and after the second underscored comma insert the words "issued pursuant to section 4 of this Act"

On page 9 of the engrossed bill, line 2, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund" and after the second underscored comma insert the words "pursuant to section 4 of this Act"

On page 9 of the engrossed bill, line 8, delete the words "North Dakota Venture Capital" and insert in lieu thereof the words "Myron G. Nelson Fund" and after the second underscored comma insert the words "pursuant to section 4 of this Act"

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

"SECTION 34. REPEAL. Section 6-09.2-06 of the 1985 Supplement to the North Dakota Century Code is hereby repealed."

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Langley, Krauter, Reiten

For the House: Reps. Dorso, Shide, Dotzenrod

Engrossed HB 1633 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT: Your Committee on Appropriations to which was rereferred Engrossed HB 1010 has had the same under consideration and recommends by a vote of 12 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 of the engrossed bill, line 3, delete the word "and", delete the word "section" and insert in lieu thereof the word "sections", and after the numerals "6-01-17" insert the word and numerals "and 6-09-29"
- On page 1 of the engrossed bill, line 4, after the comma insert the words "and subsection 4 of section 6-06-08 of the North Dakota Century Code as amended by section 1 of House Bill No. 1218, as approved by the fiftieth legislative assembly," after the word "assessment" insert the words "and examination fees", and after the word "banks" insert the words "and credit unions; and to provide an effective date"
- On page 1 of the engrossed bill, line 14, delete the numerals "1,375,569" and insert in lieu thereof the numerals "1,409,033"
- On page 1 of the engrossed bill, line 17, delete the numerals "1,675,100" and insert in lieu thereof the numerals "1,708,564"
- On page 2 of the engrossed bill, line 10, overstrike the words "the following" and insert immediately thereafter the word "a" and overstrike the colon and insert immediately thereafter the word "of"
- On page 2 of the engrossed bill, line 12, overstrike the word "each" and insert immediately thereafter the word "that"
- On page 2 of the engrossed bill, line 16, overstrike the words "and not more than seven thousand five"
- On page 2 of the engrossed bill, line 17, overstrike the words "hundred dollars"

On page 2 of the engrossed bill, line 23, overstrike the comma

On page 2 of the engrossed bill, overstrike lines 24 and 25

On page 2 of the engrossed bill, line 26, overstrike the words
"first yearly assessment"

On page 2 of the engrossed bill, after line 34, insert the
following sections:

"SECTION 5. AMENDMENT. If House Bill No. 1218 becomes effective, then subsection 4 of section 6-06-08 of the North Dakota Century Code, as amended by section 1 of House Bill No. 1218, is hereby amended and reenacted to read as follows:

4. Every state credit union placed under the jurisdiction and control of the state credit union board and the commissioner by the provisions of this title shall pay into the state treasury ~~the following a yearly assessment of one and one-half hundredths of one percent of the gross amount of the assets of the corporation or association on June thirtieth of each that year, exclusive of expenses, interest, and taxes paid, and inclusive of any valuation allowance or allowances deducted by the credit union from any asset account. The fee may not be less than three hundred dollars and not more than seven thousand five hundred dollars. The assessment must be paid to the state treasurer within thirty days of each June thirtieth, except that those credit unions whose examination has begun within the six months immediately prior to July 1, 1987, do not have to pay the first yearly assessment. Credit unions that have not been examined by the commissioner or the state credit union board for three years prior to any assessment date are not required to pay the assessment. The state treasurer shall report the payments of fees to the state credit union board, and if any credit union is delinquent more than twenty days in making payment, the board may make an order suspending the functions of the delinquent credit union until payment of the amount due, plus a penalty of five dollars a day additional for the delay. The examination fee for North Dakota central credit union shall be one hundred thirty-five dollars per examiner day for the time used charged by the department at an hourly rate to be set by the commissioner or other person or persons designated by the commissioner in making and otherwise preparing and typing the reports of, sufficient to cover all reasonable expenses~~

of the department associated with the examination.

SECTION 6. AMENDMENT. Section 6-09-29 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

6-09-29. Department of banking and financial institutions and the industrial commission responsible for examinations and audit reports. The industrial commission shall be responsible for contracting with a nongovernment certified public accounting firm to annually audit the Bank of North Dakota in accordance with generally accepted auditing standards, which shall include inspection and verification of the assets in its possession and under its control with sufficient thoroughness to ascertain with reasonable certainty whether the valuations are carried correctly on its books. The auditor so hired shall audit the Bank's methods of operation and accounting, shall report the results to the industrial commission as soon as practicable, and shall furnish one copy to the legislative assembly. The costs of such audit shall be paid for by the Bank of North Dakota. The department of banking and financial institutions, through the commissioner, shall be responsible for performing an examination of the Bank of North Dakota at least once each twenty-four months and for any investigation of the Bank which may be necessary. The examination results, and the results of any necessary investigation, shall be reported to the industrial commission as soon as practicable and to the legislative assembly. Fees for such examinations shall be charged by the department of banking and financial institutions ~~for the examinations provided for by this section at the an hourly rate of one hundred thirty-five dollars per day for the time used to be set by the commissioner or other person designated by the commissioner in supervising, filing, and corresponding in connection with such examination and report of examination and for the time used by each deputy examiner, or other person or persons in making and otherwise preparing and typing the reports of examinations required, sufficient to cover all reasonable expenses of the department associated with the examinations provided for by this section.~~

SECTION 7. EFFECTIVE DATE. The first assessments under sections 4 and 5 of this Act apply to assets as of June 30, 1987."

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Department of Banking and Financial Institutions

The Senate restores to the salaries and wages line item the \$33,464 general fund reduction made in the House.

The general fund revenue fiscal impact of the assessment increase from one and one-quarter to one and one-half hundredths of one percent of the bank's gross assets is estimated at \$150,000, which was included in the executive recommendation.

In this amendment, North Dakota Century Code sections 6-01-17 and 6-06-08 are amended, deleting the \$7,500 yearly assessment cap. The increase in general fund revenues for 1987-89 is estimated at \$133,550. As a result of all the increases in assessments, total collections are estimated to cover 76 percent of the total expenses of the department.

The credit union examination fee contained in North Dakota Century Code section 6-06-08 is changed from a \$135 per day amount to an hourly rate to be determined by the commissioner to cover sufficiently the reasonable expenses of the examination. It is not anticipated that any revenue change will occur for the 1987-89 biennium.

The examination fee for the Bank of North Dakota is changed from a \$135 per day amount to an hourly rate to be determined by the commissioner to cover sufficiently the reasonable expenses of the examination. It is not anticipated that any revenue change will occur for the 1987-89 biennium.

SEN. TALLACKSON, Chairman

HB 1010 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. PRESIDENT: Your Committee on Appropriations to which was rereferred Engrossed HB 1015 has had the same under consideration and recommends by a vote of 11 YEAS, 2 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 16, delete the numerals "1,209,690" and insert in lieu thereof the numerals "1,254,390"

On page 1 of the engrossed bill, line 17, delete the numerals "1,628,237" and insert in lieu thereof the numerals "1,672,937"

On page 1 of the engrossed bill, line 19, delete the numerals "423,813" and insert in lieu thereof the numerals "468,513"

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Council on the Arts

The Senate restores \$44,700 to the grants line item from the general fund for the touring arts program deleted by the House.

SEN. TALLACKSON, Chairman

HB 1015 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. PRESIDENT: Your Committee on Judiciary to which was referred Delayed HB 1677 has had the same under consideration and recommends by a vote of 4 YEAS, 3 NAYS, 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, line 6, delete the word "and" and after the word "appropriation" insert the words "; and to provide an expiration date"

On page 5, after line 21, insert the following section:

"SECTION 15. EXPIRATION DATE. This Act is effective through January 1, 1990, and after the date is ineffective."

And renumber the lines, sections, and pages accordingly

SEN. LASHKOWITZ, Chairman

HB 1677 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MR. PRESIDENT: Your Committee on Appropriations to which was referred HB 1683 has had the same under consideration and recommends by a vote of 14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING that the same DO NOT PASS.

SEN. TALLACKSON, Chairman

HB 1683 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

APPOINTMENT OF CONFERENCE COMMITTEES

SEN. TALLACKSON MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a Conference Committee on HB 1027, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1027:

Sens. Wogsland, Redlin, Streibel

REPORT OF CONFERENCE COMMITTEE

SEN. SCHOENWALD MOVED that the conference committee report on HB 1359 as printed on pages 2271-2272 of the Senate Journal be adopted, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEES

SEN. LANGLEY MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a new Conference Committee on HB 1359, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1359:

Sens. Schoenwald, Maixner, Nething

SEN. D. MEYER MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a new Conference Committee on SB 2113, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on SB 2113:

Sens. W. Meyer, Axtman, Lodoen

MOTION

SEN. HEIGAARD MOVED that SB 2553 be moved to the head of the Twelfth order on the calendar, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. LANGLEY MOVED that the Senate do concur in the House amendments to SB 2553 as printed on pages 2230-2231 of the Senate Journal, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2553: A BILL for an Act to amend and reenact sections 23-09-01, 23-09-16, and 23-09-17 of the North Dakota Century Code, relating to hotels, lodginghouses, restaurants, and boardinghouses and to limited restaurant licenses.

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 29 YEAS, 23 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelsh; Langley; Lashkowitz; Lips; Maixner; Mathern; Maxson; Meyer, W.; Mushik; Peterson; Redlin; Reiten; Satrom; Schoenwald; Shea; Stromme; Tallackson; Thane; Waldera; Wogsland; Yockim

NAYS: Adams; Bakewell; David; Freborg; Kelly; Krauter;
Lodoen; Meyer, D.; Meyer, J.; Moore; Mutch; Naaden;
Nalewaja; Nelson; Nething; Olson; Stenehjem; Streibel;
Tennefos; Todd; Tweten; Vosper; Wright

ABSENT AND NOT VOTING: Richard

SB 2553 passed and the title was agreed to.

MOTION

SEN. HEIGAARD MOVED that HB 1008, HB 1033, HCR 3014 be moved to the foot of the calendar, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1017: A BILL for an Act making an appropriation for defraying the expenses of the highway department of the state of North Dakota.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 47 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Freborg; Heigaard; Heinrich;
Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh;
Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner;
Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.;
Moore; Mushik; Nalewaja; Nelson; Nething; Olson;
Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald;
Shea; Stenehjem; Streibel; Stromme; Tallackson; Thane;
Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: Adams; Bakewell; David; Mutch; Naaden; Tennefos

ABSENT AND NOT VOTING: None

HB 1017 passed and the title was agreed to.

EXPLANATION OF VOTE

SEN. TENNEFOS: Mr. President: I didn't think that it was worth while at this late hour to get up and do any more dissertation on this type of legislation, but I think that we've seen the abuse that is happening here in the diversion of highway trust funds and that was the reason I voted "no".

SECOND READING OF HOUSE BILLS

HB 1020: A BILL for an Act making an appropriation for defraying the expenses of the geological survey of the state of North Dakota.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 53 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; David; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: None

HB 1020 passed and the title was agreed to.

HB 1465: A BILL for an Act to create and enact a new section to chapter 50-06.1 of the North Dakota Century Code, relating to the operation of vending facilities on federal property by blind persons; and to provide a continuing appropriation.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 47 YEAS, 5 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Bakewell; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Nalewaja; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: Adams; Kelly; Naaden; Nelson; Todd

ABSENT AND NOT VOTING: David

HB 1465 passed and the title was agreed to.

SECOND READING OF HOUSE CONCURRENT RESOLUTION

HCR 3029: A concurrent resolution to create a new article V of the Constitution of the State of North Dakota, relating to the executive branch of government, to the election, qualification, and compensation of executive officials, to the powers and duties of the governor, and to gubernatorial succession; to repeal the present article V of the Constitution of the State of North Dakota, relating to the executive branch of government, to the election and qualification of executive officials, to the powers and duties of the governor, and to gubernatorial succession; and to provide an effective date.

Which has been read and has committee recommendation of DO PASS.

ROLL CALL

The question being on the final adoption of the resolution, the roll was called and there were 39 YEAS, 13 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; Dotzenrod; Heigaard; Holmberg; Ingstad; Keller; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Mushik; Nalewaja; Nelson; Olson; Peterson; Redlin; Reiten; Richard; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wright

NAYS: Freborg; Heinrich; Hilken; Kelly; Kelsh; Meyer, W.; Moore; Mutch; Naaden; Nething; Satrom; Wogsland; Yockim

ABSENT AND NOT VOTING: David

HCR 3029 was declared adopted and the title was agreed to on a roll call vote.

REPORT OF CONFERENCE COMMITTEE

SEN. WALDERA MOVED that the conference committee report on Engrossed SB 2012 as printed on pages 2213-2214 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2012: A BILL for an Act making an appropriation for defraying the expenses of the pardon board and the parole and probation office of the state of North Dakota.

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 51 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: David; Meyer, D.

SB 2012 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. SCHOENWALD MOVED that the conference committee report on Engrossed SB 2542 as printed on pages 2214-2215 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2542: A BILL for an Act to amend and reenact section 39-01-15 of the North Dakota Century Code, relating to parking privileges for mobility impaired persons.

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 52 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: David

SB 2542 passed and the title was agreed to.

MOTION

SEN. HEIGAARD MOVED that HB 1009, which is on the Seventh order, be laid over two legislative days, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SEN. DOTZENROD MOVED that the conference committee report on Engrossed HB 1052 as printed on pages 2250-2253 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1052: A BILL for an Act to provide for peace officer standards, training, and licensing; to amend and reenact section 11-15-01.1 of the North Dakota Century Code, relating to qualifications of sheriffs; to provide a penalty; to provide for transitional provisions; 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 46 YEAS, 6 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Dotzenrod; Freborg; Heigaard; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjelm; Stromme; Tallackson; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Yockim

NAYS: Bakewell; Mutch; Naaden; Streibel; Tennefos; Wright

ABSENT AND NOT VOTING: David

HB 1052 passed and the title was agreed to.

REPORTS OF CONFERENCE COMMITTEES

SEN. J. MEYER MOVED that the conference committee report on HB 1183 as printed on page 2250 of the Senate Journal be adopted, which motion prevailed.

SEN. DOTZENROD MOVED that the conference committee report on Engrossed HB 1233 as printed on pages 2212-2213 of the Senate Journal be adopted, which motion prevailed.

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. DOTZENROD MOVED that the President Pro Tem appoint a committee of three to act with a like committee from the House as a new Conference Committee on HB 1233, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1233;

Sens. Dotzenrod, Langley, Holmberg

MOTION

SEN. MAIXNER MOVED that HB 1242 be moved to the foot of the Seventh order on the calendar, which motion prevailed.

REPORT OF CONFERENCE COMMITTEES

SEN. LANGLEY MOVED that the conference committee report on Reengrossed HB 1634 as printed on page 2250 of the Senate Journal be adopted, which motion prevailed.

SEN. LANGLEY MOVED that the conference committee report on Engrossed HB 1666 as printed on page 2249 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1666: A BILL 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.

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 51 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; Bakewell; Dotzenrod; Freborg; Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly; Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: David; Heigaard

HB 1666 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. J. MEYER MOVED that the conference committee report on Engrossed HB 1242 as printed on page 2180 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1242: A BILL for an Act to create and enact a new section to title 12.1 and a new chapter to title 14 of the North Dakota Century Code, relating to relinquishment of children to identified adoptive parents and the crime of child procurement; and to provide a penalty.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, the roll was called and there were 37 YEAS, 14 NAYS, 2 ABSENT AND NOT VOTING.

YEAS: Adams; Bakewell; Dotzenrod; Heinrich; Hilken; Holmberg; Ingstad; Kelly; Krauter; Langley; Lashkowitz; Lips; Lodoen; Maixner; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Nalewaja; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Stenehjem; Streibel; Tallackson; Tennefos; Thane; Tweten; Waldera; Wogsland; Wright; Yockim

NAYS: Axtman; Freborg; Keller; Kelsh; Mathern; Maxson; Mutch; Naaden; Nelson; Nething; Shea; Stromme; Todd; Vosper

ABSENT AND NOT VOTING: David; Heigaard

HB 1242 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Reengrossed SB 2103 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on pages 1754-1755 of the Senate Journal and that Reengrossed SB 2103 be amended as follows:

That the House recede from its amendments and that reengrossed Senate Bill No. 2103 be amended as follows:

On page 1 of the reengrossed bill, line 1, delete the word "subsections" and insert in lieu thereof the word "subsection" and delete the word and numeral "and 3"

On page 1 of the reengrossed bill, line 5, delete the words "; and to provide an appropriation"

On page 1 of the reengrossed bill, line 8, delete the word "Subsections" and insert in lieu thereof the word "Subsection" and delete the word and numeral "and 3"

On page 1 of the reengrossed bill, line 9, delete the word "are" and insert in lieu thereof the word "is"

On page 2 of the reengrossed bill, delete lines 3 through 18

On page 4 of the reengrossed bill, delete lines 3 through 16

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Stromme, Wogsland, Streibel

For the House: Reps. Tollefson, Martin, Schneider

Reengrossed SB 2103 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed SB 2480 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on pages 1104-1107 of the Senate Journal and that Engrossed SB 2480 be amended as follows:

That the House recede from its amendments to engrossed Senate Bill No. 2480, as printed on pages 1104-1107 of the Senate Journal and pages 2224-2227 of the House Journal, and that engrossed Senate Bill No. 2480 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 provide for the sale of banks and bank holding companies owned by charitable trusts; to provide an expiration date; and to declare an emergency."

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

SECTION 1. LEGISLATIVE INTENT. It is the intent of the legislative assembly to act pursuant to the Bank Holding Company Act of 1956, as amended [ch. 240; 70 Stat. 134; 12 U.S.C. 1842(d)], to limit the authority granted by this Act to charitable trusts that owned one hundred percent of a bank holding company on May 26, 1969, to sell, assign, merge, or transfer the stock or assets of any bank or bank holding company owned directly or indirectly by such charitable trust to any state or national bank or bank holding company without regard to whether the entity acquiring the stock or assets is located outside this state to enable the divestiture of such ownership by a charitable

trust as required by the provisions of section 4943 of the Internal Revenue Code.

SECTION 2. Sale of banking institutions owned by charitable trusts. Except as prohibited by section 6-02-02.1, a charitable trust that owned one hundred percent of a bank holding company on May 26, 1969, may sell, assign, merge, or transfer the stock or assets of any bank or bank holding company owned directly or indirectly by the charitable trust, pursuant to the procedures set forth in section 6-08-08.1, to a bank holding company, bank, or any other entity located in any state pursuant to applicable banking laws.

SECTION 3. Presentment of plan of acquiring entity to the state department of banking and financial institutions. Prior to any acquisition under this Act, the acquiring entity must present a plan to the state department of banking and financial institutions. The plan must provide that the acquiring entity commits itself to the condition that it capitalize each bank to be acquired in this state according to the applicable banking laws of this state and the requirements of the federal deposit insurance corporation or any applicable federal banking laws.

SECTION 4. Offer to purchase minority stock required. Any bank holding company owned by a charitable trust that sells, assigns, merges, or transfers the stock or assets of any bank or bank holding company pursuant to this Act shall communicate to and offer to purchase the stock of any minority stock holder. The offer must be made to the minority stockholders at least sixty days prior to the date of the sale and must extend thirty days after the sale of the bank or bank holding company. The offer to purchase must be on the same or better terms as any previous offer made by the bank holding company and must remain open for at least ninety days.

SECTION 5. Grants requirement - Commitment - Reports to attorney general. Any charitable trust that divests itself of any interest pursuant to this Act shall file a commitment with the attorney general prior to any divestiture that the charitable trust will, subject to the provisions of the trust instrument pursuant to which the trust was created, continue to make grants under the provisions of the trust to recipients within this state. The charitable trust must report annually to the attorney general describing the grants made by the charitable trust to all recipients in the previous year. Upon the basis of such information, or other information that may be brought to the attorney general's attention, the attorney general may initiate further investigation and ensure compliance with the requirements of this section.

SECTION 6. Designation of agent for service of process. Any charitable trust that divests itself of any interest pursuant to this Act shall designate the secretary of state as its agent for service of process in this state.

SECTION 7. Limitations.

1. The authority granted by this Act does not authorize the acquiring entity to resell, reassign, merge, or transfer stock or assets of any state or national bank or bank holding company acquired under this Act except as permitted under the laws of this state.
2. This Act does not limit or restrict the rights of a charitable trust to sell, assign, merge, or transfer the stock or assets of any state or national bank or bank holding company owned directly or indirectly by the charitable trust under the provisions of any existing or hereafter adopted state or federal law or regulation.
3. This Act does not permit the sale, assignment, merger, or transfer by a charitable trust that directly or indirectly owns banks in Minnesota as well as in North Dakota of the stock or assets of any state or national bank or bank holding company located in this state if the sale, assignment, merger, or transfer by the charitable trust would be prohibited under the laws of Minnesota.

SECTION 8. Provisions not severable. Notwithstanding North Dakota Century Code section 1-02-20, if any provision of this Act is determined by any court of competent or final jurisdiction to be invalid or unconstitutional, this entire Act is void.

SECTION 9. EXPIRATION DATE. Section 2 of this Act is effective through June 30, 2004, and after that date is ineffective.

SECTION 10. EMERGENCY. This Act is declared to be an emergency measure."

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Langley, Schoenwald (refused to sign),
Reiten

For the House: Reps. Koland, Dalrymple, Scherber

Engrossed SB 2480 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

MOTIONS

SEN. MAIXNER MOVED that the vote by which SB 2557, HB 1017, HB 1020, HB 1465, HB 1600, and HCR 3029 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed.

SEN. MAIXNER MOVED that the rules be suspended and that SB 2557, HB 1017, HB 1020, HB 1465, HB 1600, and HCR 3029 be messaged to the House immediately, which motion prevailed.

SEN. MAIXNER MOVED that the absent Senators be excused, which motion prevailed.

SEN. MAIXNER MOVED that the Senate be on the Fourth order of business, and at the conclusion of the Fourth order of business, be on the Fifth order of business, and at the conclusion of the Fifth order of business, be on the Seventh order of business, and at the conclusion of the Seventh order of business, be on the Sixteenth order of business, and at the conclusion of the Sixteenth order of business, and after the reading of HB 1683, the Senate adjourn and convene at 8:00 a.m., Friday, April 10, 1987, which motion prevailed.

PERRY GROTEBERG, Secretary