

JOURNAL OF THE SENATE

Fiftieth Legislative Assembly

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SEVENTIETH DAY

Bismarck, April 15, 1987

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

The prayer was offered by Reverend Charlie Neill, First United Methodist Church, Bismarck.

Creator God, You have made us with potentials to develop, with interests to pursue, dreams to follow, discoveries to unfold, and decisions to make. Forgive us when we become self-centered, when we are fenced in by fears, or paralyzed by problems.

We pray for others what we want for ourselves. We know there are those in this world who do not have the freedom to follow their dreams. We pray for those who because of conditions they did not create, cannot receive the training or opportunity to use their gifts and talents.

We thank You, O God, for the possibilities that are within us and others that together we will know of being Your servants. Amen.

ROLL CALL

The roll was called and all Senators were present, except Senator Bakewell.

A quorum was declared by the President Pro Tem.

MESSAGES TO THE HOUSE
SENATE CHAMBER

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

HB 1003, HB 1006

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the President Pro Tem has replaced Sens. Stromme, Shea, and Thane with Sens. Wogsland, Stromme, and Thane on SB 2021, and has replaced Sens. Wogsland, Yockim, and Tweten with Sens. Wogsland, Stromme, and Thane on SB 2022.

PERRY GROTEBERG, Secretary

MESSAGES FROM THE HOUSE
HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith the following which the House has failed to pass:

SB 2453, SB 2512, SB 2552

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 2113, SB 2387

ROY GILBREATH, Chief Clerk

CONSIDERATION OF AMENDMENTS

SEN. SATROM MOVED that the amendments to SB 2555 as recommended by the Committee on Finance and Taxation as printed on pages 2437-2438 of the Senate Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2555: A BILL for an Act to amend and reenact subsection 7 of section 57-40.2-01 of the North Dakota Century Code, relating to imposition of use taxes on the gross receipts from sales in this state by a person who engages in regular or systematic solicitation of sales of tangible personal property in this state.

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, 1 NAY, 1 ABSENT AND NOT VOTING.

YEAS: Adams; Axtman; 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; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: Tweten

ABSENT AND NOT VOTING: Bakewell

SB 2555 passed and the title was agreed to.

MESSAGE FROM THE HOUSE
HOUSE CHAMBER

MR. PRESIDENT: I have the honor to return herewith SB 2557 which the House has amended and subsequently passed:

HOUSE FLOOR AMENDMENT TO MINORITY REPORT ON SB 2557

Under SECTION 5., Subsection 8., Subdivision a., overstrike the first "and" and delete the following: "water and electricity services."

HOUSE AMENDMENTS TO ENGROSSED SENATE BILL NO. 2557

On page 1 of the engrossed bill, line 1, after the word "Act" insert the words and numerals "to create and enact a new section to chapter 57-39.2, a new section to chapter 57-40.2, a new section to chapter 57-40.3, and a new section to chapter 57-40.5 of the North Dakota Century Code, relating to a separate and additional sales, use, motor vehicle excise, and aircraft excise tax;" and after the word "reenact" insert the words and numerals "section 57-36-32 of the North Dakota Century Code as contained in section 1 of Senate Bill No. 2216, as approved by the fiftieth legislative assembly, and subsections 7, 8, and 9 of section 57-39.2-01, subdivision b of subsection 1 of section 57-39.2-02.1, subsection 8 of section 57-40.2-01,"

On page 1 of the engrossed bill, line 4, after the word "on" insert the word "cigarettes," and after the first word "fuels" insert a comma

On page 1 of the engrossed bill, line 5, after the word "subdivisions" insert the words "and to imposition of sales and use taxes on cable television and other video programming services; and to provide an expiration date"

On page 1 of the engrossed bill, after line 7, insert the following sections:

"SECTION 1. AMENDMENT. Section 57-36-32 of the North Dakota Century Code, as contained in Section 1 of Senate Bill No. 2216, as approved by the fiftieth legislative assembly, is hereby amended and reenacted to read as follows:

57-36-32. Separate and additional tax on the sale of cigarettes - Collection - Allocation of revenue - Tax avoidance prohibited. There is hereby levied and assessed and there shall be collected by the state tax commissioner and paid to the state treasurer, upon all cigarettes sold in this state, an additional tax, separate and apart from all other taxes, of seven eight and one-half mills on each such cigarette, to be collected as existing taxes on cigarettes sold are, or hereafter may be, collected, by use of appropriate stamps and under similar accounting procedures. No person, firm,

or corporation shall transport or bring or cause to be shipped into the state of North Dakota any cigarettes as provided herein, other than for delivery to wholesalers in this state, without first paying such tax thereon to the state tax commissioner. All of the moneys collected by the state treasurer under this section shall be credited to the state general fund.

SECTION 2. AMENDMENT. Subsections 7, 8, and 9 of section 57-39.2-01 of the North Dakota Century Code are hereby amended and reenacted to read as follows:

7. "Retail sale" or "sale at retail" means the sale, including the leasing or renting, to a consumer or to any person for any purpose, other than for processing or for resale, of tangible personal property; the sale of steam, gas, cable television or other video programming services, and communication service to retail consumers or users; the ordering, selecting, or aiding a customer to select any goods, wares, or merchandise from any price list or catalog, which the customer might order, or be ordered for such customer to be shipped directly to such customer; the sale or furnishing of hotel, motel, or tourist court accommodations, tickets, or admissions to any place of amusement, athletic event, or place of entertainment including the playing of any machine for amusement or entertainment in response to the use of a coin; and the sales of magazines and other periodicals. By the term "processing" is meant any tangible personal property including containers which it is intended, by means of fabrication, compounding, manufacturing, producing, or germination shall become an integral or an ingredient, or component part of other tangible personal property intended to be sold ultimately at retail. The sale of an item of tangible personal property for the purpose of incorporating it in or attaching it to real property shall be considered as a sale of tangible personal property for a purpose other than for processing; the delivery of possession within the state of North Dakota of tangible personal property by a wholesaler or distributor to an out-of-state retailer who does not hold a North Dakota retail sales tax permit or to a person who by contract incorporates such tangible personal property into, or attaches it to, real property situated in another state shall not be considered a taxable sale if such delivery of possession would not be treated as a taxable sale in that state. As used in this subsection the

word "consumer" shall include any hospital, infirmary, sanatorium, nursing home, home for the aged, or similar institution that furnishes services to any patient or occupant. The sale of an item of tangible personal property to a purchaser who rents or leases it to a person under a finance leasing agreement over the term of which the property will be substantially consumed shall be considered a retail sale if the purchaser elects to treat it as such by paying or causing the transferor to pay the sales tax thereon to the commissioner on or before the last day on which payments may be made without penalty as provided in section 57-39.2-12.

8. "Retailer" includes every person engaged in the business of leasing or renting hotel, motel, or tourist court accommodations, and every person engaged in the business of selling tangible goods, wares, or merchandise at retail, or furnishing of steam, gas, cable television or other video programming services, and communication services, or tickets or admissions to places of amusement, entertainment, and athletic events including the playing of any machine for amusement or entertainment in response to the use of a coin, or magazines, or other periodicals; and shall include any person as herein defined who by contract or otherwise agrees to furnish for a consideration a totally or partially finished product consisting in whole or in part of tangible personal property subject to the sales tax herein provided, and all items of tangible personal property entering into the performance of such contract as a component part of the product agreed to be furnished under said contract shall be subject to the sales tax herein provided and the sales tax thereon shall be collected by the contractor from the person for whom the contract has been performed in addition to the contract price agreed upon, and shall be remitted to the state in the manner provided in this chapter; and shall include the state or any municipality furnishing steam, gas, or communication service to members of the public in its proprietary capacity. For the purpose of this chapter, retailer shall also include every clerk, auctioneer, agent, or factor selling tangible personal property owned by any other retailer.
9. "Sale" means any transfer of title or possession, exchange or barter, conditional or otherwise, in any manner or by any means whatever, for a

consideration, and includes the furnishing or service of steam, gas, cable television or other video programming services, or communication, the furnishing of hotel, motel, or tourist court accommodations, the furnishing of tickets or admissions to any place of amusement, athletic event, or place of entertainment including the playing of any machine for amusement or entertainment in response to the use of a coin, and sales of magazines and other periodicals. Provided, the words "magazines and other periodicals" as used in this subsection do not include newspapers nor magazines or periodicals that are furnished free by a nonprofit corporation or organization to its members or because of payment by its members of membership fees or dues.

SECTION 3. AMENDMENT. Sudivision b of subsection 1 of section 57-39.2-02.1 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

- b. The furnishing or service of gas, cable television or other video programming services, communication services, or steam other than steam used for processing agricultural products.

SECTION 4. A new section to chapter 57-39.2 of the North Dakota Century Code is hereby created and enacted to read as follows:

Separate and additional tax on retail sales. There is imposed a tax of one-half of one percent, in addition to any other tax provided by law, upon the gross receipts of retailers from all sales at retail which are taxable under this chapter. In the case of any contract for the construction of highways, roads, streets, bridges, and buildings awarded prior to July 1, 1987, the contractor receiving the award is liable only for the sales tax at the rate of tax in effect on the date of the contract.

SECTION 5. AMENDMENT. Subsection 8 of section 57-40.2-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

8. "Tangible personal property" means:

- a. Tangible goods, wares, and merchandise, and gas, cable television or other video programming services, water, and electricity services, when furnished or delivered to consumers or users within this state.

- b. The leasing or renting of tangible personal property, the sale, storage, use, or consumption of which has not been previously subjected to a retail sales or use tax in this state.
- c. The purchase of magazines or other periodicals. Provided, the words "magazines and other periodicals" as used in this subdivision do not include newspapers nor magazines or periodicals that are furnished free by a nonprofit corporation or organization to its members or because of payment by its members of membership fees or dues.
- d. The severance of sand or gravel from the soil.

SECTION 6. A new section to chapter 57-40.2 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

Separate and additional use tax. An excise tax is imposed on the storage, use, or consumption in this state of tangible personal property purchased at retail for storage, use, or consumption in this state, at the rate of one-half of one percent of the purchase price of the property. An excise tax is imposed on the storage, use, or consumption in this state of tangible personal property not originally purchased for storage, use, or consumption in this state at the rate of one-half of one percent of the fair market value of the property at the time it was brought into this state. The tax imposed under this section applies to any activity that is taxable under this chapter and the tax imposed under this section is in addition to any other tax imposed by law. In the case of any contract for the construction of highways, roads, streets, bridges, and buildings awarded prior to July 1, 1987, the contractor receiving the award is liable only for the use tax at the rate of tax in effect on the date of the contract.

SECTION 7. A new section to chapter 57-40.3 of the North Dakota Century Code is hereby created and enacted to read as follows:

Separate and additional motor vehicle excise tax. There is imposed an excise tax at the rate of one-half of one percent on the purchase price of any motor vehicle purchased or acquired either in or outside of the state of North Dakota for use on the streets and highways of this state and required to be registered under the laws of this

state. The tax imposed under this section is in addition to any other tax provided by law.

SECTION 8. A new section to chapter 57-40.5 of the North Dakota Century Code is hereby created and enacted to read as follows:

Separate and additional aircraft excise tax. There is imposed an excise tax at the rate of one-half of one percent on the purchase or lease of any aircraft which is otherwise taxable under this chapter. The tax imposed by this section is in addition to any other tax provided by law."

On page 2 of the engrossed bill, after line 19, insert the following new section:

"**SECTION 12. EXPIRATION DATE.** Sections 4, 6, 7, and 8 of this Act are effective for taxable events occurring after June 30, 1987, and before July 1, 1989, and are thereafter ineffective."

And renumber the lines, sections, and pages accordingly

ROY GILBREATH, Chief Clerk

MOTION

SEN. HEIGAARD MOVED that SB 2561 and HB 1635 be moved to the head of the Sixth order on the calendar, which motion prevailed.

CONSIDERATION OF AMENDMENTS

SEN. LANGLEY MOVED that the amendments to SB 2561 as recommended by the Committee on Industry, Business and Labor as printed on pages 2475-2476 of the Senate Journal be adopted, and when so adopted, recommends the same DO PASS, which motion prevailed.

SECOND READING OF SENATE BILL

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.

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 34 YEAS, 18 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heigaard; Heinrich; Hilken; Ingstad; Keller; Kelsh; Langley; Lashkowitz; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Nalewaja; Nething; Peterson; Redlin;

Reiten; Richard; Satrom; Schoenwald; Shea; Streibel;
Tallackson; Thane; Tweten; Waldera; Wogsland; Yockim

NAYS: Adams; David; Freborg; Holmberg; Kelly; Krauter;
Lips; Lodoen; Mutch; Naaden; Nelson; Olson; Stenehjelm;
Stromme; Tennefos; Todd; Vosper; Wright

ABSENT AND NOT VOTING: Bakewell

SB 2561 passed, the title was agreed to, but the emergency clause lost.

CONSIDERATION OF AMENDMENTS

SEN. TALLACKSON MOVED that the amendments to HB 1635 as recommended by the Committee on Appropriations as printed on pages 2447-2448 of the Senate Journal be adopted, and when so adopted, recommends the same DO NOT PASS, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1635: A BILL for an Act providing for a transfer from the industrial development revenue bond guarantee fund to the general fund.

Which has been read and has committee recommendation of DO NOT PASS.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 0 YEAS, 52 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: None

NAYS: Adams; Axtman; 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; Stenehjelm; Streibel;
Stromme; Tallackson; Tennefos; Thane; Todd; Tweten;
Vosper; Waldera; Wogsland; Wright; Yockim

ABSENT AND NOT VOTING: Bakewell

HB 1635 lost.

PRESENTATION OF PETITIONS AND COMMUNICATIONS

Date of Action: April 1, 1987

Honorable Ben Meier
Secretary of State
Bismarck, North Dakota

I hereby certify that the within Act, being Senate Bill No. 2306, together with the objections of His Excellency, Governor George A. Sinner, was returned to the Senate, being the body in which it originated, on the 30th day of March, 1987; that the objections of the Governor were read at length on March 30, 1987, and entered upon the Journal; that, subsequently, the Bill was taken up for reconsideration; the roll was called and the Bill failed to pass, less than two-thirds of the members voting in the affirmative.

Vote:	Ayes	30
	Nays	23
	Absent and not voting	0

ROLLAND REDLIN
President of the Senate

PERRY GROTEBERG
Secretary of the Senate

MOTIONS

SEN. HEIGAARD MOVED that the vote by which SB 2555 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 SB 2555 be messaged to the House immediately, which motion prevailed.

SEN. HEIGAARD MOVED that HB 1590, which is on the Sixth order, be rereferred to the Committee on Finance and Taxation, which motion prevailed.

SEN. HEIGAARD MOVED that the Senate stand in recess until 9:30 a.m., which motion prevailed.

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

MESSAGE TO THE HOUSE
SENATE CHAMBER

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

HB 1635

PERRY GROTEBERG, Secretary

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred SB 2036 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on page 2239 of the Senate Journal and that SB 2036 be amended as follows:

On page 1, line 2, after the word "a" insert the words "plan for a"

On page 1, line 3, after the word "individuals" insert the words and numerals "; and to amend and reenact section 25-02-04 of the North Dakota Century Code, relating to the qualifications of the superintendent of the North Dakota state hospital"

On page 1, underscore line 8

On page 1, line 9, underscore the words "department of human services shall develop", after the word "develop" insert the words "a plan for", and underscore the words "an integrated,"

On page 1, underscore line 10

On page 1, line 11, underscore the words "individuals. The continuum", delete the word "must" and insert in lieu thereof the word "may", and underscore the words "consist of an array of service"

On page 1, underscore lines 12 through 16

On page 1, line 17, underscore the line and after the second word "the" insert the words "plan for a"

On page 1, line 18, underscore the word "continuum", delete the word "should" and insert in lieu thereof the word "may", and underscore the word "include:"

On page 1, underscore lines 19 through 27

On page 2, underscore lines 1 through 7

On page 2, after line 7, insert the following section:

"SECTION 2. AMENDMENT. Section 25-02-04 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

25-02-04. Superintendent to possess certain qualifications - Employees. The superintendent of the state hospital shall be a board eligible or board certified psychiatrist. If the superintendent is board eligible, he or she shall accomplish board certification within three years of the date of his or her appointment, or of the effective date of this Act, whichever is later. The superintendent shall appoint with the approval of the executive director of the department of human services an assistant superintendent of administration and who shall be under the superintendent's supervision and who shall be a qualified and experienced hospital administrator. The superintendent shall appoint and employ the professional staff and define their qualifications and duties. Every physician on the professional staff must have a license issued by the state board of medical examiners. The assistant superintendent shall employ such other personnel as may be necessary and shall define their qualifications and duties."

And renumber the lines, sections, and pages accordingly

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

For the House: Reps. Larson, Gates, Oban

SB 2036 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

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-ninth Day and finds the same to be correct.

SEN. J. MEYER, Chairman

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

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 1003 and HB 1006 and the Speaker has appointed as a conference committee to act with a like committee from the Senate on:

HB 1003: Reps. Thompson, R. Hausauer, Hoffner

HB 1006: Reps. Kuchera, Winkelman, Stofferahn

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

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

HB 1686

ROY GILBREATH, Chief Clerk

MOTIONS

SEN. MAIXNER MOVED that SB 2560 be amended as follows:

On page 1, line 10, remove the overstrike over the words "~~er~~ ~~plow~~
~~up~~"

On page 1, line 11, remove the overstrike over the words "~~er~~
~~plowed up~~"

On page 1, line 14, overstrike the word "or"

On page 1, line 20, delete the period and insert in lieu thereof
the word "; or"

On page 1, after line 20, insert the following new subsection:

"4. Plow up a section line in a manner so as to
obstruct usual travel on the section line."

And renumber the lines, sections, and pages accordingly

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

SECOND READING OF SENATE BILL

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.

Which has been read and has committee recommendation of DO NOT
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;
Heinrich; Hilken; Holmberg; Ingstad; Keller; Kelly;
Kelsh; Krauter; Langley; Lashkowitz; Lips; Lodoen;
Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.;
Meyer, W.; Moore; Mushik; Mutch; 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: Heigaard; Naaden

SB 2560 passed and the title was agreed to.

REPORTS OF CONFERENCE COMMITTEES

SEN. HEINRICH MOVED that the conference committee report on Engrossed SB 2038 as printed on page 2442 of the Senate Journal be adopted, which motion prevailed.

SEN. MAXSON MOVED that the conference committee report on Engrossed SB 2468 as printed on pages 2424-2430 of the Senate Journal be adopted, which motion lost.

MOTIONS

SEN. HEIGAARD MOVED that the vote by which SB 2560 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 SB 2560 be messaged to the House immediately, 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 1003, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1003:

Sens. Waldera, Tallackson, Streibel

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 11:00 a.m., which motion prevailed.

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

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 as found on pages 1853, 2009, and 2010 of the House Journal and pages 1754 and 1755 of the Senate Journal 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 1 of the reengrossed bill, line 13, delete the word "twenty-five" and insert in lieu thereof the word "twenty"
- On page 2 of the reengrossed bill, delete lines 3 through 18
- On page 2 of the reengrossed bill, line 26, delete the word "twenty-five" and insert in lieu thereof the word "twenty"
- On page 3 of the reengrossed bill, line 21, delete the word "twenty-five" and insert in lieu thereof the word "twenty"
- On page 4 of the reengrossed bill, line 1, delete the word "twenty-five" and insert in lieu thereof the word "twenty"
- 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 1920-1922 of the Senate Journal and that Engrossed SB 2480 be amended as follows:

That the House recede from its amendments to Senate Bill No. 2480, as printed on pages 2224-2227 of the House Journal and pages 1920-1922 of the Senate 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 North Dakota Century Code 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 North Dakota Century Code 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 of any bank or bank holding company pursuant to this Act shall communicate to and offer to purchase the stock of any minority stockholder of the bank or bank holding company. The offer must be made to minority stockholders at least sixty days before the date of the sale and must extend thirty days after the sale of the bank or bank holding company. The offer must remain open for at least ninety

days or for the same period as that which is offered to minority stockholders of the company's banks located in other states, whichever period is greater. The offer to purchase minority stock in banks in this state must be based on at least the same criteria, standards, and formula as may be used by the bank holding company in computing an offer to purchase the minority stock of its banks in other states. The resulting offer to purchase must be on the same or better terms as any previous offer made by the bank holding company except for those previous offers made by reason of repurchase options between the bank holding company and the stockholder. Such repurchase options may not be used as a basis for determining the offer to purchase other minority stock.

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, Heigaard, Nething

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.

FIRST READING OF HOUSE BILL

HB 1686: A BILL for an Act to create and enact a new section to chapter 57-38 of the North Dakota Century Code, relating to a surtax based on income tax liability of individuals, estates, or trusts; and to provide an effective date and an expiration date.

Was read the first time and referred to the Committee on Finance and Taxation.

FIRST READING OF HOUSE CONCURRENT RESOLUTION

HCR 3097: A concurrent resolution congratulating Kamille Bachmeier on winning the state spelling bee.

RULING

THE PRESIDENT PRO TEM RULED that HCR 3097 violates Senate Rule 407, which states that no resolution which commends, lauds, congratulates or otherwise honors any person or group, other than memorial resolutions extending condolences, shall be introduced or further considered unless the person or group is being recognized for an achievement which has brought national attention or recognition.

HCR 3097 was ruled out of order by the President Pro Tem.

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 12:30 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: 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 1003: Sens. Waldera, Tallackson, Streibel

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to transmit herewith the following on which the Senate has adopted the conference committee report on SB 2038.

PERRY GROTEBERG, Secretary

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:

SB 2555

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: In accordance with Senate Rule 407, the Senate is unable to allow the introduction of HCR 3097.

PERRY GROTEBERG, Secretary

REPORT OF STANDING COMMITTEE

MR. PRESIDENT: Your Committee on Appropriations to which was rereferred Engrossed HB 1008 has had the same under consideration and recommends by a vote of 11 YEAS, 0 NAYS, 3 ABSENT AND NOT VOTING that the same BE AMENDED AS FOLLOWS and when so amended, recommends the same DO PASS:

On page 1 of the engrossed bill, line 18, delete the numerals "2,057,090" and insert in lieu thereof the numerals "2,327,090"

On page 1 of the engrossed bill, line 19, delete the numerals "3,074,826" and insert in lieu thereof the numerals "3,344,826"

On page 1 of the engrossed bill, line 21, delete the numerals "450,000" and insert in lieu thereof the numerals "720,000"

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Aeronautics Commission

This amendment appropriates an additional \$270,000 from the general fund for grants to political subdivisions or airport authorities with airports with scheduled airline service.

SEN. TALLACKSON, Chairman

HB 1008 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

SIGNING OF BILLS AND RESOLUTIONS

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

SB 2099, SB 2183, SB 2547

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 2099, SB 2183, SB 2547

PERRY GROTEBERG, Secretary

REPORT OF CONFERENCE COMMITTEE

SEN. WOGSLAND MOVED that the conference committee report on HB 1021 as printed on page 2440 of the Senate Journal be adopted, which motion prevailed.

MESSAGES FROM THE HOUSE
HOUSE CHAMBER

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

HB 1687

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 1231, HB 1677, HB 1685, HCR 3096

ROY GILBREATH, Chief Clerk

REPORT OF CONFERENCE COMMITTEE

SEN. SHEA MOVED that the conference committee report on HB 1023 as printed on pages 2450-2452 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF HOUSE BILL

HB 1023: A BILL for an Act making an appropriation for defraying the administrative costs of the public employees retirement system of the state of North Dakota; to create and enact a new section to chapter 54-52.1 of the North Dakota Century Code, relating to the uniform group health insurance program; and to declare an emergency.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 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; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjelm; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Naaden; Tweten

HB 1023 passed, the title was agreed to, and the emergency clause carried.

REPORT OF CONFERENCE COMMITTEE

SEN. SHEA MOVED that the conference committee report on HB 1674 as printed on pages 2452-2453 of the Senate Journal be adopted, which motion prevailed.

SECOND READING OF HOUSE BILLS

HB 1674: A BILL for an Act to authorize the state board of higher education to issue and sell self-liquidating, tax-exempt bonds or utilize private, federal, or other sources of funds for the construction of an aerospace science training facility at the university of North Dakota; to provide an appropriation; and to declare an emergency.

Which has been read.

ROLL CALL

The question being on the final passage of the bill, as amended, the roll was called and there were 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; Maxson; Meyer, D.; Meyer, J.; Meyer, W.; Moore; Mushik; Mutch; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjelm; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Naaden; Tweten

HB 1674 passed, the title was agreed to, and the emergency clause carried.

FIRST READING OF HOUSE BILLS

HB 1687: A BILL for an Act to create and enact a new section to chapter 57-39.2 and a new section to chapter 57-40.2 of the North Dakota Century Code, relating to refund of a portion of sales or use taxes paid for purchases or use of farm machinery repair parts; to amend and reenact sections 57-39.2-02.1 and 57-40.2-02.1 of the North Dakota Century Code as contained in sections 1 and 4 of Senate Bill No. 2901, as approved by the fiftieth legislative assembly, relating to imposition of sales and use taxes on farm machinery repair parts; and to declare an emergency.

Was read the first time and referred to the Committee on Finance and Taxation.

MOTION

SEN. WOGSLAND MOVED that the Senate reconsider its action whereby SB 2561 passed, which motion prevailed on a verification vote.

SECOND READING OF SENATE BILL

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.

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 33 YEAS, 19 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heigaard; Heinrich; Hilken; Keller; Kelsh; Krauter; Langley; Lashkowitz; Lips; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.; Moore; Mushik; Nalewaja; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stromme; Tallackson; Thane; Tweten; Waldera; Wogsland; Yockim

NAYS: Adams; Bakewell; David; Freborg; Holmberg; Ingstad; Kelly; Lodoen; Meyer, W.; Mutch; Naaden; Nelson; Olson; Stenehjelm; Streibel; Tennefos; Todd; Vosper; Wright

ABSENT AND NOT VOTING: Nothing

SB 2561 passed, the title was agreed to, but the emergency clause lost.

MOTIONS

SEN. HEIGAARD MOVED that the vote by which SB 2038, SB 2561, HB 1021, HB 1023, and HB 1674 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 SB 2561, HB 1021, HB 1023, and HB 1674 be messaged to the House immediately, which motion prevailed.

MESSAGE FROM THE HOUSE HOUSE CHAMBER

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

SB 2099, SB 2183, SB 2547

ROY GILBREATH, Chief Clerk

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 2:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Reengrossed SB 2259 has had the same under consideration and recommends that the SENATE ACCEDE to the amendments as found on page 1812 of the Senate Journal and that Reengrossed SB 2259 be further amended as follows:

That the Senate accede to the House amendments to reengrossed Senate Bill No. 2259, as printed on page 1812 of the Senate Journal and pages 2068-2069 of the House Journal, and that reengrossed Senate Bill No. 2259 be further amended as follows:

On page 1 of the reengrossed bill, line 2, after the word "fees" insert the words "; to establish a centennial celebration fee and provide for its collection and distribution; to provide for application of this Act; to provide an effective date; and to provide an expiration date"

On page 1 of the reengrossed bill, after line 5, insert the following section:

"SECTION 1. AMENDMENT. Section 39-04-19 of the 1985 Supplement to the North Dakota Century Code is hereby amended and reenacted to read as follows:

39-04-19. Motor vehicle registration fees and mile tax. Motor vehicles required to pay registration fees or a mile tax shall pay the following fees:

1. Nonresidents electing to pay mile tax in lieu of registration, when authorized to do so by the ~~commissioner~~ department, shall pay a fee of twenty dollars for a trip permit which shall be valid for a period of seventy-two hours. All fees collected under the provisions of this subsection shall be credited to the highway construction fund.
2. Motor vehicles required to be registered in this state shall be furnished license plates upon the payment of the following annual fees; however, if a motor vehicle first becomes subject to registration other than at the beginning of the registration period, such fees shall be prorated on a monthly basis. The minimum fee charged hereunder shall be five dollars:
 - a. Passenger motor vehicles including buses for hire, hearses, and ambulances:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, and 4th Years	5th, 6th, and 7th Years	8th, 9th, and 10th Years	11th and Subsequent Years	
Less than 3,200	\$ 44.00	\$ 36.00	\$ 28.00	\$ 20.00	
3,200-4,499	64.00	52.00	40.00	28.00	
4,500-4,999	82.00	65.00	50.00	34.00	
5,000-5,999	113.00	91.00	69.00	47.00	
6,000-6,999	146.00	117.00	88.00	60.00	
7,000-7,999	179.00	143.00	108.00	73.00	
8,000-8,999	212.00	170.00	128.00	86.00	
9,000 and over	245.00	196.00	148.00	99.00	

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th,	6th, 7th, and 8th	9th, 10th, and 11th	12th and Subsequent	
	Years	Years	Years	Years	
Less than 3,200	\$ 47.75	\$ 39.75	\$ 31.75	\$23.75	
3,200-4,499	67.75	55.75	43.75	31.75	
4,500-4,999	85.75	68.75	53.75	37.75	
5,000-5,999	116.75	94.75	72.75	50.75	
6,000-6,999	149.75	120.75	91.75	63.75	
7,000-7,999	182.75	146.75	111.75	76.75	
8,000-8,999	215.75	173.75	131.75	89.75	
9,000 and over	248.75	199.75	151.75	102.75	

A house car is subject to registration at the rates prescribed for other vehicles under this subdivision modified by using the weight applicable to a vehicle whose weight is forty percent of that of the house car, but not using a weight of less than four thousand pounds [1814.35 kilograms].

- b. Schoolbuses, buses for hire, buses owned and operated by religious, charitable, or nonprofit organizations and used exclusively for religious, charitable, or other public nonprofit purposes, and trucks or combination trucks and trailers, including commercial and noncommercial trucks, except those trucks or combinations of trucks and trailers which qualify for registration under subsection 5:

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th	5th and 6th	7th and 8th	9th and Subsequent	
	Years	Years	Years	Years	
Not over 4,000	\$42.00	\$29.00	\$24.00	\$21.00	
4,001- 6,000	47.00	34.00	28.00	22.00	
6,001- 8,000	52.00	39.00	32.00	23.00	
8,001-10,000	57.00	44.00	36.00	25.00	
10,001-12,000	62.00	49.00	40.00	27.00	
12,001-14,000	67.00	54.00	44.00	30.00	
14,001-16,000	72.00	59.00	48.00	33.00	
16,001-18,000	77.00	64.00	52.00	35.00	
18,001-20,000	80.00	67.00	54.00	36.00	

Gross Weights	YEARS REGISTERED				
	1st, 2nd, 3rd, 4th,	6th and 7th	8th and 9th	10th and Subsequent	
	Years	Years	Years	Years	
Not over 4,000	\$45.75	\$32.75	\$27.75	\$24.75	
4,001- 6,000	50.75	37.75	31.75	25.75	
6,001- 8,000	55.75	42.75	35.75	26.75	

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8,001-10,000	60.75	47.75	39.75	28.75
10,001-12,000	65.75	52.75	43.75	30.75
12,001-14,000	70.75	57.75	47.75	33.75
14,001-16,000	75.75	62.75	51.75	36.75
16,001-18,000	80.75	67.75	55.75	38.75
18,001-20,000	83.75	70.75	57.75	39.75

Gross Weights	YEARS REGISTERED			
	1st, 4th,	2nd, and 5th	3rd, 6th, 7th, 8th, 9th,	10th and 11th and Subsequent
	Years		Years	
20,001- 22,000	\$	110.00	\$	84.00
22,001- 26,000		162.00		132.00
26,001- 30,000		223.00		181.00
30,001- 34,000		289.00		234.00
34,001- 38,000		350.00		283.00
38,001- 42,000		411.00		332.00
42,001- 46,000		472.00		380.00
46,001- 50,000		533.00		429.00
50,001- 54,000		603.00		487.00
54,001- 58,000		664.00		536.00
58,001- 62,000		725.00		585.00
62,001- 66,000		786.00		633.00
66,001- 70,000		847.00		682.00
70,001- 74,000		908.00		731.00
74,001- 78,000		969.00		780.00
78,001- 82,000		1,030.00		829.00
82,001- 86,000		1,153.00		934.00
86,001- 90,000		1,275.00	1,038.00	902.00
90,001- 94,000		1,397.00	1,143.00	989.00
94,001- 98,000		1,519.00	1,248.00	1,077.00
98,001-102,000		1,641.00	1,352.00	1,164.00
102,001-105,500		1,763.00	1,457.00	1,251.00

Gross Weights	YEARS REGISTERED			
	1st, 4th, and 6th	2nd, 5th, Years	7th, 8th, 9th, 10th, and 11th	12th and Subsequent
	Years		Years	
20,001- 22,000	\$	113.75	\$	87.75
22,001- 26,000		165.75		135.75
26,001- 30,000		226.75		184.75
30,001- 34,000		292.75		237.75
34,001- 38,000		353.75		286.75
38,001- 42,000		414.75		335.75
42,001- 46,000		475.75		383.75
46,001- 50,000		536.75		432.75
50,001- 54,000		606.75		490.75
54,001- 58,000		667.75		539.75
58,001- 62,000		728.75		588.75
62,001- 66,000		789.75		636.75
66,001- 70,000		850.75		685.75
70,001- 74,000		911.75		734.75
74,001- 78,000		972.75		783.75
78,001- 82,000		1,033.75		832.75

82,001- 86,000	1,156.75	937.75	818.75
86,001- 90,000	1,278.75	1,041.75	905.75
90,001- 94,000	1,400.75	1,146.75	992.75
94,001- 98,000	1,522.75	1,251.75	1,080.75
98,001-102,000	1,644.75	1,355.75	1,167.75
102,001-105,500	1,766.75	1,460.75	1,254.75

c. Motorcycles, ~~ten~~ thirteen dollars and seventy-five cents.

3. Motor vehicles acquired by disabled veterans under the provisions of Public Law 79-663 [38 U.S.C. 1901] shall be exempt from the payment of state sales or use tax and, if paid, such veterans shall be entitled to a refund. This exemption shall also apply to any passenger motor vehicle or pickup truck not exceeding ten thousand pounds [4535.92 kilograms] gross weight subsequently purchased or acquired by such a disabled veteran; provided, that it shall be allowed only with respect to one such motor vehicle owned by such a disabled veteran at any one time but shall apply to no more than two such motor vehicles owned by a disabled veteran at any one time.
4. Every trailer, semitrailer, and farm trailer required to be registered under this chapter shall be furnished registration plates upon the payment of a fifteen dollar an annual fee of eighteen dollars and seventy-five cents. Every trailer, semitrailer, or farm trailer not required to be registered under this chapter shall be furnished an identification plate upon the payment of a fee of five dollars.
5. Trucks or combinations of trucks and trailers weighing more than 20,000 but not more than 82,000 pounds [more than 9071.84 but not more than 37194.57 kilograms] which are used as farm vehicles only, are entitled to registration under the following fee schedule and the provisions of this subsection. Farm vehicles are considered, for the purpose of this subsection, as trucks or combinations of trucks and trailers weighing more than 20,000 but not more than 82,000 pounds [more than 9071.84 but not more than 37194.57 kilograms] owned, or leased for at least one year by a bona fide resident farmer who uses the vehicles exclusively for transporting the farmer's own property or other property on a farm work exchange basis with other farmers between farms and the usual local trading places but not in connection with any commercial retail or

wholesale business being conducted from those farms, nor otherwise for hire.

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, and 4th Years	5th and 6th Years	7th and 8th Years	9th and Subsequent Years
20,001-22,000	\$ 83.00	\$ 69.00	\$ 55.00	\$ 37.00
22,001-24,000	88.00	73.00	58.00	39.00
24,001-26,000	96.00	79.00	62.00	41.00
26,001-28,000	106.00	87.00	68.00	45.00
28,001-30,000	116.00	95.00	74.00	49.00
30,001-32,000	131.00	108.00	85.00	58.00
32,001-34,000	141.00	116.00	91.00	62.00
34,001-36,000	151.00	124.00	97.00	66.00
36,001-38,000	161.00	132.00	103.00	70.00
38,001-40,000	171.00	140.00	109.00	74.00
40,001-42,000	181.00	148.00	115.00	78.00
42,001-44,000	191.00	156.00	121.00	82.00
44,001-46,000	201.00	164.00	127.00	86.00
46,001-48,000	211.00	172.00	133.00	90.00
48,001-50,000	221.00	180.00	139.00	94.00
50,001-52,000	241.00	198.00	155.00	108.00
52,001-54,000	251.00	206.00	161.00	112.00
54,001-56,000	261.00	214.00	167.00	116.00
56,001-58,000	271.00	222.00	173.00	120.00
58,001-60,000	281.00	230.00	179.00	124.00
60,001-62,000	291.00	238.00	185.00	128.00
62,001-64,000	301.00	246.00	191.00	132.00
64,001-66,000	311.00	254.00	197.00	136.00
66,001-68,000	321.00	262.00	203.00	140.00
68,001-70,000	331.00	270.00	209.00	144.00
70,001-72,000	341.00	278.00	215.00	148.00
72,001-74,000	351.00	286.00	221.00	152.00
74,001-76,000	361.00	294.00	227.00	156.00
76,001-78,000	371.00	302.00	233.00	160.00
78,001-80,000	381.00	310.00	239.00	164.00
80,001-82,000	391.00	318.00	245.00	168.00

Gross Weights	YEARS REGISTERED			
	1st, 2nd, 3rd, 4th, and 5th Years	6th and 7th Years	8th and 9th Years	10th and Subsequent Years
20,001-22,000	\$ 86.75	\$ 72.75	\$ 58.75	\$ 40.75
22,001-24,000	91.75	76.75	61.75	42.75
24,001-26,000	99.75	82.75	65.75	44.75
26,001-28,000	109.75	90.75	71.75	48.75
28,001-30,000	119.75	98.75	77.75	52.75
30,001-32,000	134.75	111.75	88.75	61.75
32,001-34,000	144.75	119.75	94.75	65.75
34,001-36,000	154.75	127.75	100.75	69.75
36,001-38,000	164.75	135.75	106.75	73.75
38,001-40,000	174.75	143.75	112.75	77.75
40,001-42,000	184.75	151.75	118.75	81.75
42,001-44,000	194.75	159.75	124.75	85.75
44,001-46,000	204.75	167.75	130.75	89.75
46,001-48,000	214.75	175.75	136.75	93.75
48,001-50,000	224.75	183.75	142.75	97.75
50,001-52,000	244.75	201.75	158.75	111.75
52,001-54,000	254.75	209.75	164.75	115.75
54,001-56,000	264.75	217.75	170.75	119.75
56,001-58,000	274.75	225.75	176.75	123.75
58,001-60,000	284.75	233.75	182.75	127.75
60,001-62,000	294.75	241.75	188.75	131.75
62,001-64,000	304.75	249.75	194.75	135.75
64,001-66,000	314.75	257.75	200.75	139.75
66,001-68,000	324.75	265.75	206.75	143.75
68,001-70,000	334.75	273.75	212.75	147.75
70,001-72,000	344.75	281.75	218.75	151.75
72,001-74,000	354.75	289.75	224.75	155.75
74,001-76,000	364.75	297.75	230.75	159.75
76,001-78,000	374.75	305.75	236.75	163.75
78,001-80,000	384.75	313.75	242.75	167.75
80,001-82,000	394.75	321.75	248.75	171.75

6. A motor vehicle registered in subsection 5 may be used for custom combining operations by displaying identification issued by the motor vehicle department and upon payment of a fee of twenty-five dollars."

On page 8 of the reengrossed bill, after line 18, insert the following sections:

"SECTION 3. CENTENNIAL CELEBRATION FEE - COLLECTION.

A centennial celebration fee is imposed on every vehicle subject to registration under section 39-04-19. The fee is one dollar and twenty-five cents per vehicle. The fee is payable when the registration fee under section 39-04-19 is payable. Each month the registrar of motor vehicles shall transfer to the centennial commission the centennial celebration fee collected in accordance with this Act. The

centennial commission shall place the fees in the centennial commission revolving fund.

SECTION 4. APPLICATION OF ACT. Section 1 of this Act applies to vehicle registration periods beginning after December 31, 1987, and before January 1, 1989. Section 2 of this Act applies to vehicle registration periods beginning after December 31, 1988. A vehicle registration period begins on the first day of the month in which the vehicle becomes subject to registration in this state.

SECTION 5. EFFECTIVE DATE - EXPIRATION DATE. Sections 1 and 3 of this Act are effective through December 31, 1988, and after that date are ineffective. Section 2 of this Act becomes effective on January 1, 1989."

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Hilken, Schoenwald, Wright (refused to sign)
For the House: Reps. Anderson, Haugen, G. Berg

Reengrossed SB 2259 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

DELIVERY OF ENROLLED RESOLUTION

THE PRESIDENT PRO TEM ANNOUNCED that the following resolution was delivered to the Secretary of State for his filing at the hour of 1:30 p.m., April 15, 1987:

SCR 4069

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 1:32 p.m., April 15, 1987:

SB 2099, SB 2183, SB 2542, SB 2547

MESSAGES 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:

SB 2561

PERRY GROTEBERG, 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 1021

PERRY GROTEBERG, 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 1023, HB 1674

PERRY GROTEBERG, Secretary

MOTION

SEN. HEIGAARD MOVED that SB 2557 be placed at the head of the Twelfth order on the calendar, which motion prevailed.

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. SATROM MOVED that the Senate do concur in the House amendments to SB 2557 as printed in the Senate Journal of the Seventieth Legislative Day.

REQUEST

SEN. MAIXNER REQUESTED that his remarks be printed in the Journal, which request was granted.

SEN. MAIXNER: It is the intent of the Tax Committee and the intent of the Senate that the portion of this bill dealing with cable television and other video programming services is all-inclusive. It is not the intent of the Senate Tax Committee or the intent of the Senate to tax only cable television, but to tax their competitors as well, including programming services that are brought about by satellite dishes, descrambling devices, and other video programming.

REQUEST

SEN. OLSON REQUESTED a recorded roll call vote on the motion to concur in the House amendments to SB 2557, which request was granted.

ROLL CALL

The question being on the motion to concur in the House amendments to SB 2557, the roll was called and there were 28 YEAS, 24 NAYS, 1 ABSENT AND NOT VOTING.

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

NAYS: Adams; Bakewell; David; Freborg; Holmberg; Ingstad; Kelly; Lips; Lodoen; Moore; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Reiten; Stenehjelm; Streibel; Thane; Todd; Vosper; Wright

ABSENT AND NOT VOTING: Tennefos

The Senate concurred in the House amendments to SB 2557.

REQUEST

SEN. INGSTAD REQUESTED a division of the question on SB 2557, which request was granted.

DIVISION I being Sections 2, 3, and 5 of the House amendments to SB 2557

DIVISION II being all portions of SB 2557 relating to gasoline tax

DIVISION III being the remainder of SB 2557

REQUEST

SEN. LIPS REQUESTED a recorded roll call vote on the motion to adopt the three divisions of SB 2557, which request was granted.

ROLL CALL

The question being on the adoption of Division I of SB 2557, the roll was called and there were 29 YEAS, 23 NAYS, 1 ABSENT AND NOT VOTING.

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

NAYS: Adams; Bakewell; David; Freborg; Holmberg; Ingstad; Kelly; Lips; Lodoen; Moore; Mutch; Naaden; Nalewaja; Nelson; Nothing; Olson; Peterson; Reiten; Streibel; Thane; Todd; Vosper; Wright

ABSENT AND NOT VOTING: Tennefos

Division I of SB 2557 was adopted.

ROLL CALL

The question being on the adoption of Division II of SB 2557, the roll was called and there were 34 YEAS, 18 NAYS, 1 ABSENT AND NOT VOTING.

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

NAYS: Adams; Bakewell; David; Freborg; Kelly; Lodoen; Meyer, W.; Moore; Mutch; Naaden; Nalewaja; Nelson; Nothing; Peterson; Reiten; Streibel; Todd; Vosper

ABSENT AND NOT VOTING: Tennefos

Division II of SB 2557 was adopted.

ROLL CALL

The question being on the adoption of Division III of SB 2557, the roll was called and there were 30 YEAS, 22 NAYS, 1 ABSENT AND NOT VOTING.

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

NAYS: Adams; Bakewell; David; Freborg; Holmberg; Ingstad; Kelly; Lodoen; Moore; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Reiten; Stenehjelm; Streibel; Todd; Vosper; Wright

ABSENT AND NOT VOTING: Tennefos

Division III of SB 2557 was adopted.

SECOND READING OF SENATE BILL

SB 2557: A BILL for an Act to create and enact a new section to chapter 57-39.2, a new section to chapter 57-40.2, a new section to chapter 57-40.3, and a new section to chapter 57-40.5 of the North Dakota Century Code, relating to a separate and additional sales, use, motor vehicle excise, and aircraft excise tax; to amend and reenact section 57-36-32 of the North Dakota Century Code as contained in section 1 of Senate Bill No. 2216, as approved by the fiftieth legislative assembly, and subsections 7, 8, and 9 of section 57-39.2-01, subdivision b of subsection 1 of section 57-39.2-02.1, subsection 8 of section 57-40.2-01, 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 cigarettes, motor vehicle fuels, and special fuels and a special fuel tax exemption for state and political subdivisions and to imposition of sales and use taxes on cable television and other video programming services; and to provide an expiration 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 30 YEAS, 22 NAYS, 1 ABSENT AND NOT VOTING.

YEAS: Axtman; Dotzenrod; Heigaard; Heinrich; Hilken; Keller; Kelsh; Krauter; Langley; Lashkowitz; Lips; Maixner; Mathern; Maxson; Meyer, D.; Meyer, J.;

Meyer, W.; Mushik; Redlin; Richard; Satrom; Schoenwald;
Shea; Stromme; Tallackson; Thane; Tweten; Waldera;
Wogsland; Yockim

NAYS: Adams; Bakewell; David; Freborg; Holmberg; Ingstad;
Kelly; Lodoen; Moore; Mutch; Naaden; Nalewaja; Nelson;
Nething; Olson; Peterson; Reiten; Stenehjem; Streibel;
Todd; Vosper; Wright

ABSENT AND NOT VOTING: Tennefos

SB 2557 passed and the title was agreed to.

MOTION

SEN. MAIXNER MOVED that the vote by which SB 2557 passed be reconsidered and the motion to reconsider be laid on the table, which motion prevailed on a verification vote.

REPORT OF STANDING COMMITTEE

MR. PRESIDENT: Your Committee on Finance and Taxation to which was referred HB 1590 has had the same under consideration and recommends by a vote of 7 YEAS, 0 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:

In lieu of the amendments to House Bill No. 1590 as found on pages 2442-2447 of the Senate Journal, House Bill No. 1590 is 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 allocation of a portion of sales, use, and motor vehicle excise tax collections to personal property tax replacement and state revenue sharing; to amend and reenact section 57-58-01 of the North Dakota Century Code, relating to personal property tax replacement; to repeal section 54-27-20.1 of the North Dakota Century Code, relating to determination of state revenue sharing; to provide an appropriation; and to provide an effective date.

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

SECTION 1. Allocation of sales, use, and motor vehicle excise tax revenues to revenue sharing and personal property tax replacement. Notwithstanding any other provision of law, a portion of sales, use, and motor vehicle excise tax collections equal to seventy-five percent of an amount determined by multiplying the quotient of one percent divided by the general sales tax rate, that

was in effect when the taxes were collected, times the net sales, use, and motor vehicle excise tax collections under chapters 57-39.2, 57-40.2, and 57-40.3 must be deposited by the state treasurer in the state aid distribution fund. The state tax commissioner shall certify to the state treasurer the portion of sales, use, and motor vehicle excise tax net revenues that must be deposited in the state aid distribution fund as determined under this section. The total amount deposited in the state aid distribution fund during the 1987-89 biennium may not exceed \$43,000,000 and any amount in excess of this amount must be deposited instead in the state general fund. The state aid distribution fund must be allocated, subject to legislative appropriation, as follows:

1. Fifty percent of the revenues must be allocated in the last month of each quarterly period for state revenue sharing as provided in sections 54-27-20.2 and 54-27-20.3.
2. Fifty percent of the revenues must be allocated for personal property tax replacement as provided in section 57-58-01.

SECTION 2. AMENDMENT. Section 57-58-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-58-01. Distribution to counties and local subdivisions. It is hereby provided that any political subdivision which has an existing bonded indebtedness for which a tax levy must be made in 1970 or any year thereafter, shall reduce its levy in each such year for current operating purposes by the amount which its tax levy on taxable property in that year for retirement of the bonded indebtedness is increased because of the exemption of personal property by subsection 25 of section 57-02-08. On or before February 1, 1971, the county auditor of each county shall certify to the state tax commissioner the total amount of taxes levied in the year 1968 for the state, county, cities, park boards, school districts, airport authorities, townships, and all other units of government having the authority to levy taxes, and levies voted by the people, new or present levies increased by legislative action of such county on those items of personal property exempt under the provisions of section 57-02-08, and, in addition, the total valuation of real estate and taxes levied on real estate for the year 1968. On or before June 1, 1980, and each year thereafter, the state tax commissioner shall certify for payment to the state treasurer an amount, for payment by the state treasurer to each county, determined to be due such county based upon the personal property taxes levied in the year 1968 for the political subdivisions herein mentioned on the items of personal property exempt from the

personal property tax under the provisions of section 57-02-08, the per capita school tax under the provisions of former section 57-15-23, and the grain tax under the provisions of former chapter 57-03, together with any adjustments to be made in the manner hereinafter provided. Within sixty days after the receipt of the revenue as provided by this section, the county treasurer shall allocate and remit to the county, cities, park boards, school districts, airport authorities, townships, and all other units of government having the authority to levy taxes that amount of revenue which is received from the state in the same ratio as he would have distributed the revenue from the personal property tax, adjusting such amount by any increase or decrease in real property taxes as levied by each taxing authority according to the formula hereinafter provided. Any amount that would be apportioned and credited to the retirement of a bonded indebtedness existing in 1970 for which a tax levy was made in 1970 and in any year thereafter, shall be credited to the general fund of the political subdivision. In the years after 1971, payments to the counties under this section shall be made based upon ninety-five percent of such payment for 1971 together with a growth factor which shall be based upon the dollar amount of increase or decrease in real property taxes levied within each county. For each seven dollar increase in real property taxation within a county, the state shall contribute an additional one dollar over that amount which equals ninety-five percent of such payment in the base year. For each seven dollar decrease in real property taxation within a county, the state shall contribute one dollar less than that amount which equals ninety-five percent of such payment in the base year.

On or before June 1, 1980, and each year thereafter, the state tax commissioner shall certify to the state treasurer the amount determined to be due to the state based upon the personal property taxes levied in the year 1968 for the North Dakota state medical center. The amount so certified shall be computed in accordance with the formula provided in this section for computing the amounts to be certified and paid to the counties. The state treasurer upon receiving the certification from the tax commissioner shall transfer from the general fund to the credit of the North Dakota state medical center the amount so certified.

Any political subdivision which levied taxes on taxable property in the year 1970 for a specific fund or purpose for which a levy was not made by it in the year 1968 shall be entitled to a distribution of revenue from the state in the year 1971 for any such levy. The amount of such distribution shall be determined as follows: the county auditor shall certify to the state tax commissioner as soon as possible after March 30, 1971, the amount of

each such levy made by and spread for each political subdivision on taxable real property in the county in the year 1970; the tax commissioner shall forthwith determine the correctness of such amounts and certify to the state treasurer for immediate payment to the county an amount that is determined by dividing the total of such levies made and spread in 1970 on taxable real property in the county by the growth factor that is provided in the first paragraph of this section; the county treasurer within fifteen days after the receipt of such revenue from the state treasurer shall allocate and remit to each political subdivision its proportionate amount of that revenue.

If the classification of any property for taxation purposes is changed from real to personal property or from personal to real property because of legislative or judicial action, the county auditor of the county in which the property is located shall forthwith certify to the tax commissioner the amount of real estate taxes or personal property taxes that was levied on all such property by each taxing district in the year 1968 and in any other year thereafter that the tax commissioner may request. The tax commissioner, in determining the amount to be certified to the state treasurer for payment to the county pursuant to this section, shall adjust the amounts of taxes certified by the county auditor as levied on real property and on personal property in 1968 and in any other year as may be necessary by adding to or subtracting from each such amount the taxes on the reclassified property so that the distribution by the state to the county will be determined as though such property had been taxed in 1968 and all later years in the classification into which it was reclassified.

Notwithstanding the other provisions of this section, personal property tax replacement is an amount as determined under section 1 of this Act, subject to legislative appropriation. If moneys appropriated by the legislative assembly for personal property tax replacement are not in the amount that would be provided under this section for distribution, the tax commissioner and the state treasurer shall provide for pro rata distribution of available funds on the basis of the formula contained in this section.

SECTION 3. APPROPRIATION. There is hereby appropriated out of any moneys in the general fund of the state treasury, not otherwise appropriated, the sum of \$43,000,000, or so much thereof as may be necessary, to the state treasurer for distribution in equal amounts for state revenue sharing and personal property tax replacement for the biennium beginning July 1, 1987, and ending June 30, 1989. The general fund appropriation authority provided by this section must be reduced by the amount of any funds

actually distributed from the state aid distribution fund during the biennium beginning July 1, 1987, and ending June 30, 1989. There is hereby appropriated out of any moneys in the state aid distribution fund in the state treasury, not otherwise appropriated, the sum of \$43,000,000, or so much thereof as may be necessary, to the state treasurer for distribution in equal amounts for state revenue sharing and personal property tax replacement for the biennium beginning July 1, 1987, and ending June 30, 1989. The state treasurer shall distribute all state aid distribution fund moneys available before making any allocations from the general fund appropriation authority under this section and shall transfer funds from the state aid distribution fund to the general fund to the extent funds are available to repay the general fund for distributions under this section from the general fund. During the year ending June 30, 1988, payments as appropriated under this section may not exceed one-half of the total amount of general fund moneys appropriated by this section, and the total amount distributed under this section may not exceed \$43,000,000 during the 1987-89 biennium.

SECTION 4. REPEAL. Section 54-27-20.1 of the 1985 Supplement to the North Dakota Century Code is hereby repealed.

SECTION 5. EFFECTIVE DATE. Section 1 of this Act is effective for sales and use tax collections received by the state tax commissioner after June 30, 1987."

And renumber the lines, sections, and pages accordingly

SEN. SATROM, Chairman

HB 1590 was placed on the Sixth order of business on the calendar for the succeeding legislative day.

MOTION

SEN. WOGSLAND MOVED that the Senate stand in recess until 4:00 p.m., which motion prevailed.

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

SIGNING OF BILLS AND RESOLUTIONS

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

HB 1231, HB 1677, HB 1685, HCR 3096

PERRY GROTEBERG, Secretary

MESSAGES TO THE HOUSE
SENATE CHAMBER

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

HB 1231, HB 1677, HB 1685, HCR 3096

PERRY GROTEBERG, Secretary

SENATE CHAMBER

MR. SPEAKER: I have the honor to inform you that the Senate has concurred in the House amendments to SB 2557 and subsequently passed the same.

PERRY GROTEBERG, Secretary

MOTION

SEN. WOGSLAND MOVED that the Senate stand in recess until 5:00 p.m., which motion prevailed.

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

MESSAGES FROM THE HOUSE
HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that Rep. Gerntholz will replace Rep. Kingsbury on the Conference Committee on HB 1018.

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 1016

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

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

HCR 3098

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:

HB 1548

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 1446

ROY GILBREATH, Chief Clerk

HOUSE CHAMBER

MR. PRESIDENT: I have the honor to inform you that the House has reconsidered its action whereby it rejected the conference committee report, and now has adopted the conference committee report and subsequently passed the same:

SB 2035

ROY GILBREATH, Chief Clerk

CONSIDERATION OF MESSAGE FROM THE HOUSE

SEN. SATROM MOVED that the Senate do concur in the House amendments to SB 2063 as printed on pages 2239-2240 of the Senate Journal, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2063: A BILL for an Act to amend and reenact section 53-06.1-12.1 of the North Dakota Century Code, relating to taxation of charitable gambling activities and the use of tax proceeds; 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 47 YEAS, 0 NAYS, 6 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; Mutch; Naaden; Nalewaja; Nelson; Nething; Olson; Peterson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjelm; Stromme; Tennefos; Todd; Vosper; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Mushik; Streibel; Tallackson; Thane; Tweten; Waldera

SB 2063 passed and the title was agreed to.

WEDNESDAY, APRIL 15, 1987

2517

MOTION

SEN. MAIXNER MOVED that the Senate Journal show that Sens. Streibel, Tallackson, and Waldera were absent due to a scheduled conference committee meeting on HB 1003, which motion prevailed.

PRESENTATION OF PETITIONS AND COMMUNICATIONS

**State of North Dakota
EXECUTIVE OFFICE
Bismarck**

April 15, 1987

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

Dear Mr. President Pro Tempore:

This is to inform you that on April 14, 1987, I signed the following:

SB 2018, SB 2230, SB 2314, SB 2520, SB 2128, SB 2319,
SB 2365, SB 2471, SB 2548, SB 2553.

On April 15, 1987, I signed the following:

SB 2010, SB 2011, SB 2017.

Sincerely,

GEORGE A. SINNER
Governor

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed SB 2005 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on pages 2157-2159 of the Senate Journal and that Engrossed SB 2005 be amended as follows:

That the House recede from its amendments, as printed on pages 2573-2577 of the House Journal and on pages 2157-2159 of the Senate Journal, and that engrossed Senate Bill No. 2005 be amended as follows:

On page 1 of the engrossed bill, line 14, delete the numerals "3,123,373" and insert in lieu thereof the numerals "3,103,333"

- On page 1 of the engrossed bill, line 15, delete the numerals "3,132,817" and insert in lieu thereof the numerals "3,112,489"
- On page 1 of the engrossed bill, line 18, delete the numerals "1,120,800" and insert in lieu thereof the numerals "1,146,300"
- On page 1 of the engrossed bill, line 19, delete the numerals "7,705,100" and insert in lieu thereof the numerals "7,690,232"
- On page 1 of the engrossed bill, line 20, delete the numerals "1,050,800" and insert in lieu thereof the numerals "1,076,300"
- On page 1 of the engrossed bill, line 21, delete the numerals "6,654,300" and insert in lieu thereof the numerals "6,613,932"
- On page 2 of the engrossed bill, line 1, delete the numerals "1,050,800" and insert in lieu thereof the numerals "1,076,300"
- On page 2 of the engrossed bill, after line 9, insert the following new section:

"SECTION 4. CAPITOL BUILDING ADDITION - FEASIBILITY STUDY - COST ESTIMATES. Included in the capital improvements line item in section 1 of this Act is \$15,000 from the capitol building fund to be used for a feasibility study including preliminary drawings and cost estimates for a capitol building addition for additional committee rooms. The director of institutions shall contract for the services and provide progress reports and the final report to the capitol grounds planning commission and the legislative council's legislative procedure and arrangements committee during the 1987-89 biennium."

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

The amendment deletes \$40,368 from the general fund appropriation and adds \$25,500 from the Capitol building fund which is summarized as follows:

	<u>Total Increase (Decrease)</u>	<u>General Fund Increase (Decrease)</u>	<u>Capitol Building Fund Increase (Decrease)</u>
Salaries and wages			
Delete funds relating to vacancies	\$(20,040)	\$(20,040)	
<u>Operating expenses</u>			
Eliminate weather teletype machine	(2,328)	(2,328)	
Reduce professional fees	(18,000)	(18,000)	
<u>Capital improvements</u>			
Installation of windows in the east wall of the Pioneer Room	10,500		\$10,500
Feasibility study of additional committee rooms	15,000		15,000
Total	\$(14,868)	\$(40,368)	\$25,500

For the Senate: Sens. Yockim, Redlin, Lips
For the House: Reps. Kuchera, Peterson, Kelly

Engrossed SB 2005 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 2029 has had the same under consideration and recommends that the SENATE ACCEDE to the amendments as found on pages 1963-1964 of the Senate Journal.

For the Senate: Sens. Waldera, Tallackson, Naaden
For the House: Reps. Thompson, R. Hausauer, G. Berg

Engrossed SB 2029 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORT OF STANDING COMMITTEE

MR. PRESIDENT: Your Committee on Finance and Taxation to which was referred HB 1687 has had the same under consideration and recommends by a vote of 4 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING that the same DO NOT PASS.

SEN. SATROM, Chairman

HB 1687 was placed on the Fourteenth order of business on the calendar for the succeeding legislative day.

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 6:00 p.m., which motion prevailed.

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

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1016 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on page 2202 of the Senate Journal and that Engrossed HB 1016 be amended as follows:

That the Senate recede from its amendments, as printed on page 2202 of the Senate Journal and on pages 2691-2692 of the House Journal, and that engrossed House Bill No. 1016 be amended as follows:

On page 1 of the engrossed bill, line 15, delete the numerals "12,371,424" and insert in lieu thereof the numerals "12,436,424"

On page 1 of the engrossed bill, line 20, delete the numerals "16,393,925" and insert in lieu thereof the numerals "16,458,925"

On page 2 of the engrossed bill, line 12, delete the numerals "16,393,925" and insert in lieu thereof the numerals "16,458,925"

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Highway Patrol

That the Senate recede from its amendments and that engrossed House Bill No. 1016 be amended as follows:

The conference committee amendments restore \$65,000 of the \$77,000 deleted from the highway fund for one field training position. The additional \$12,000 needed for the position may result from budget savings including savings from vacant positions.

For the Senate: Sens. Tallackson, Shea, Streibel

For the House: Reps. Rice, Winkelman, Stofferahn

HB 1016 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 HB 1446 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on pages 2150-2151 of the Senate Journal and that HB 1446 be amended as follows:

On page 1, line 5, delete the first word "and"

On page 1, line 8, after the word "insurance" insert the words "; and to provide an appropriation"

On page 1, line 16, after the word "amounts" insert the words ", not exceeding a total of two hundred fifty thousand dollars,"

On page 4, after line 22, insert the following new section:

"SECTION 4. APPROPRIATION - EMERGENCY COMMISSION. There is hereby appropriated to the attorney general out of the state bonding fund the sum of \$250,000, or so much thereof as may be necessary, for the purpose of providing the defense services as may be required under section 1 of this Act. The emergency commission, notwithstanding section 54-16-04, is authorized during the biennium beginning July 1, 1987, and ending June 30, 1989, to approve the transfer of funds hereby appropriated from the state bonding fund to the extent necessary and based upon applications therefor by the attorney general. Funds appropriated hereby and authorized to be transferred to the attorney general must be reimbursed to the state bonding fund through deficiency appropriation and the attorney general shall report to the budget section of the legislative council the amount of any deficiency appropriation that may be introduced to the fifty-first legislative assembly."

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. D. Meyer, Bakewell, Lodoen

For the House: Reps. Martinson, Melby, Skjerven

HB 1446 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

REPORTS OF CONFERENCE COMMITTEES

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1548 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on pages 1576-1577 and page 1800 of the Senate Journal.

For the Senate: Sens. Yockim, Wogsland, Thane

For the House: Reps. Goetz, A. Hausauer, J. DeMers

Engrossed HB 1548 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

MR. PRESIDENT: Your Conference Committee to which was referred SB 2477 has had the same under consideration and recommends that the SENATE ACCEDE to the amendments as found on pages 2240-2242 of the Senate Journal.

For the Senate: Sens. Stromme, Wogsland, Nelson
For the House: Reps. Nicholas, Trautman, Starke

SB 2477 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

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 1006, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on HB 1006:

Sens. Mushik, Yockim, Nelson

FIRST READING OF A HOUSE CONCURRENT RESOLUTION

HCR 3098: A concurrent resolution authorizing the retention of certain employees of the House and Senate to allow for the completion of legislative work after the close of the Session.

Was read the first time.

MOTION

SEN. MAIXNER MOVED that the rules be suspended, that HCR 3098 not be printed, not be referred to committee, be read in its entirety, be printed in the Journal, and placed on the calendar for second reading and final passage, which motion prevailed.

HOUSE CONCURRENT RESOLUTION NO. 3098

A concurrent resolution authorizing the retention of certain employees of the House and Senate to allow for the completion of legislative work after the close of the Session.

WHEREAS, it is necessary to complete and close all legislative work of the regular session of the Fiftieth Legislative Assembly; and

WHEREAS, to complete and close this work, certain legislative employees should be retained;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE STATE OF NORTH DAKOTA, THE SENATE CONCURRING THEREIN:

That the following named positions may be retained by the House of Representatives and the Senate after the close of the regular session:

HOUSE POSITIONS

Chief Clerk
Assistant Chief Clerk
Desk Reporter
Bill Clerk

Sergeant-at-Arms
Assistant Sergeant-at-Arms
Chief Page and Bill Book Clerk
Chief Steno and Payroll Clerk
Chief Bill and Journal Room Clerk
Bill Room Clerk
Appropriations Committee Clerk
Assistant Appropriations Committee Clerk
Secretary to Speaker
Secretary to Majority Leader
Secretary to Minority Leader

SENATE POSITIONS

Secretary of the Senate
Assistant Secretary of the Senate
Desk Reporter
Bill Clerk
Desk Page
Sergeant-at-Arms
Assistant Sergeant-at-Arms
Assistant Sergeant-at-Arms
Chief Page
Chief Stenographer and Payroll Clerk
Stenographer
Chief Committee Clerk
Appropriations Committee Clerk
Secretary to Majority Leader
Assistant Secretary to Majority Leader
Secretary to Minority Leader
Chief Telephone Operator

BE IT FURTHER RESOLVED, that the above-listed House and Senate employees shall serve at the request of, and under the supervision of, the Chief Clerk of the House and the Secretary of the Senate, and that all of the listed employees, including the Chief Clerk of the House and the Secretary of the Senate, shall be employed for not more than 200 man-days in the aggregate. The Chief Clerk of the House and the Secretary of the Senate shall assign work among the available House and Senate employees, respectively, in the appropriate manner. The Chief Clerk of the House and the Secretary of the Senate shall coordinate the work assignments in their respective houses in such a manner that the total number of man-days utilized does not exceed the aggregate limits on man-days set out herein. The Chief Clerk of the House and the Secretary of the Senate shall minimize the days spent in completion of legislative business to the extent consistent with that completion; and

BE IT FURTHER RESOLVED, that the employees in the above-named positions be paid their regular rates of pay as specified in House Concurrent Resolution No. 3019 for all work required pursuant to this resolution, and all of these sums are to be paid out of the appropriation to the Fiftieth and Fifty-first Legislative Assemblies, and paid at the completion of

the legislative work; providing that payment may not be for more than 200 man-days in the aggregate, and each above-listed employee must be paid on a pro rata basis, should the total number of man-days exceed the allowed limit.

SECOND READING OF A HOUSE CONCURRENT RESOLUTION

HCR 3098: A concurrent resolution authorizing the retention of certain employees of the House and Senate to allow for the completion of legislative work after the close of the Session.

Was read the second time.

ROLL CALL

The question being on the final adoption of the resolution, the roll was called and there were 52 YEAS, 0 NAYS, 1 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; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: Waldera

HCR 3098 was declared adopted on a roll call vote.

MOTION

SEN. HEIGAARD MOVED that the Senate stand in recess until 7:00 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: I have the honor to inform you that the Senate has concurred in the House amendments to SB 2063 and subsequently passed the same.

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 1006: Sens. Mushik, Yockim, Nelson

PERRY GROTERBERG, Secretary

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:

SB 2560

PERRY GROTERBERG, Secretary

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed SB 2079 has had the same under consideration and recommends that the HOUSE RECEDE from its amendments as found on page 2017 of the Senate Journal and that Engrossed SB 2079 be amended as follows:

That the House recede from its amendments and that engrossed Senate Bill No. 2079 be amended as follows:

On page 1 of the engrossed bill, line 1, after the words "A BILL" delete the remainder of the bill and insert in lieu thereof the following: "for an Act to amend 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."

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

SECTION 1. AMENDMENT. Subsections 4 and 5 of section 38-08-04 of the 1985 Supplement to the North Dakota Century Code are hereby amended and reenacted to read as follows:

4. To classify wells as oil or gas wells for purposes material to the interpretation or enforcement of this chapter, and to classify and determine the status and depth of wells that are stripper well property as defined in subsection 5 8 of section 57-51.1-01, to certify to the tax commissioner which wells are stripper wells and

the depth of those wells, and to certify to the tax commissioner which wells involve secondary or tertiary recovery operations under section 2 of this Act, and the date of qualification for the reduced rate of oil extraction tax for secondary and tertiary recovery operations.

5. To adopt and to enforce rules and orders to effectuate the purposes and the intent of this chapter and of subsections 1 ~~and~~, 4, 5, 6, and 8 of section 57-51.1-01.

SECTION 2. AMENDMENT. Section 57-51.1-01 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-51.1-01. Definitions for oil extraction tax. For the purposes of the oil extraction tax law, the following words and terms shall have the meaning ascribed to them in this section:

1. "Average daily production" of a well means the qualified maximum total production of oil from the well during a calendar month period divided by the number of calendar days in that period; and "qualified maximum total production" of a well means that the well must have been maintained at the maximum efficient rate of production as defined and determined by rule adopted by the industrial commission in furtherance of its authority under chapter 38-08.
2. "Average price" of a barrel of crude oil means the average daily price for a barrel of west Texas intermediate cushing crude oil, as those prices appear in the wall street journal, midwest edition, for the period June first through October thirty-first of any year.
3. "Oil" means petroleum, crude oil, mineral oil, casinghead gasoline, and all liquid hydrocarbons that are recovered from gas on the lease incidental to the production of the gas.
- 3- 4. "Property" means the right which arises from a lease or fee interest, as a whole or any designated portion thereof, to produce oil. A producer shall treat as a separate property each separate and distinct producing reservoir subject to the same right to produce crude oil; provided, that such reservoir is recognized by the appropriate governmental regulatory authority industrial commission as a producing formation that is separate and distinct from, and not in

communication with, any other producing formation.

5. "Qualifying secondary recovery project" means a project employing water flooding. To be eligible for the tax reduction provided under section 57-51.1-02, a secondary recovery project must be certified as qualifying by the industrial commission, the project must have been unitized after the effective date of this Act, and the project operator must have achieved for six consecutive months an average production level of at least twenty-five percent above the level that would have been recovered under normal recovery operations.

6. "Qualifying tertiary recovery project" means a project for enhancing recovery of oil which meets the requirements of section 4993(c), Internal Revenue Code of 1954, as amended through December 31, 1986, and includes the following methods for recovery:

- a. Miscible fluid displacement.
- b. Steam drive injection.
- c. Microemulsion.
- d. In situs combustion.
- e. Polymer augmented water flooding.
- f. Cyclic steam injection.
- g. Alkaline flooding.
- h. Carbonated water flooding.
- i. Immiscible carbon dioxide displacement.
- j. New tertiary recovery methods certified by the industrial commission.

It does not include water flooding, unless the water flooding is used as an element of one of the qualifying tertiary recovery techniques described in this subsection, or immiscible natural gas injection. To be eligible for the tax reduction provided under section 57-51.1-02, a tertiary recovery project must be certified as qualifying by the industrial commission, the project operator must continue to operate the unit as a qualifying tertiary recovery project,

and the project operator must have achieved for at least one month a production level of at least fifteen percent above the level that would have been recovered under normal recovery operations.

- 4- 7. "Royalty owner" means an owner of what is commonly known as the royalty interest and shall not include the owner of any overriding royalty or other payment carved out of the working interest.
- 5- 8. "Stripper well property" means a "property" whose average daily production of oil, excluding condensate recovered in nonassociated production, per well did not exceed ten barrels per day for wells of a depth of six thousand feet or less, fifteen barrels per day for wells of a depth of more than six thousand feet but not more than ten thousand feet, and twenty barrels per day for wells of a depth of more than ten thousand feet during any preceding consecutive twelve-month period beginning after December 31, 1972. Wells which did not actually yield or produce oil during the qualifying twelve-month period, including disposal wells, dry wells, spent wells, and shut-in wells, are not production wells for the purpose of determining whether the stripper well property exemption applies.

SECTION 3. AMENDMENT. Section 57-51.1-02 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-51.1-02. Imposition of oil extraction tax. There is hereby imposed an excise tax, to be known as the "oil extraction tax", upon the activity in this state of extracting oil from the earth, and every owner, including any royalty owner, of any part of the oil extracted shall be deemed for the purposes of this chapter to be engaged in the activity of extracting that oil. The rate of tax shall be six and one-half percent of the gross value at the well of the oil extracted, except that for wells drilled and completed after the effective date of this Act, and not otherwise exempt under section 57-51.1-03, and for a qualifying secondary recovery project or for a qualifying tertiary recovery project, the rate of tax shall be four percent of the gross value at the well of the oil extracted. However, if the average price of a barrel of crude oil between June first and October thirty-first of any year is thirty-three 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.

SECTION 4. AMENDMENT. Section 57-51.1-03 of the North Dakota Century Code is hereby amended and reenacted to read as follows:

57-51.1-03. Exemptions from oil extraction tax. The following activities are specifically exempted from the oil extraction tax:

1. The activity of extracting from the earth any oil that is exempt from the gross production tax imposed by chapter 57-51.
2. The activity of extracting from the earth any oil from a stripper well property.
3. The activity not otherwise exempt of extracting from the earth the oil that is owned by a royalty owner or royalty owners in the first one hundred barrels, or any lesser amount, of the average daily production of oil that is produced during each calendar day from any well. 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 fifteen months. Oil recovered during testing prior to well completion is exempt from the oil extraction tax. The exemption under this subsection becomes ineffective if the average price of a barrel of crude oil between June first and October thirty-first of any year is thirty-three dollars or more.

SECTION 5. EMERGENCY. This Act is declared to be an emergency measure and is in effect upon its filing with the secretary of state or on a date specified in this Act."

And renumber the lines, sections, and pages accordingly

For the Senate: Sens. Maixner, Richard, Wright

For the House: Reps. Goetz, A. Hausauer, Schneider

SB 2079 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

**MESSAGE TO THE HOUSE
SENATE CHAMBER**

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

HCR 3098

PERRY GROTEBERG, Secretary

APPOINTMENT OF CONFERENCE COMMITTEE

SEN. LASHKOWITZ 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 2468, which motion prevailed.

THE PRESIDENT PRO TEM APPOINTED as a Conference Committee on SB 2468:

Sens. Maxson, Holmberg, Stenehjem

MOTION

SEN. MAIXNER MOVED that SB 2036, SB 2103, and SB 2259 be placed at the head of the Seventh order on the calendar, which motion prevailed.

REPORT OF CONFERENCE COMMITTEE

SEN. J. MEYER MOVED that the conference committee report on SB 2036 as printed in the Senate Journal of the Seventieth Legislative Day be adopted, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2036: A BILL for an Act to create and enact a new section to chapter 50-06 of the North Dakota Century Code, relating to development of a plan for a continuum of services for chronically mentally ill individuals; and to amend and reenact section 25-02-04 of the North Dakota Century Code, relating to the qualifications of the superintendent of the North Dakota state hospital.

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, 7 NAYS, 0 ABSENT AND NOT VOTING.

YEAS: Axtman; David; Dotzenrod; 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; Nalewaja; Nething; Olson; Redlin; Reiten; Richard; Satrom; Schoenwald; Shea; Stenehjem; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: Adams; Bakewell; Freborg; Naaden; Nelson; Peterson; Streibel

ABSENT AND NOT VOTING: None

SB 2036 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. STROMME MOVED that the conference committee report on Reengrossed SB 2103 as printed in the Senate Journal of the Seventieth Legislative Day be adopted, which motion prevailed.

SECOND READING OF SENATE BILL

SB 2103: A BILL for an Act to amend and reenact subsection 1 of section 57-36-25, subsections 1 and 2 of section 57-36-26, and subsection 1 of section 57-36-28 of the North Dakota Century Code, relating to the excise tax and consumer's use tax on cigars, snuff, and other tobacco products.

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 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; Stenehjelm; Streibel; Stromme; Tallackson; Tennefos; Thane; Todd; Tweten; Vosper; Waldera; Wogsland; Wright; Yockim

NAYS: None

ABSENT AND NOT VOTING: None

SB 2103 passed and the title was agreed to.

REPORT OF CONFERENCE COMMITTEE

SEN. HILKEN MOVED that the conference committee report on Reengrossed SB 2259 as printed in the Senate Journal of the Seventieth Legislative Day be adopted, which motion prevailed on a verification vote.

SECOND READING OF SENATE BILL

SB 2259: A BILL for an Act to amend and reenact section 39-04-19 of the North Dakota Century Code, relating to vehicle registration fees; to establish a centennial celebration fee for application of this Act; to provide an effective date; and to provide an expiration 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 32 YEAS, 21 NAYS, 0 ABSENT AND NOT VOTING.

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

NAYS: Adams; Bakewell; David; Freborg; Kelly; Lodoen; Meyer, W.; Moore; Mutch; Naaden; Nelson; Nething; Olson; Peterson; Streibel; Tennefos; Thane; Todd; Tweten; Vosper; Wright

ABSENT AND NOT VOTING: None

SB 2259 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 not adopted the conference committee report on SB 2468 and the President Pro Tem has appointed as a new conference committee to act with a like committee from the House on:

SB 2468: Sens. Maxson, Holmberg, Stenehjem
PERRY GROTEBERG, Secretary

MESSAGES FROM THE HOUSE
HOUSE CHAMBER

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

SB 2468: Reps. Aas, Shaft, C. Williams
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 1009

ROY GILBREATH, Chief Clerk

REPORT OF CONFERENCE COMMITTEE

MR. PRESIDENT: Your Conference Committee to which was referred Engrossed HB 1009 has had the same under consideration and recommends that the SENATE RECEDE from its amendments as found on

page 1688 of the Senate Journal and that Engrossed HB 1009 be amended as follows:

That the Senate recede from its amendments as printed on page 1688 of the Senate Journal and that engrossed House Bill No. 1009 be amended as follows:

On page 1 of the engrossed bill, line 4, delete the words "amend and" and insert in lieu thereof the word "repeal"

On page 1 of the engrossed bill, line 5, delete the word "reenact"

On page 1 of the engrossed bill, line 6, delete the words "use of"

On page 2 of the engrossed bill, line 14, delete the words "for the biennium beginning July 1," and insert in lieu thereof the words "on July 1, 1987."

On page 2 of the engrossed bill, delete lines 15 through 27 and insert in lieu thereof the following section:

"SECTION 4. TRANSFER. There is hereby transferred \$378,792 to the veterans' affairs operating fund from the veterans' postwar trust fund, pursuant to section 37-14-14, on July 1, 1987."

On page 2 of the engrossed bill, line 29, delete the words "Notwithstanding the provisions of North Dakota" and insert in lieu thereof the words "After the transfers to the veterans' home and veterans' affairs,"

On page 2 of the engrossed bill, line 30, delete the words "Century Code section 37-14-14,"

On page 2 of the engrossed bill, after line 35, insert the following section:

"SECTION 7. REPEAL. Section 37-14-14 of the 1985 Supplement to the North Dakota Century Code is hereby repealed."

And renumber the lines, sections, and pages accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

That the Senate recede from its amendments and that engrossed House Bill No. 1009 be amended as follows:

The transfer of the veterans' postwar trust fund and section of legislative intent, regarding funding the Veterans' Home and Veterans' Affairs from the general fund in future bienniums, deleted in the Senate amendments are restored. The bill is

amended to provide for transfers from the veterans' postwar trust to the Veterans' Home and Veterans' Affairs to occur on July 1, 1987, and Section 37-14-14, providing for the veterans' postwar trust, is repealed. The transfer of the fund to the general fund is estimated to be \$2,264,412.

For the Senate: Sens. Redlin, Shea (refused to sign), Lips

For the House: Reps. Winkelman, Wald, Stofferahn

HB 1009 was placed on the Seventh order of business on the calendar for the succeeding legislative day.

MOTION

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 1687, the Senate adjourn and convene at 8:00 a.m., Thursday, April 16, 1987, which motion prevailed.

PERRY GROTEBERG, Secretary