

## JOURNAL OF THE HOUSE

## Fifty-third Legislative Assembly

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Bismarck, April 23, 1993

The House convened at 8:00 a.m., with Speaker R. Berg presiding.

The prayer was offered by Rep. Ben Tollefson.

The roll was called and all members were present except Representatives C. Carlson, Henegar, Poolman, and Rydell.

A quorum was declared by the Speaker.

## MOTIONS

REP. MARTINSON MOVED that the House clinch all legislative action of yesterday, with the exception of SB 2040, which motion prevailed.

REP. MARTINSON MOVED that the House message all legislative action of yesterday immediately to the Senate, which motion prevailed.

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has amended and subsequently passed: HB 1516.

## SENATE AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1516

Page 1, line 1, remove "to create and enact a new chapter to title 57 of the North"

Page 1, remove line 2

Page 1, line 3, remove "certain care facilities;"

Page 1, line 7, remove "to provide a penalty;"

Page 4, line 6, remove "thirteen" and overstrike "and one-half" and insert immediately thereafter "seventeen"

Page 4, remove lines 14 through 29

Page 5, remove lines 1 through 29

Page 6, remove lines 1 through 29

Page 7, remove lines 1 through 28

Page 8, remove lines 1 through 29

Page 9, remove lines 1 through 28

Page 10, remove lines 1 and 2

Page 10, line 3, replace "Section 6 of this" with "This"

Page 10, line 4, replace "July 31" with "June 30"

Renumber accordingly

## ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 9:30 a.m.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2014.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: HB 1006, HB 1010, HB 1014, HB 1017, HB 1155, HB 1391.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report, subsequently passed, and the emergency clause carried on: SB 2001, SB 2174.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House has adopted the conference committee report and subsequently passed: SB 2009, SB 2012, SB 2017, SB 2018, SB 2020, SB 2022.

**THE HOUSE RECONVENED** pursuant to recess taken, with Speaker R. Berg presiding.

**HOUSE ENROSSING AND ENROLLING REPORT**

The following bills were engrossed and enrolled: HB 1011, HB 1012, HB 1013, HB 1015, HB 1018, HB 1065, HB 1219, HB 1504, HB 1511.

**REPORT OF CONFERENCE COMMITTEE**

**REP. D. OLSEN MOVED** that the conference committee report on Reengrossed HB 1389 as printed on HJ pages 2125-2126 be adopted, which motion prevailed.

Reengrossed HB 1389, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1389:** A BILL for an Act to provide for adjusted compensation to certain veterans of the Persian Gulf War, Grenada, Lebanon, and Panama armed conflicts and for the method of filing and payment of claims, duties of the adjutant general, and exemption from taxation and execution for the payments; to provide a penalty; and to declare an emergency.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 75 YEAS, 20 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; Dobrinski; Dorso; Freier; Gerntholz; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Howard; Huether; Johnson; Kaldor; Kelsch; Kerzman; Kilichowski; Kretschmar; Kroeber; Kunkel; Mahoney; Maragos; Martin; Martinson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Payne; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; St. Aubyn; Stenehjem; Stenson; Thorpe; Tollefson; Wanzek; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Brown; DeWitz; Drovdal; Froseth; Gates; Glassheim; Holm; Jacobs; Keiser; Kempenich; Klein; Monson; Olson, A.; Soukup; Svedjan; Sveen; Timm; Torgerson; Wald; Wardner

**ABSENT AND NOT VOTING:** Henegar; Laughlin; Poolman

Reengrossed HB 1389 passed, the title was agreed to, and the emergency clause was declared carried.

## REQUEST

REP. LAUGHLIN REQUESTED that the record show that he was present and intended to vote "AYE" on HB 1389, which request was granted.

## MOTION

REP. BERNSTEIN MOVED that the House reconsider its action whereby SB 2040 passed and the emergency clause was declared lost, which motion prevailed.

## SECOND READING OF SENATE BILL

SB 2040: A BILL for an Act to amend and reenact sections 65-02-19, 65-02-21, 65-05-01, and 65-05-32 of the North Dakota Century Code, relating to contracts for administrative and managed care services, to the time limit for filing a claim for workers' compensation, and to privacy of records and hearings concerning workers' compensation matters; to provide for application of this Act; and to declare an emergency.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, and has committee recommendation of DO PASS, the roll was called and there were 91 YEAS, 4 NAYS, 0 EXCUSED, 3 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Froseth; Gates; Gerntholz; Goffe; Gorder; Gorman; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wilkie; Speaker R. Berg

NAYS: Glassheim; Oban; Ring; Wentz

ABSENT AND NOT VOTING: Freier; Grosz; Henegar

SB 2040 passed, the title was agreed to, and the emergency clause was declared carried.

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## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has passed unchanged: HCR 3074.

## ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 11:30 a.m.

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

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2002.

## REPORT OF CONFERENCE COMMITTEE

SB 2002, as engrossed: Your conference committee (Sens. Kelly, Yockim, Lips and Reps. Clayburgh, Gerntholz, Kroeber) recommends that the HOUSE RECEDE from the House amendments on HJ pages 1290-1293, adopt amendments as follows, and place SB 2002 on the Seventh order:

That the House recede from its amendments as printed on pages 1160-1163 of the Senate Journal and pages 1290-1293 of the House Journal and that Engrossed Senate Bill No. 2002 be amended as follows:

Page 1, line 2, replace the first "and" with "to create and enact a new subsection to section 27-05-06 of the North Dakota Century Code, relating to jurisdiction of the district court;" and replace "sections 27-02-02 and 27-05-03" with "the new section to chapter 11-20 of the North Dakota Century Code, as created by section 1 of House Bill No. 1501, as approved by the fifty-third legislative assembly, relating to the jurisdiction of the district court; to amend and reenact section 15 of chapter 374 of the 1987 Session Laws of North Dakota, as amended by section 1 of chapter 379 of the 1989 Session Laws of North Dakota, relating to the expiration date for legislation creating a temporary court of appeals; and to provide an effective date"

Page 1, remove line 3

Page 1, line 4, remove "the supreme and district courts"

Page 1, line 15, replace "4,361,294" with "4,258,269"

Page 1, line 16, replace "174,000" with "167,910"

Page 1, line 17, replace "1,345,900" with "1,204,310"

Page 1, line 18, replace "117,000" with "99,565"

Page 1, line 19, replace "392,289" with "375,233"

Page 1, remove line 20

Page 1, line 21, replace "6,412,483" with "6,105,287"

Page 2, line 1, replace "46,779" with "46,639"

Page 2, line 2, replace "6,365,704" with "6,058,648"

Page 2, line 5, replace "14,942,688" with "14,533,734"

Page 2, line 6, replace "50,974" with "49,190"

Page 2, line 7, replace "4,717,805" with "4,317,805"

Page 2, line 9, replace "898,001" with "858,960"

Page 2, line 10, replace "20,947,740" with "20,097,961"

Page 2, line 12, replace "20,762,482" with "19,912,703"

Page 2, line 16, replace "329,261" with "322,768"

Page 2, line 17, replace "10,000" with "9,650"

Page 2, line 20, replace "474,511" with "467,668"

Page 2, line 22, replace "402,511" with "395,668"

Page 2, line 23, replace "27,530,697" with "26,367,019"

Page 2, line 24, replace "304,037" with "303,897"

Page 2, line 25, replace "27,834,734" with "26,670,916"

Page 3, replace lines 9 through 29 with:

"SECTION 4. AMENDMENT. The new section to chapter 11-20 of the North Dakota Century Code, as created by section 1 of House Bill No. 1501, as approved by the fifty-third legislative assembly, is amended and reenacted as follows:

**Disputed property lines - Petition to county district court - Effect of survey - Payment of expenses.**

1. One or more owners of property may file with the clerk of county district court a petition requesting the county district court to direct the county surveyor to survey the property. The county court shall set a time and place for a hearing on the petition. The hearing may not occur until three weeks after the petitioner has published notice of the petition, containing the substance of the petition, a description of the lands affected, and the names of the owners of the affected lands as they appear in the latest tax roll, and after the petitioner has mailed written notice to each occupant of land affected by the survey.
2. At the hearing on the petition, all interested parties may appear and be heard. If the county district court finds that there is a dispute as to the location of a property line, the county court may grant the petition. If a county surveyor is not available to conduct the survey, the county court may appoint a registered land surveyor to conduct the survey. The surveyor shall provide reasonable advance written notice to occupants of affected lands specifying the date when the survey will begin.
3. After the survey has been completed, the surveyor shall file a record of survey under sections 11-20-12 and 11-20-13. The certificate of the surveyor is presumptive evidence of the facts contained in the survey and certificate.
4. After the survey has been completed, the surveyor shall make a certified report to the county district court showing in detail the entire expense of the survey with recommendations as to apportionment of the expense. The county court shall apportion equitably the expense of the survey to the several tracts affected and provide written notice of the proposed assessment to each owner affected. The notice shall must inform the affected owners of their right to appear in county district court no sooner than fourteen days after the notices are mailed to object to the assessments. Following consideration of any objections, the county court shall make any corrections or adjustments necessary, enter an order confirming the assessment, and order the parties to pay the surveyor within thirty days.
5. Upon certification by the surveyor that an affected owner has not paid the fees ordered by the county district court within thirty days, the county auditor shall assess the amount against the land of each person affected. The county treasurer shall collect the assessments in the same manner as general property taxes are collected. On the order of the county auditor, the county treasurer shall pay any fees and expenses to a registered land surveyor who has conducted the survey.

SECTION 5. A new subsection to section 27-05-06 of the North Dakota Century Code is created and enacted as follows:

Disputed property line proceedings pursuant to section 4 of this Act.

**SECTION 6. AMENDMENT.** Section 15 of chapter 374 of the 1987 Session Laws of North Dakota, as amended by section 1 of chapter 379 of the 1989 Session Laws of North Dakota, is amended and reenacted as follows:

**SECTION 15. EXPIRATION DATE.** This Act is effective through January 1, ~~1994~~ 1996, and after that date is ineffective.

**SECTION 7. EFFECTIVE DATE.** Sections 4 and 5 of this Act become effective on January 2, 1995."

Page 4, remove lines 1 through 4

Re-number accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 180 - SUPREME COURT

CONFERENCE COMMITTEE - This amendment makes the following changes:

- The salaries and wages and judges' retirement line items are changed as follows from the general fund:

	SALARIES AND WAGES	JUDGES' RETIREMENT
Decrease to reflect the change from 3/3 salary plan to the 2/0 salary plan	\$ (97,232)	\$ (9,551)
Remove the 2 percent increase for elected officials	(17,417)	(7,505)
Increase to reflect the \$60 per month plan in accordance with the provisions of House Bill No. 1018	<u>11,624</u>	<u>          </u>
Total decrease	\$(103,025)	\$(17,056)

- The information services line item is decreased by \$6,090, of which \$5,950 is from the general fund and \$140 is from other funds, in accordance with the provisions of House Bill No. 1018.
- The operating expenses line item is decreased by \$30,000 from the general fund to reflect a reduction in the law library funding and decreased by \$111,590 from the general fund to reflect a 10 percent reduction, for a total decrease of \$141,590 from the general fund.
- The equipment line item is decreased by \$17,435 from the general fund, of which \$13,000 is to reduce miscellaneous equipment purchases and \$4,435 is to reflect a decrease in the amount provided for a new copy machine. The amount provided for the new copy machine was decreased from \$80,000 to \$75,565. If the court leases a new copier instead of buying one, the excess funding is to be turned back instead of being used for other purposes.
- The court of appeals line item of \$22,000 from the general fund is eliminated. This amendment extends the effective date of the temporary court of appeals from January 1, 1994, to January 1, 1996.

In total, this amendment decreases the appropriation to the Supreme Court by \$307,196, of which \$307,056 is from the general fund and \$140 is from other funds.

## DEPARTMENT 183 - JUDICIAL CONDUCT COMMISSION

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages line item is decreased as follows:

	GENERAL FUND
Decrease to reflect change from 3/3 salary plan to 2/0 salary plan	\$(7,409)
Increase to reflect the \$60 per month plan in accordance with the provisions of House Bill No. 1018	<u>916</u>
Total decrease	\$(6,493)

-- The information services line item is decreased by \$350 from the general fund in accordance with the provisions of House Bill No. 1018.

In total, this amendment decreases the appropriation to the Judicial Conduct Commission by \$6,843 from the general fund.

## DEPARTMENT 185 - TRIAL COURTS

CONFERENCE COMMITTEE - This amendment makes the following changes:

-- The salaries and wages and judges' retirement line items are changed as follows from the general fund:

	SALARIES AND WAGES	JUDGES' RETIREMENT
Decrease to reflect the change from the 3/3 salary plan to the 2/0 salary plan	\$(347,433)	\$(21,861)
Remove the 2 percent increase for elected officials	(101,116)	(17,180)
Increase to reflect the \$60 per month plan in accordance with the provisions of House Bill No. 1018	<u>39,595</u>	<u>          </u>
Total decrease	\$(408,954)	\$(39,041)

-- The information services line item is decreased by \$1,784 from the general fund in accordance with the provisions of House Bill No. 1018.

-- The operating expenses line item is decreased by \$400,000 to reflect an approximate 10 percent reduction.

In total, this amendment decreases the appropriation to the trial courts by \$849,779 from the general fund.

In total, this amendment decreases the general fund appropriation by \$1,163,678, from \$27,530,697 to \$26,367,019 and decreases the other funds appropriation by \$140, from \$304,037 to \$303,897 for a total appropriation of \$26,670,916.

Engrossed SB 2002 was placed on the Seventh order of business on the calendar.

## REPORT OF CONFERENCE COMMITTEE

HB 1136, as engrossed: Your conference committee (Sens. Keller, Schoenwald, Krebsbach and Reps. Tollefson, Jacobs, Mahoney) recommends that the

HOUSE ACCEDE to the Senate amendments on HJ page 1396 and place HB 1136 on the Seventh order.

Engrossed HB 1136 was placed on the Seventh order of business on the calendar.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1006, HB 1010, HB 1014, HB 1155, HB 1391.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2005.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently failed to pass: SB 2486.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The President has announced that Sen. Lips will replace Sen. Holmberg on the conference committee on HB 1005.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1017.

**REPORT OF CONFERENCE COMMITTEE**

SB 2005, as engrossed: Your conference committee (Sens. Robinson, Tallackson, Naaden and Reps. Wald, Bateman, Nichols) recommends that the HOUSE RECEDE from the House amendments on HJ pages 1369-1373, adopt amendments as follows, and place SB 2005 on the Seventh order:

That the House recede from its amendments as printed on pages 1234-1238 of the Senate Journal and pages 1369-1373 of the House Journal and that Engrossed Senate Bill No. 2005 be amended as follows:

Page 1, line 4, replace "a statement" with "statements"

Page 1, line 16, replace "18,160,246" with "18,205,201"

Page 1, line 17, replace "3,433,000" with "3,333,000"

Page 1, line 18, replace "429,000" with "400,000"

Page 1, line 19, replace "22,022,246" with "21,938,201"

Page 1, line 20, replace "11,883,369" with "11,889,529"

Page 1, line 21, replace "10,138,877" with "10,048,672"

Page 2, line 3, replace "710,313" with "711,655"

Page 2, line 6, replace "892,713" with "894,055"

Page 2, line 7, replace "317,160" with "317,557"

Page 2, line 8, replace "575,545" with "576,498"

Page 2, after line 8, insert:

"Subdivision 3."

Page 2, line 10, replace "31,611,129" with "31,089,443"

Page 2, line 11, replace "5,136,557" with "3,976,978"

Page 2, line 12, replace "1,437,996" with "1,397,746"  
Page 2, line 15, replace "39,139,482" with "37,417,967"  
Page 2, line 16, replace "16,699,399" with "16,493,699"  
Page 2, line 17, replace "22,440,083" with "20,924,268"  
Page 2, line 20, replace "976,028" with "981,689"  
Page 2, line 21, replace "457,971" with "420,103"  
Page 2, line 22, replace "41,076" with "39,076"  
Page 2, line 23, replace "1,475,075" with "1,440,868"  
Page 2, line 25, replace "1,043,399" with "1,009,192"  
Page 2, line 28, replace "435,023" with "437,639"  
Page 2, line 29, replace "351,500" with "358,593"  
Page 3, line 1, replace "101,293" with "75,193"  
Page 3, line 2, replace "887,816" with "871,425"  
Page 3, line 4, replace "539,916" with "523,525"  
Page 3, line 7, replace "480,302" with "484,643"  
Page 3, line 8, replace "206,512" with "187,567"  
Page 3, line 9, replace "73,600" with "72,600"  
Page 3, line 10, replace "760,414" with "744,810"  
Page 3, line 12, replace "526,928" with "511,324"  
Page 3, line 15, replace "545,386" with "548,298"  
Page 3, line 16, replace "185,433" with "163,862"  
Page 3, line 17, replace "44,000" with "42,800"  
Page 3, line 18, replace "774,819" with "754,960"  
Page 3, line 20, replace "602,189" with "582,330"  
Page 3, line 23, replace "433,919" with "437,026"  
Page 3, line 24, replace "248,475" with "232,563"  
Page 3, line 25, replace "42,000" with "41,200"  
Page 3, line 26, replace "724,394" with "710,789"  
Page 3, line 28, replace "395,294" with "381,689"  
Page 4, line 2, replace "646,398" with "650,104"  
Page 4, line 3, replace "153,620" with "130,372"  
Page 4, line 4, replace "64,900" with "63,900"

Page 4, line 5, replace "864,918" with "844,376"

Page 4, line 6, replace "315,870" with "312,775"

Page 4, line 7, replace "549,048" with "531,601"

Page 4, line 10, replace "1,186,338" with "1,192,279"

Page 4, line 11, replace "598,822" with "554,792"

Page 4, line 12, replace "108,900" with "106,250"

Page 4, line 13, replace "1,894,060" with "1,853,321"

Page 4, line 14, replace "960,815" with "955,723"

Page 4, line 15, replace "933,245" with "897,598"

Page 4, line 18, replace "275,534" with "276,640"

Page 4, line 21, replace "809,034" with "810,140"

Page 4, line 24, replace "1,237,875" with "1,244,067"

Page 4, line 27, replace "1,417,875" with "1,424,067"

Page 4, line 28, replace "1,057,058" with "1,134,245"

Page 5, line 1, replace "360,817" with "289,822"

Page 5, line 2, replace "38,105,341" with "36,276,519"

Page 5, line 3, replace "33,557,505" with "33,428,460"

Page 5, line 4, replace "71,662,846" with "69,704,979"

Page 6, after line 9, insert:

**"SECTION 7. LAND RECLAMATION RESEARCH CENTER - 1993-95 BIENNIUM REPORTS.** The land reclamation research center shall file an annual report with the legislative council and the lignite research council on August 1, 1993, and August 1, 1994. The annual report must contain a description and analysis of the conclusions reached from each reclamation research project that has been completed during the preceding fiscal year and a brief description and analysis of any conclusions reached from all ongoing projects. The report must also include any recommendations for reducing unnecessary and duplicative regulatory costs that do not contribute to effective reclamation practices.

The land reclamation research center, in consultation with the lignite research council, shall report to the budget section of the legislative council in October 1994 on additional reclamation research needed, if any, to reduce unnecessary and duplicative regulatory costs involved in the reclamation process and on general fund appropriations needed, if any, to continue operating the land reclamation research center for the 1995-97 biennium.

**SECTION 8. LEGISLATIVE INTENT - SEPARATE BUDGETS.** It is the intent of the legislative assembly that funds appropriated in this Act not be commingled with the funds appropriated to North Dakota state university in House Bill No. 1519 for the biennium beginning July 1, 1993, and ending June 30, 1995. Further, it is the intent of the legislative assembly that appropriation requests to defray the expenses of the North Dakota state university extension service, the northern

crops institute, and the entities of the North Dakota agricultural experiment station for the 1995-97 biennium be separate from the appropriation request for funding the higher education institutions under the control of the board of higher education."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**DEPARTMENT 630 - NDSU EXTENSION SERVICE**

CONFERENCE COMMITTEE - This amendment makes the following changes:

The salaries and wages line item is increased by \$56,001, \$49,841 of which is from the general fund, to reflect the state employee salary increase provisions of House Bill No. 1018.

The salaries and wages line item is reduced by \$11,046 from the general fund. The House had reduced the Senate level by \$111,046 and the Conference Committee restored \$100,000 of the reduction.

The operating expenses line item is reduced by \$100,000 from the general fund for operating expense reductions in campus operations, the same as the House version.

The equipment line item is reduced by \$29,000 from the general fund to reduce equipment purchases for campus operations, the same as the House version.

In total, this amendment reduces funding for the NDSU Extension Service by \$84,045. General fund support is reduced by \$90,205 and other funds are increased by \$6,160. A comparison of the general fund appropriations in the various proposals for funding the NDSU Extension Service is as follows:

	SINNER BUDGET	SCHAFFER BUDGET	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE
General fund	\$10,313,877	\$9,269,831	\$10,138,877	\$9,898,831	\$10,048,672
Percentage of 1991-93 appropriated level <sup>1</sup>	89%	83%	91%	89%	90%

<sup>1</sup> For comparison purposes, these percentages exclude 1993-95 funding for the employee salary increase package.

**DEPARTMENT 638 - NORTHERN CROPS INSTITUTE**

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$1,342, \$953 of which is from the general fund, to reflect the state employee salary increase provisions of House Bill No. 1018.

**DEPARTMENT 640 - MAIN RESEARCH STATION**

CONFERENCE COMMITTEE - The following schedule details the changes made in this amendment:

SUMMARY OF GENERAL FUND CHANGES TO AGRICULTURAL EXPERIMENT  
STATION FUNDING CONTAINED IN SENATE BILL NO. 2005

	ENGROSSED SENATE BILL NO. 2005	\$60 PER MONTH SALARY INCREASE ADJUSTMENT	GENERAL FUND SUPPORT OF LRRC <sup>1</sup>	REDUCE LRRC GENERAL FUND SUPPORT <sup>2</sup>	REMOVE AG PRODUCTION RESEARCH ADDED IN SENATE <sup>3</sup>	OTHER ADJUSTMENTS <sup>4</sup>	TOTAL NET CONFERENCE COMMITTEE CHANGES	CONFERENCE COMMITTEE RECOMMENDATION
Main Research Station	\$22,440,083	\$41,413	\$(156,305)		\$(556,340)	\$(844,583)	\$(1,515,815)	\$20,924,268
Dickinson Research Center	1,043,399	5,661	(7,198)		(24,570)	(8,100)	(34,207)	1,009,192
Central Grasslands Research Center	539,916	2,616	(3,756)		(10,951)	(4,300)	(16,391)	523,525
Hettinger Research Center	526,928	4,341	(3,754)		(12,091)	(4,100)	(15,604)	511,324
Langdon Research Center	602,189	2,912	(4,241)		(13,730)	(4,800)	(19,859)	582,330
North Central Research Center	395,294	3,107	(2,689)		(10,923)	(3,100)	(13,605)	381,689
Williston Research Center	549,048	3,706	(3,876)		(13,177)	(4,100)	(17,447)	531,601
Carrington Research Center	933,245	4,396	(6,418)		(23,225)	(10,400)	(35,647)	897,598
Agronomy Seed Farm	0	0					0	0
Land Reclamation Research Center	<u>360,817</u>	<u>0</u>		<u>\$(70,995)</u>			<u>(70,995)</u>	<u>289,822</u>
Total Agricultural Experiment Station	\$27,390,919	\$68,152	\$(188,237)	\$(70,995)	\$(665,007)	\$(883,483)	\$(1,739,570)	\$25,651,349
FTEs	428.5				(6.23)		(6.23)	422.27

<sup>1</sup> Reduces funding from the general fund for operating expenses of the Main Research Station and branch research centers.

<sup>2</sup> General fund support of \$360,817 for the Land Reclamation Research Center is reduced by \$70,995 to \$289,822 and other funds of \$70,995 are added to allow the center to apply for grants to support its recommended budget level. The general fund appropriation is provided for:

Salaries and wages (1 scientist and 2 support staff)	\$ 249,822
Operating expenses	<u>40,000</u>
Total general fund support	\$ 289,822

The House provided no general fund support for the Land Reclamation Research Center.

<sup>3</sup> Removes funding added in the Senate for agriculture production research as follows:

Main Research Station	
Salaries and wages (6.23 FTEs)	\$(556,340)
Branch research centers	
Operating expenses	<u>(108,667)</u>
Total general fund	\$(665,007)

<sup>4</sup> Reduces funding for the Main Research Station and the branch research centers for the following programs:

Natural resource management (operating expenses and equipment)	\$ (50,000)
Crop and livestock production research (operating expenses and equipment)	(50,000)
Agriculture production research (operating expenses and equipment)	(139,183)
Additional funding for salaries and wages at the Main Research Station	55,700
Additional operating expense reduction at the Main Research Station	<u>(700,000)</u>
Total general fund	\$(883,483)

The agroforestry program at the Dickinson Research Center included in the House version at \$100,000 from the general fund is not included in this amendment.

Salaries and wages funding reduced by \$155,700 from the general fund at the branch research centers in the House version is not reduced under provisions of this amendment.

Funding of \$25,000 is removed from equipment and added to operating expenses at the Central Grasslands Research Center.

A section of legislative intent is added providing that funds appropriated in Senate Bill No. 2005 not be commingled with funds appropriated to North Dakota State University and that the funding requests for the NDSU Extension Service, Northern Crops Institute, and the entities of the Agricultural Experiment Station for the 1995-97 biennium be separate from funding requests for higher education institutions under the control of the Board of Higher Education.

A section of legislative intent is added providing that the Land Reclamation Research Center file annual reports with the Legislative Council and the Lignite Research Council and that the center report to the Budget Section in October 1994 on the status of reclamation research and on the amount of

general fund appropriations needed to continue the operations of the Land Reclamation Research Center for the 1995-97 biennium.

A comparison of the general fund appropriations in the various proposals for funding the Agricultural Experiment Station is as follows:

	SINNER BUDGET	SCHAFFER BUDGET	SENATE VERSION	HOUSE VERSION	CONFERENCE COMMITTEE
General fund	\$27,202,682	\$25,537,675	\$27,390,919	\$25,237,675	\$25,651,349
Percentage of 1991-93 appropriated level <sup>1</sup>	99%	94%	101%	93%	95%

<sup>1</sup> For comparison purposes, these percentages exclude 1993-95 funding for the employee salary increase package.

In total, this amendment reduces funding in Senate Bill No. 2005 by \$1,957,867, general fund support is reduced by \$1,828,822; and other funds are reduced by \$129,045.

Engrossed SB 2005 was placed on the Seventh order of business on the calendar.

#### ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 1:30 p.m.

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

#### MOTIONS

REP. MARTINSON MOVED that the Conference Committee on HB 1005 be dissolved, which motion prevailed.

REP. MARTINSON MOVED that the House request the return of SB 2022, which motion prevailed.

#### REPORT OF CONFERENCE COMMITTEE

REP. TOLLEFSON MOVED that the conference committee report on Engrossed HB 1136 be adopted, which motion prevailed.

Engrossed HB 1136, as amended, was placed on the Eleventh order of business on the calendar.

#### SECOND READING OF HOUSE BILL

HB 1136: A BILL for an Act to amend and reenact section 65-05-08.1 of the North Dakota Century Code, relating to workers' compensation verification of temporary total disability; and to provide an effective date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 89 YEAS, 7 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dorso; Drovdal; Freier; Froseth; Gates; Gertholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Nelson; Ness; Nicholas; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Rennerfeldt; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem;

Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Brodshaug; Dobrinski; Mutzenberger; Nichols; Oban; Pyle; Ring

**ABSENT AND NOT VOTING:** Bateman; Henegar

Engrossed HB 1136 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**REP. CLAYBURGH MOVED** that the conference committee report on Engrossed SB 2002 be adopted, which motion prevailed.

Engrossed SB 2002, as amended, was placed on the Fourteenth order of business on the calendar.

**SECOND READING OF SENATE BILL**

**SB 2002:** A BILL for an Act to provide an appropriation for defraying the expenses of the judicial branch; to create and enact a new subsection to section 27-05-06 of the North Dakota Century Code, relating to jurisdiction of the district court; to amend and reenact the new section to chapter 11-20 of the North Dakota Century Code, as created by section 1 of House Bill No. 1501, as approved by the fifty-third legislative assembly, relating to the jurisdiction of the district court; to amend and reenact section 15 of chapter 374 of the 1987 Session Laws of North Dakota, as amended by section 1 of chapter 379 of the 1989 Session Laws of North Dakota, relating to the expiration date for legislation creating a temporary court of appeals; and to provide an effective date.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 93 YEAS, 3 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Allmaras; Austin; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovda; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleon; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Mahoney; Oban; Ring

**ABSENT AND NOT VOTING:** Bateman; Henegar

Engrossed SB 2002 passed and the title was agreed to.

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**REPORT OF CONFERENCE COMMITTEE**

**REP. WALD MOVED** that the conference committee report on Engrossed SB 2005 be adopted, which motion prevailed.

Engrossed SB 2005, as amended, was placed on the Fourteenth order of business on the calendar.

## SECOND READING OF SENATE BILL

SB 2005: A BILL for an Act making an appropriation for defraying the expenses of the North Dakota state university extension service, the northern crops institute, and the North Dakota agricultural experiment station; and to provide statements of legislative intent.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleston; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

ABSENT AND NOT VOTING: Bateman; Henegar

Engrossed SB 2005 passed and the title was agreed to.

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## APPOINTMENT OF CONFERENCE COMMITTEE

THE SPEAKER ANNOUNCED the following appointment to a new Conference Committee on HB 1005: Reps. Dorso, Howard, Huether.

## CORRECTION AND REVISION OF THE JOURNAL

MR. SPEAKER: Your Committee on Correction and Revision of the Journal (Rep. DeWitz, Chairman) has carefully examined the Journal of the Seventy-fifth Day and recommends that it be corrected as follows and when so corrected, recommends that it be approved:

Page 2119, line 19, replace "Lips, Kelly, Redlin" with "Redlin, Kelly, Lips"

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

## ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 3:30 p.m.

## REPORT OF CONFERENCE COMMITTEE

HB 1004, as engrossed: Your conference committee (Sens. DeMers (refused to sign), Mushik, Goetz and Reps. Byerly, Payne, Wilkie) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1571-1572, adopt amendments as follows, and place HB 1004 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1571-1572 of the House Journal and pages 1352-1354 of the Senate Journal and that Engrossed House Bill No. 1004 be amended as follows:

Page 1, line 11, replace "1,852,362" with "1,968,696"

Page 1, line 12, replace "36,464" with "38,770"

Page 1, line 13, replace "489,456" with "474,265"

Page 1, line 15, replace "2,393,775" with "2,497,224"

Page 1, line 16, replace "1,100,115" with "1,170,447"

Page 1, line 17, replace "1,293,660" with "1,326,777"

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

DEPARTMENT 360 - PROTECTION AND ADVOCACY PROJECT

CONFERENCE COMMITTEE - This amendment makes the following changes:

Salaries and wages are adjusted as follows:

	GENERAL FUND	OTHER FUNDS	TOTAL
Adjust salaries and wages to provide funds for the legislative salary increase plan in accordance with the provisions of HB 1018	\$ 18,869	\$ 0	\$ 18,869
Add .5 FTE developmental disabilities secretary		22,060	22,060
Allow 1 FTE mental health advocate and .5 FTE administrative secretary to the extent other nonfederal funds become available		<u>75,405</u>	<u>75,405</u>
Total	<u>\$ 18,869</u>	<u>\$ 97,465</u>	<u>\$ 116,334</u>
Information services is increased to restore a portion of the House reduction in accordance with the provisions of HB 1018 (The House cut a total of \$4,052, of which \$1,864 is from the general fund. This amendment reduces ISD in total by \$1,746, of which \$804 is from the general fund.)	<u>\$ 1,060</u>	<u>\$ 1,246</u>	<u>\$ 2,306</u>
Operating expenses are adjusted as follows:			
Remove costs for indirect cost allocation	\$ (6,824)	\$ (5,812)	\$ (12,636)
Adjust Merit System fees (Allows \$1,237 of other funds to be paid for this purpose. The House had included a total of \$3,792, of which \$2,048 was from the general fund.)	<u>(2,048)</u>	<u>(507)</u>	<u>(2,555)</u>
Total	<u>\$ (8,872)</u>	<u>\$ (6,319)</u>	<u>\$ (15,191)</u>
Funding source change related to .5 FTE added	<u>\$ 22,060</u>	<u>\$ (22,060)</u>	<u>\$ 0</u>
Total changes to Engrossed House Bill No. 1004	<u>\$ 33,117</u>	<u>\$ 70,332</u>	<u>\$ 103,449</u>
Conference committee version House Bill No. 1004	\$1,326,777	\$1,170,447	\$2,497,224

The other funds increase of \$75,405 is to be from nonfederal fund sources and is to allow the agency to attempt to secure funding from other sources to fund the 1.5 FTE mental health positions.

Engrossed HB 1004 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

HB 1212, as engrossed: Your conference committee (Sens. Dotzenrod, Kinnoin, Tennesfos and Reps. Timm, Freier, Glasheim) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1184-1185, adopt amendments as follows, and place HB 1212 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1184-1185 of the House Journal and page 913 of the Senate Journal and that Engrossed House Bill No. 1212 be amended as follows:

Page 1, line 12, replace "three" with "two" and after "dollar" insert "and fifty cent"

Page 2, line 10, remove "Two dollars of the fees charged by the register"

Page 2, remove lines 11 and 12

Page 2, line 15, remove "Two"

Page 2, remove lines 16 through 19

Page 2, line 22, remove "Two dollars of"

Page 2, remove lines 23 through 26

Page 2, line 29, remove "Two"

Page 3, remove lines 1 through 3

Page 3, line 5, remove "Two dollars of the fees"

Page 3, remove lines 6 and 7

Renumber accordingly

Engrossed HB 1212 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

HB 1518: Your conference committee (Sens. Langley, Krauter, Streibel and Reps. Dorso, Froseth, Mahoney) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 2077-2078, adopt amendments as follows, and place HB 1518 on the Seventh order:

That the Senate recede from its amendments as printed on pages 2077-2078 of the House Journal and pages 1689-1690 of the Senate Journal and that House Bill No. 1518 be amended as follows:

Page 1, line 3, replace "and" with "to provide for reports to the budget section of the legislative council;"

Page 1, line 4, after "appropriation" insert "; and to provide an expiration date"

Page 4, after line 21, insert:

"7. Provides that every employee participating in the new jobs training program must be paid an income at least equal to one

hundred twenty percent of the federal poverty level for a family of four as determined at the date of commencement of the project, for the life of the loan."

Page 5, line 7, after "the" insert "new"

Page 5, line 9, after "each" insert "new"

Page 5, line 13, replace "ot" with "to"

Page 5, line 23, replace "An" with "A new"

Page 6, after line 20, insert:

**"SECTION 5. REPORTS TO LEGISLATIVE COUNCIL BUDGET SECTION.** The tax commissioner shall report to the budget section of the legislative council the allocations to the special fund under section 3 of this Act, the executive director of job service North Dakota shall report to the budget section on the agreements entered under section 2 of this Act, and the director of the department of economic development and finance shall report to the budget section on loans, grants, and new jobs qualified for program services. The tax commissioner, executive director of job service North Dakota, and the director of the department of economic development and finance shall provide any other information relating to this Act which the budget section requests. The reports must be presented at the times requested by the budget section, but not less than once in each calendar year.

**SECTION 6. EXPIRATION DATE.** This Act is ineffective after June 30, 1995, but the provisions of this Act as they existed on June 30, 1995, remain effective after that date for any loan, grant, or agreement entered or rule adopted before July 1, 1995."

Renumber accordingly

HB 1518 was placed on the Seventh order of business on the calendar.

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

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The House respectfully requests the return of: SB 2022.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

**MADAM PRESIDENT:** The Speaker announced that the conference committee on HB 1005 has been dissolved and that a new conference committee has been appointed on HB 1005: Reps. Dorso, Howard, Huether.

**REPORT OF CONFERENCE COMMITTEE**

**REP. BYERLY MOVED** that the conference committee report on Engrossed HB 1004 be adopted, which motion prevailed.

Engrossed HB 1004, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

**HB 1004:** A BILL for an Act to provide an appropriation for defraying the expenses of the protection and advocacy project.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 83 YEAS, 13 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Allmaras; Austin; Belter; Berg, J.; Bernstein; Bodine; Boucher; Carlisle; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; Dobrinski; Dorso; Freier; Gates; Gerntholz; Glassheim; Goffe; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kerzman; Kilichowski; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Bateman; Boehm; Brodshaug; Brown; Byerly; Carlson, A.; DeWitz; Drovdal; Froseth; Gorder; Kempenich; Klein; Schindler

**ABSENT AND NOT VOTING:** Henegar; Rydell

Engrossed HB 1004 passed and the title was agreed to.

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#### REPORT OF CONFERENCE COMMITTEE

**REP. TIMM MOVED** that the conference committee report on Engrossed HB 1212 be adopted, which motion prevailed.

Engrossed HB 1212, as amended, was placed on the Eleventh order of business on the calendar.

#### SECOND READING OF HOUSE BILL

**HB 1212:** A BILL for an Act to create and enact a new section to chapter 41-09 of the North Dakota Century Code, relating to fees for filing documents in the Uniform Commercial Code central filing system; to amend and reenact subsections 5, 9, and 10 of section 41-09-42 of the North Dakota Century Code, relating to fees for obtaining information from the Uniform Commercial Code central filing system; and to provide an expiration date.

#### ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 86 YEAS, 10 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Allmaras; Austin; Bateman; Belter; Berg, J.; Bernstein; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Dalrymple; DeWitz; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Maragos; Martinson; Monson; Mutzenberger; Ness; Nicholas; Oban; Olsen, D.; Olson, A.; Payne; Porter; Price; Pyle; Rennerfeldt; Ring; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Aarsvold; Bodine; Coats; Dobrinski; Kerzman; Mahoney; Martin; Nelson; Nichols; Poolman

**ABSENT AND NOT VOTING:** Henegar; Rydell

Engrossed HB 1212 passed and the title was agreed to.

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## REPORT OF CONFERENCE COMMITTEE

REP. DORSO MOVED that the conference committee report on Engrossed HB 1518 be adopted, which motion prevailed.

Engrossed HB 1518, as amended, was placed on the Eleventh order of business on the calendar.

## SECOND READING OF HOUSE BILL

HB 1518: A BILL for an Act to assist community economic development by providing incentive to businesses to locate and expand within the state through government-assisted new jobs training; to provide for reports to the budget section of the legislative council; to provide a continuing appropriation; and to provide an expiration date.

## ROLL CALL

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 94 YEAS, 2 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Austin; Bateman; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorman; Grosz; Grumbo; Gulleeson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

NAYS: Gorder; Kilichowski

ABSENT AND NOT VOTING: Henegar; Rydell

Engrossed HB 1518 passed and the title was agreed to.

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## MOTION

REP. MARTINSON MOVED that the House message the bills just acted upon immediately to the Senate, which motion prevailed.

## ANNOUNCEMENT BY THE SPEAKER

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 5:00 p.m.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1004, HB 1212, HB 1389, HB 1518.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1136.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: SB 2002, SB 2005.

## MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)

MADAM PRESIDENT: The House has adopted the conference committee report, subsequently passed, and the emergency clause carried: SB 2040.

## REPORT OF CONFERENCE COMMITTEE

HB 1001, as engrossed: Your conference committee (Sens. Robinson, Tallackson, Holmberg and Reps. Gerntholz, Clayburgh, Kroeber) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1638-1657, adopt amendments as follows, and place HB 1001 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1638-1657 of the House Journal and pages 1470-1489 of the Senate Journal and that Engrossed House Bill No. 1001 be amended as follows:

Page 1, replace lines 2 through 4 with "various elected officials, the securities commissioner, the legislative council, and the insurance tax payments to fire departments; to create and enact a new section to chapter 54-12 of the North Dakota Century Code, relating to the authority of the attorney general to borrow funds to obtain evidence for law enforcement; to amend and reenact section 5-03-01, subsection 3 of section 26.1-01-07.1, subsection 7 of section 49-02-02, sections 53-06.1-12.1, 54-12-17, 54-12-18, and 60-06-06.1 of the North Dakota Century Code, relating to an exemption to wholesale liquor license requirements, the operation of the insurance regulatory trust fund, regulation of public utilities by the public service commission, deposit of the games of chance tax, operation of the attorney general refund fund, and the name of the consumer fraud and antitrust division; and to repeal sections 49-06-18, 49-06-19, 49-06-20, 49-06-21, 49-06-22, and 49-06-23 of the North Dakota Century Code, relating to costs of hearings for purposes of valuing public utility property and the public utility valuation fund."

Page 1, line 16, replace "1,297,585" with "1,564,596"

Page 1, line 17, replace "38,250" with "42,387"

Page 1, line 18, replace "316,021" with "323,153"

Page 1, line 19, replace "7,845" with "9,145"

Page 1, line 20, replace "7,000" with "13,893"

Page 2, line 1, replace "3,239" with "5,239"

Page 2, line 3, replace "1,674,340" with "1,962,813"

Page 2, remove lines 4 through 11

Page 2, line 12, replace "3" with "2"

Page 2, line 14, replace "1,431,069" with "1,448,489"

Page 2, line 15, replace "1,128,850" with "1,194,938"

Page 2, replace line 18 with:

"Limited liability administration

5,000"

Page 2, line 21, replace "4,150,908" with "3,639,416"

Page 2, line 22, replace "4" with "3"

Page 2, line 24, replace "10,871,514" with "11,341,664"

Page 2, line 25, replace "527,184" with "515,684"

Page 2, line 26, replace "2,765,693" with "2,734,586"

Page 2, line 28, replace "1,383,564" with "2,363,504"

Page 2, line 29, replace "2,087,595" with "1,650,118"

Page 3, line 5, replace "400,000" with "250,000"

Page 3, after line 6, insert:

"Racing commission

222,421"

Page 3, line 8, replace "20,123,020" with "21,165,447"

Page 3, line 9, replace "8,406,738" with "9,388,462"

Page 3, line 10, replace "11,716,282" with "11,776,985"

Page 3, line 11, replace "5" with "4"

Page 3, line 13, replace "4,531,194" with "4,547,666"

Page 3, line 14, replace "108,900" with "116,329"

Page 3, line 17, replace "5,094,596" with "5,118,497"

Page 3, line 18, replace "1,899,298" with "1,843,076"

Page 3, line 19, replace "3,195,298" with "3,275,421"

Page 3, line 20, replace "6" with "5"

Page 3, line 22, replace "546,745" with "552,085"

Page 3, line 23, replace "24,385" with "32,167"

Page 3, line 26, replace "740,000" with "745,670"

Page 3, line 27, replace "1,375,301" with "1,394,093"

Page 3, line 29, replace "1,370,301" with "1,389,093"

Page 4, line 1, replace "7" with "6"

Page 4, line 3, replace "10,257,712" with "10,421,404"

Page 4, line 7, replace "Expert" with "Attorney and expert" and replace "160,000" with "190,000"

Page 4, line 10, replace "14,667,693" with "14,861,385"

Page 4, line 12, replace "14,517,693" with "14,711,385"

Page 4, line 13, replace "8" with "7"

Page 4, line 15, replace "548,715" with "580,487"

Page 4, line 16, replace "22,500" with "24,535"

Page 4, line 17, replace "146,151" with "110,313"

Page 4, line 19, replace "721,566" with "719,535"

Page 4, line 20, replace "85,905" with "82,080"

Page 4, line 21, replace "635,661" with "637,455"

Page 4, line 22, replace "9" with "8"

Page 4, line 24, replace "4,321,823" with "4,267,388"

Page 4, line 25, replace "104,872" with "113,286"

Page 4, line 26, replace "5,380,283" with "5,199,461"

Page 4, line 29, replace "9,899,078" with "9,672,235"

Page 5, line 1, replace "6,296,381" with "6,180,697"

Page 5, line 2, replace "3,602,697" with "3,491,538"

Page 5, line 3, replace "10" with "9"

Page 5, line 5, replace "2,316,014" with "2,401,963"

Page 5, line 6, replace "78,974" with "86,257"

Page 5, line 7, replace "1,657,859" with "1,450,875"

Page 5, line 12, replace "108,000" with "214,000"

Page 5, after line 12, insert:

"Rangeland grasshopper control

50,000"

Page 5, line 13, replace "542,235" with "592,235"

Page 5, line 15, replace "1,032,856" with "982,856"

Page 5, line 17, replace "8,284,195" with "8,326,443"

Page 5, line 18, replace "3,925,642" with "3,939,663"

Page 5, line 19, replace "4,358,553" with "4,386,780"

Page 5, line 20, replace "11" with "10"

Page 5, line 22, replace "3,008,499" with "3,192,202"

Page 5, line 23, replace "74,469" with "83,243"

Page 5, line 24, replace "641,445" with "770,478"

Page 5, line 25, replace "11,609" with "19,609"

Page 5, line 26, replace "288,387" with "341,552"

Page 5, remove line 27

Page 5, line 28, replace "all" with "special", after "funds" insert "appropriation", and replace "9,224,409" with "4,407,084"

Page 5, remove line 29

Page 6, remove line 1

Page 6, line 2, replace "12" with "11"

Page 6, line 4, replace "518,638" with "521,121"

Page 6, line 5, replace "16,421" with "17,920"

Page 6, line 8, replace "602,710" with "606,692"

Page 6, line 9, replace "54,320,325" with "46,025,578"

Page 6, line 10, replace "21,772,505" with "31,258,762"

Page 6, line 11, replace "76,092,830" with "77,284,340"

Page 6, after line 11, insert:

**"SECTION 2. APPROPRIATION - INSURANCE TAX PAYMENTS TO FIRE DEPARTMENTS.** There is hereby appropriated out of any moneys in the insurance tax distribution fund in the state treasury, not otherwise appropriated, the sum of \$5,262,700, or so much of the sum as may be necessary, to the commissioner of insurance for the purpose of making payments of insurance premiums to fire departments for the biennium beginning July 1, 1993, and ending June 30, 1995.

**SECTION 3. INSURANCE TAX PAYMENTS TO FIRE DEPARTMENTS - ADDITIONAL INCOME - APPROPRIATION.** All income deposited in the insurance tax distribution fund pursuant to the provisions of House Bill No. 1036, as approved by the fifty-third legislative assembly, in addition to the funds appropriated in section 2 of this Act, is hereby appropriated to the commissioner of insurance for the purpose of making payments of insurance premiums to fire departments for the biennium beginning July 1, 1993, and ending June 30, 1995, and may be spent only upon approval of the budget section of the legislative council.

**SECTION 4. APPROPRIATION - LEGISLATIVE COUNCIL.** Notwithstanding section 49-21-22, there is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$3,000, or so much of the sum as may be necessary, to the legislative council for the purpose of paying per diem for the 1991-93 biennium for legislative members of the regulatory reform review commission for the biennium beginning July 1, 1993, and ending June 30, 1995.

**SECTION 5. REGULATORY REFORM REVIEW COMMISSION EXPENSES - CHARGES TO UTILITY COMPANIES.** The public service commission shall charge public utility companies actual costs incurred pursuant to section 4 of this Act plus actual costs associated with the regulatory reform review commission, including expenses of legislative members of the commission for the period ending June 30, 1995, and deposit the moneys collected pursuant to this section in the general fund.

**SECTION 6. TRANSFER.** On July 1, 1993, the state treasurer shall transfer the unobligated balance of the public utility valuation fund to the general fund in the state treasury. After payment of all obligations of the public utility valuation fund, the state treasurer shall transfer the balance to the general fund in the state treasury.

**SECTION 7. APPROPRIATION.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$100,000, or so much of the sum as may be necessary, to the public service commission for the purpose of defraying the expenses of public utility regulation for the biennium beginning July 1, 1993, and ending June 30, 1995.

**SECTION 8. APPROPRIATION.** There is hereby appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$45,000, or so much of the sum as may be necessary, to the legislative council for the purpose of defraying the expenses of the legislative members of the regulatory reform review commission for the biennium beginning July 1, 1993, and ending June 30, 1995.

**SECTION 9. LEGISLATIVE INTENT - SECRETARY OF STATE.** It is the intent of the legislative assembly that the secretary of state pay no more than seventy-one percent of central indexing system fee collections to counties for the biennium beginning July 1, 1993, and ending June 30, 1995.

**SECTION 10. STATE AUDITOR - APPROPRIATION LIMITATION.** Of the \$3,275,421 appropriated from the general fund to the state auditor in subdivision 4 of section 1 of this Act, \$63,000 of this amount is equal to the estimated amount of funds remaining unspent from the general fund appropriation provided to the state auditor for the 1991-93 biennium contained in 1991 Senate Bill No. 2001. Expenditure of funds pursuant to this \$63,000 general fund appropriation included in subdivision 4 of section 1 of this Act may not exceed the amount of funds remaining unspent pursuant to the general fund appropriation contained in subdivision 5 of section 1 of 1991 Senate Bill No. 2001.

**SECTION 11. INSURANCE REGULATORY TRUST FUND - TRANSFER.** Notwithstanding subsection 3 of section 26.1-01-07.1, the state treasurer shall transfer any funds in excess of \$1,500,000 in the insurance regulatory trust fund on June 30, 1994, to the general fund."

- Page 6, line 18, replace "4" with "3" and replace "\$615,022" with "\$617,522"
- Page 6, line 25, replace "4" with "3"
- Page 6, line 29, after the period insert "The attorney general may make a payment to a city or county pursuant to this section only if the amount owed to a city or county for that quarter is ten dollars or more."
- Page 7, line 5, replace "\$1,064,000" with "\$1,025,000"
- Page 7, line 11, replace "4" with "3"
- Page 7, line 12, replace "11" with "10"
- Page 7, line 13, replace "\$97,110" with "\$112,969"
- Page 7, line 18, replace "11" with "10" and replace "\$259,025" with "\$646,996"
- Page 7, line 20, after "expenses" insert "and boiler inspection program expenses"
- Page 7, line 23, replace "11" with "10" and replace "\$111,089" with "\$129,540"
- Page 7, line 28, replace "\$179,593" with "\$182,571"
- Page 7, line 29, replace "11" with "10"
- Page 8, line 5, replace "4" with "3" and replace "\$400,000" with "\$250,000"
- Page 8, line 11, replace "4" with "3"
- Page 8, line 22, replace "9" with "8"
- Page 8, line 24, replace "4" with "3"
- Page 9, line 2, replace "5" with "4" and replace "\$1,289,530" with "\$1,245,390"
- Page 9, line 3, replace "\$1,289,530" with "\$1,245,390"

Page 9, line 7, replace "6" with "5"

Page 9, line 12, replace "10" with "9"

Page 9, line 13, replace "\$1,335,000" with "\$1,235,000"

Page 9, line 16, replace "\$600,000" with "\$650,000" and replace "\$735,000" with "\$585,000"

Page 9, line 18, replace "\$735,000" with "\$585,000" and replace "\$200,000" with "\$50,000"

Page 9, line 22, replace "\$200,000" with "\$50,000" and replace "10" with "9"

Page 9, line 24, after the second period insert "Of the \$650,000 provided for the pesticide program, \$50,000 of this amount is equal to the additional estimated amount of funds remaining unspent in addition to the amounts appropriated in Senate Bill No. 2387 from the appropriation provided for the pesticide program for the 1991-93 biennium contained in 1991 Senate Bill No. 2025. Expenditure of funds pursuant to this \$50,000 included in the estimated income line item in subdivision 9 of section 1 of this Act may not exceed the amount of funds remaining unspent, pursuant to the appropriation contained in 1991 Senate Bill No. 2025 considering the amounts appropriated in Senate Bill No. 2387."

Page 9, after line 24, insert:

"SECTION 27. AMENDMENT. Section 5-03-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**5-03-01. State wholesale license required - Qualifications - Penalty - Exception.** Before any person engages in the sale at wholesale of beer or liquor in this state, that person shall first procure a license from only the state treasurer. That A lender who acquires an inventory of beer or liquor by reason of foreclosure of a security interest in the inventory is exempt from obtaining a license before the sale of the inventory. The lender shall offer the inventory for sale first to the wholesaler. A lender who forecloses upon a security interest in beer inventory for which the lender has a security interest shall dispose of the beer inventory within ninety days of obtaining possession of the inventory. The license must only allow sale to licensed retailers, licensed wholesalers, regular retail outlets on federal military reservations, and sale for export from a federally bonded warehouse, or a foreign trade zone, to an export bonded warehouse. No such license may be issued unless the applicant files a sworn application, accompanied by the required fee, showing the following qualifications:

1. If the applicant is not a corporation, the applicant must be a citizen of the United States and a resident of this state and a person of good moral character. If the applicant is a corporation, the manager of the licensed premises must be a resident of this state, a citizen of the United States, and a person of good moral character, and the officers, directors, and stockholders must be citizens of the United States and persons of good moral character. Corporate applicants must first be properly registered with the secretary of state.
2. The state treasurer may require the applicant to set forth other information necessary to enable the state treasurer to determine if a license should be granted.
3. A person is not eligible for such a license unless that person has a warehouse and office in this state, in which is

kept a complete set of records relative to that person's alcoholic beverage transactions in this state.

4. The applicant may not have any financial interest in any retail alcoholic beverage business.
5. The provisions of this section relating to warehousing do not apply to a wholesaler of beer located in an adjoining state that permits wholesalers licensed in North Dakota to deliver beer to retailers without warehousing in that state.

Any person distributing alcoholic beverages in this state without compliance with ~~the provisions of~~ this title is guilty of a class B misdemeanor.

**SECTION 28. AMENDMENT.** Subsection 3 of section 26.1-01-07.1 of the North Dakota Century Code is amended and reenacted as follows:

3. Any cash balance in the insurance regulatory trust fund after all current biennium expenditures are met must be carried forward in the insurance regulatory trust fund for the next succeeding biennium, except when the balance at the end of the biennium exceeds ~~two~~ one million ~~five hundred thousand~~ dollars, any excess will be transferred to the general fund in the state treasury.

**SECTION 29. AMENDMENT.** Subsection 7 of section 49-02-02 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

7. Employ, and fix the compensation of, rate experts, engineers, auditors, attorneys, and all other expert help and assistance for hearings or investigations on rate increase application hearings, investigations, and proceedings relating to applications filed by gas, or electric, or telecommunications public utilities. The expense of any ~~hearings, or investigations, and proceedings,~~ and the ~~compensation and~~ actual expenses of any employees of the commission while engaged upon any ~~such hearing, or investigation, or proceeding,~~ shall ~~must~~ must upon the order of the commission be paid by the public utility ~~being investigated or involved in such hearing or proceeding.~~ The commission shall ascertain ~~such~~ the costs and expenditures. After giving the public utility notice and opportunity to demand a hearing, and after a hearing, if any, is held, the commission shall render a bill and make an order for payment by certified mail or by personal delivery to one of the managing officers of the public utility. The billing and order may be made from time to time during the ~~hearing, or investigation, or proceeding,~~ or at the conclusion thereof, as the commission ~~shall determine~~ determines. Upon receipt of the bill and order for payment, as evidenced by return receipt or other proof, the public utility, ~~within ten days after receipt,~~ shall pay to the commission the amount billed. All amounts not paid within thirty days after receipt of the order for payment shall draw interest at the rate of six percent per annum from the date of receipt of the order. All costs and expenses collected by the commission under this subsection shall ~~must~~ must be ~~paid into~~ deposited in the general fund ~~of in~~ the state treasury."

Page 10, after line 10, insert:

**"SECTION 31. AMENDMENT.** Section 54-12-17 of the North Dakota Century Code is amended and reenacted as follows:

54-12-17. Consumer fraud protection and antitrust division. A consumer ~~fraud~~ protection and antitrust division is created under the attorney general. This division consists of a director and such other personnel as may be appointed by the attorney general. ~~It~~ The division shall act to enforce the consumer fraud laws and act with regard to the use or employment by any person of any deceptive act or practice, fraud, false pretense, false promise, or misrepresentation with the intent that others rely thereon in connection with the sale or advertisement of any merchandise, whether or not any person has in fact been misled, deceived, or damaged thereby, and shall make full investigation of such activities and maintain adequate facilities for filing reports, examining persons and merchandise in regard thereto, and storing impounded books, records, accounts, papers, and samples of merchandise relating to same. The division shall ~~further~~ cooperate with other governmental agencies, national, state, or local, and with all peace officers of the state in regard thereto. The division ~~shall~~ also shall investigate antitrust violations and enforce antitrust laws."

Page 10, line 16, overstrike "fraud" and insert immediately thereafter "protection"

Page 10, line 19, overstrike "fraud" and insert immediately thereafter "protection" and overstrike "and"

Page 10, line 21, after "bond" insert ", and all funds and fees collected by the gaming section for licensing tribal gaming and for the investigation of gaming employees, applicants, organizations, manufacturers, distributors, or tribes involved in state or tribal gaming"

Page 10, line 23, overstrike "fraud" and insert immediately thereafter "protection"

Page 11, line 2, overstrike "fraud" and insert immediately thereafter "protection"

Page 11, after line 12, insert:

"SECTION 33. A new section to chapter 54-12 of the North Dakota Century Code is created and enacted as follows:

Loans for law enforcement activities. The attorney general may obtain unsecured loans from any financial institution in this state for the purpose of conducting the activities listed in subsection 1 of section 54-12-14. Any funds obtained under this section must be repaid at the end of each biennium and are not subject to appropriation limitations.

SECTION 34. AMENDMENT. Section 60-06-06.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

60-06-06.1. **Determination - Appropriation.** Any party may petition the public service commission to determine rights governed under this chapter. The commission shall determine the matter in accordance with chapter 28-32 and the parties' rights of appeal are as limited by chapter 28-32. The commission shall conduct each hearing required under this section in the county where the right of way at issue is located. The parties to the determination proceeding shall pay the expense of the proceeding, the compensation of any experts, and actual expenses of any employees of the commission while engaged in the proceeding. The commission shall ascertain those costs and expenditures and, after giving the parties notice and opportunity to be

heard, and after a hearing to determine the amount of cost and expenditures if a hearing is demanded by either of the parties, shall render a bill and make and transmit to the parties an order for payment by registered mail. Within ten days after receipt of the order, the parties shall pay to the commission the amount of the costs and expenses. The commission shall deposit all costs and expenses collected under this section in the ~~public utility valuation revolving general~~ fund in the state treasury. ~~All moneys transferred or deposited in the public utility valuation revolving fund for the payment of costs and expenses incurred under this section are hereby appropriated. These moneys are not subject to section 54-44.1-11.~~

**SECTION 35. REPEAL.** Sections 49-06-18, 49-06-19, 49-06-20, 49-06-21, and 49-06-22 of the North Dakota Century Code and section 49-06-23 of the 1991 Supplement to the North Dakota Century Code are repealed."

Renumber accordingly

**STATEMENT OF PURPOSE OF AMENDMENT:**

**DEPARTMENT 035 - INSURANCE TAX TO FIRE DEPARTMENTS**

CONFERENCE COMMITTEE - This amendment provides a separate appropriation for insurance tax payments to fire departments of \$5,262,700 from the insurance tax distribution fund rather than appropriating the payments in the Insurance Commissioner's appropriation from the general fund. This amount is in compliance with the provisions of House Bill No. 1036 as passed by the Legislative Assembly.

A section is added appropriating additional income deposited in the insurance tax distribution in accordance with the provisions of House Bill No. 1036 to the Insurance Commissioner for making insurance premium tax payments to fire departments, subject to Budget Section approval.

**DEPARTMENT 101 - GOVERNOR'S OFFICE**

CONFERENCE COMMITTEE - This amendment makes the following changes:

The Lieutenant Governor's office is combined into the Governor's office as follows:

Salaries and wages (3 FTE)	\$258,908
Information services	781
Operating expenses	7,132
Equipment	1,300
Contingency	<u>6,893</u>
Total general fund	\$275,014

The salaries and wages line item is increased by \$8,103 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$3,356 from the general fund in accordance with provisions of House Bill No. 1018.

Funding for the Yellowstone-Missouri-Fort Union Commission is increased by \$2,000 from the general fund, from \$3,239 to \$5,239.

In total, funding for the Governor's office is increased by \$288,473 from the general fund.

**DEPARTMENT 106 - LIEUTENANT GOVERNOR'S OFFICE**

CONFERENCE COMMITTEE - This amendment combines funding for the Lieutenant Governor's office with the Governor's office. Funding of \$275,014 from the general fund is transferred to the Governor's office budget.

DEPARTMENT 108 - SECRETARY OF STATE

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$17,420 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$66,088 from the general fund in accordance with the provisions of House Bill No. 1018.

A limited liability administration line item of \$5,000 from the general fund is added for costs relating to the approval of Senate Bill No. 2222 (limited liability company bill).

The grants line item of \$600,000 from the general fund is removed. The payments to counties for their share of central indexing system fee collections will be paid through the Office of Management and Budget's miscellaneous refund account; therefore, no specific appropriation is made for these payments, and the amounts projected to be spent are not reflected in total state appropriations.

A section of legislative intent is added providing that the Secretary of State pay no more than 71 percent of central indexing system fee collections to the counties.

In total, this amendment reduces funding for the Secretary of State's office by \$511,492 from the general fund.

DEPARTMENT 117 - STATE AUDITOR

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$16,472, \$10,882 of which is from the general fund, to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$7,429, \$6,241 of which is from the general fund in accordance with the provisions of House Bill No. 1018.

Funding from the general fund is increased by \$63,000 and other funds are reduced by \$63,000 to provide partial funding of the political subdivision audit program from the general fund. A section is added limiting expenditures relating to this \$63,000 general fund appropriation to the amount of the State Auditor's unspent 1991-93 general fund appropriation authority.

In total, this amendment increases funding for the State Auditor's office by \$23,901. General fund support is increased by \$80,123 and other funds are reduced by \$56,222.

DEPARTMENT 120 - STATE TREASURER

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$5,340 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$7,782 from the general fund to reflect the provisions of House Bill No. 1018 and to provide an additional \$6,000 for information services costs.

The veterans' postwar trust fund line item is increased by \$5,670 from the general fund to restore funding reduced during the 1991-93 biennium as a result of the general fund allotment ordered by the Governor.

In total, funding for the State Treasurer's office is increased by \$18,792 from the general fund.

DEPARTMENT 125 - ATTORNEY GENERAL

CONFERENCE COMMITTEE - This amendment makes the following changes:

The salaries and wages line item is changed as follows:

	GENERAL FUND	SPECIAL FUNDS	TOTAL
Funding to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials	\$46,351	\$ 2,106	\$ 48,457
Five FTE assistant Attorneys General relating to Workers Compensation Bureau		463,782	463,782
Restore a portion of the funding for vacant positions reduced by the House (the House reduced \$123,407 which the Senate restored)	<u>50,000</u>	<u>          </u>	<u>50,000</u>
Total	\$96,351	\$465,888	\$562,239

The information services line item remains at the House level in accordance with provisions of House Bill No. 1018 (information services reduction totals \$58,576, \$26,384 of which is from the general fund).

Funding for the Racing Commission is provided in a special line item and additional operating funding is provided as follows:

	GENERAL FUND	
Salaries and wages	\$(92,089)	
Information services	(11,500)	
Operating expenses	(56,332)	
Racing Commission	<u>159,921</u>	\$159,921
Additional general fund support including 1 FTE	\$ 0	<u>62,500</u>
Total Racing Commission line item		\$222,421

The operating expenses line item is increased by \$25,225, \$22,725 of which is from the general fund, for prosecution witness fees relating to Senate Bill No. 2081 and \$2,500 from the fire and tornado fund for additional percent of green program operating costs.

The grants line item is increased by \$979,940 of federal funds for additional drug abuse grants.

The grants to state agencies line item is decreased by \$437,477 of federal funds relating to drug abuse grants.

The state employee defense line item is reduced by \$150,000 from the bonding fund to provide less funding for state employee defense.

Other funds are increased by \$120,873 and funding from the general fund is reduced by \$120,873 to reflect funding source changes of the Insurance Department and Department of Banking and Financial Institutions from the

general fund to special funds. The Attorney General will bill these agencies for legal services because they have been changed to special funds.

North Dakota Century Code Section 5-03-01 is amended to provide an exemption for lenders who acquire beer or liquor inventory by reason of foreclosure from the requirement of obtaining a license before selling the inventory.

North Dakota Century Code Section 54-12-18 is amended to allow the Attorney General to collect and spend funds relating to Indian gaming pursuant to a continuing appropriation.

North Dakota Century Code Sections 54-12-17 and 54-12-18 are amended to change the name of the Consumer Fraud and Antitrust Division to the Consumer Protection and Antitrust Division.

A new section to North Dakota Century Code Chapter 54-12 is added allowing the Attorney General to obtain unsecured loans for law enforcement purposes.

The section regarding local gaming enforcement grants is changed to provide that the Attorney General may make a payment to a city or county only if the amount to be paid for that quarter is \$10 or more.

In total, funding for the Attorney General's office is increased by \$1,042,427, \$60,703 of which is from the general fund and \$981,724 is from other funds.

#### DEPARTMENT 127 - TAX COMMISSIONER

CONFERENCE COMMITTEE - This amendment makes the following changes:

The salaries and wages line item is changed as follows:

	GENERAL FUND
Funding to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials	\$ 85,738
One FTE clerk	32,954
Restore \$45,000 of the \$110,000 reduced by the House for vacant positions (the Senate restored \$60,000)	<u>45,000</u>
Total increase	\$163,692

The information services line item remains at the House level in accordance with provisions of House Bill No. 1018 (information services reduction totals \$151,739 from the general fund).

The expert witness contingency line item is changed to an attorney and expert witness contingency line item and funding is increased by \$30,000 from the general fund, from \$160,000 to \$190,000. This change allows the Tax Commissioner to obtain additional legal assistance if needed. (The House provided no change and the Senate provided an increase of \$40,000.)

In total, this amendment increases funding for the Tax Department by \$193,692 from the general fund.

#### DEPARTMENT 160 - LEGISLATIVE COUNCIL

CONFERENCE COMMITTEE - This amendment provides a \$3,000 general fund appropriation to the Legislative Council for paying per diem of legislative members of the Regulatory Reform Review Commission for the 1991-93 biennium during the 1993-95 biennium and a \$45,000 general fund appropriation to the Legislative Council to pay the expenses of the legislative members of the Regulatory Reform Review Commission for the 1993-95 biennium.

## DEPARTMENT 401 - INSURANCE COMMISSIONER

CONFERENCE COMMITTEE - This amendment makes the following changes:

Funding of \$5,200,000 from the general fund for insurance tax payments to fire departments is removed and funding of \$5,262,700 from the insurance tax distribution fund is provided in a separate section, the same as the Senate version. The House provided that this appropriation be from the general fund.

Funding for the Insurance Department is changed from the general fund to the insurance regulatory trust fund, the same as the Senate version. The House provided that the Insurance Department receive its funding from the general fund. This change reduces funding from the general fund by \$3,020,868 and increases funding from special funds by \$3,020,868.

The salaries and wages line item is increased for the following:

Funding to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials	\$ 12,772
Senior outreach (federal funds)	31,667
Senior outreach (state match)	30,000
Restore a portion of funding for vacant positions reduced in the executive budget	47,104
Pay equity increases	<u>62,160</u>
Total special funds	\$183,703

The information services line item is increased for the following:

Senior outreach (federal funds)	\$ 2,250
Information services adjustment in accordance with provisions of House Bill No. 1018	<u>6,524</u>
Total special funds	\$ 8,774

The operating expenses line item is increased for the following:

Senior outreach (federal funds)	\$ 30,000
Legal fees	17,000
Other increases to provide funding at the 1991-93 biennium level	<u>82,033</u>
Total special funds	\$129,033

The equipment line item is increased by \$8,000 of special funds to provide funding at the 1991-93 biennium level

The boiler inspection line item is increased for the following:

Salaries for upgrading 1 FTE position to inspector	\$ 40,165
Additional moving and operating costs	<u>13,000</u>
Increase from the fire and tornado fund	\$ 53,165

Administrative cost allocations to special funds are adjusted as follows:

Bonding fund	\$ 15,859
Fire and tornado fund	334,806
Unsatisfied judgment fund	18,451
Petroleum tank release compensation fund	2,978
Insurance regulatory trust fund	<u>(372,094)</u>

Total \$ 0

A section is added providing that any funds in excess of \$1,500,000, in the insurance regulatory trust fund on June 30, 1994, be transferred to the general fund and subsection 3 of Section 26.1-01-07.1 is amended to provide that funds in excess of \$1,500,000 rather than \$2,000,000 in the insurance regulatory trust fund be transferred to the general fund at the end of each biennium.

In total, this amendment reduces funding for the Insurance Commissioner by \$4,817,325. Funding of \$8,220,868 from the general fund is deleted and funding from special funds is increased by \$3,403,543, from \$1,003,541 to \$4,407,084.

#### DEPARTMENT 406 - LABOR COMMISSIONER

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$28,000 from the general fund, including one FTE undesignated position, which was removed by the House.

The salaries and wages line item is increased by \$3,772 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$2,035, \$1,764 of which is from the general fund in accordance with provisions of House Bill No. 1018.

The operating expenses line item is reduced by \$35,838, \$31,742 of which is from the general fund, to remove funding for indirect cost allocation payments to the Office of Management and Budget because the Labor Commissioner will not be charged for these costs.

In total, this amendment decreases funding for the office of Labor Commissioner by \$2,031. General fund support is increased by \$1,794 and other funds are reduced by \$3,825.

#### DEPARTMENT 408 - PUBLIC SERVICE COMMISSION

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$9,003, \$6,122 of which is from the general fund, to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The salaries and wages line item is reduced by \$63,438, \$36,794 of which is from the general fund, including the reduction of 1 FTE position relating to gas metering responsibilities.

The information services line item is increased by \$8,414, \$5,529 of which is from the general fund, in accordance with provisions of House Bill No. 1018.

The operating expenses line item is reduced as follows relating to funding for indirect cost allocation payments to the Office of Management and Budget:

	ENGROSSED HOUSE BILL NO. 1001	CHANGE	CONFERENCE COMMITTEE VERSION
General fund	\$ 86,016	\$ (86,016)	\$ 0
Special funds	<u>149,806</u>	<u>(94,806)</u>	<u>55,000</u>
Total	\$235,822	\$(180,822)	\$55,000

A section is added authorizing the Public Service Commission to charge public utility companies for costs associated with the Regulatory Reform Review Commission.

A section is added appropriating \$100,000 from the general fund for employing experts and for other assistance in regulating public utilities during the 1993-95 biennium.

Section 60-06-01.1 is amended to provide that funds collected under this section be deposited in the general fund rather than the public utility valuation revolving fund.

Section 49-06-18 is repealed because the commission has similar authority under subsection 7 of Section 49-02-02. Other section also repealed are Sections 49-06-19, 49-06-20, 49-06-21, 49-06-22, and 49-06-23 relating to provisions of section 49-06-18 and the public utility valuation revolving fund because funds previously deposited in this fund will now be deposited in the general fund.

Subsection 7 of Section 49-02-02 is amended to remove references to telecommunications and proceedings to correspond with the provisions of Senate Bill No. 2440.

In total, this amendment decreases funding for the Public Service Commission by \$126,843, \$11,159 of which is from the general fund and \$115,684 of other funds.

#### DEPARTMENT 414 - SECURITIES COMMISSIONER

CONFERENCE COMMITTEE - Under provisions of this amendment, the Securities Commissioner continues to operate as a separate agency and receive its funding from the general fund, the same as the House version. The Senate provided that the Securities Commissioner's office be combined with the Insurance Department and receive a special fund appropriation.

The salaries and wages line item is increased by \$2,483 from the general fund to reflect the state employee salary increase provisions of House Bill No. 1018.

The information services line item is increased by \$1,499 from the general fund in accordance with provisions of House Bill No. 1018.

In total, this amendment increases funding for the Securities Commissioner by \$3,982 from the general fund.

#### DEPARTMENT 602 - AGRICULTURE COMMISSIONER

CONFERENCE COMMITTEE - The salaries and wages line item is increased by \$21,103, \$16,882 of which is from the general fund, to reflect the state employee salary increase provisions of House Bill No. 1018, excluding elected officials.

The information services line item is increased by \$7,283, \$6,617 of which is from the general fund, in accordance with provisions of House Bill No. 1018.

The operating expenses line item is reduced by \$213,034, \$116,168 of which is from the general fund, to remove funding for indirect cost allocation payments to the Office of Management and Budget.

Funding is added for the livestock division as follows:

Salaries and wages (1 FTE)	\$64,846
Operating expenses	<u>6,050</u>
Total general fund	\$70,896

Funding of \$100,000 for Agriculture Mediation is changed from the general fund to special funds and two FTE positions are added for the program.

The noxious weeds line item is reduced by \$50,000. Funding from the general fund is increased by \$100,000 and the \$200,000 of projected unspent 1991-93 appropriations from the environment and rangeland protection fund is reduced to \$50,000.

Funding of \$50,000 from the general fund is added for rangeland grasshopper control.

Funding of \$50,000 of projected unspent 1991-93 appropriations from the environment and rangeland protection fund is provided for the pesticide disposal program.

Funding for the waterbank program is increased by \$106,000 of other funds to allow the department to raise additional funds for the program.

In total, this amendment increases funding for the Agriculture Department by \$42,248, \$28,227 of which is from the general fund and \$14,021 of other funds.

COMPARISON OF GENERAL FUND APPROPRIATIONS IN HOUSE BILL NO. 1001

HOUSE VERSION	SENATE VERSION	CONFERENCE COMMITTEE VERSION	CONFERENCE COMMITTEE CHANGE TO HOUSE VERSION	CONFERENCE COMMITTEE CHANGE TO SENATE VERSION
Governor's office	\$ 1,674,340	\$ 1,990,677	\$ 1,962,813	\$ 288,473
Lt. Governor's office	275,014	0	0	(275,014)
Secretary of State	4,150,908	3,666,911	3,639,416	(511,492)
State Auditor	3,195,298	3,270,205	3,275,421	80,123
State Treasurer	1,370,301	1,395,318	1,389,093	18,792
Attorney General	11,716,282	12,502,376	11,776,985	60,703
Tax Department	14,517,693	14,984,106	14,711,385	193,692
Legislative Council	0	48,000	48,000	48,000
Insurance Commissioner	8,220,868	0	0	(8,220,868)
Labor Commissioner	635,661	647,053	637,455	1,794
Public Service Commission	3,602,697	3,699,447	3,591,538	(11,159)
Securities Commissioner	602,710	0	606,692	3,982
Agriculture Department	<u>4,358,553</u>	<u>4,490,458</u>	<u>4,386,780</u>	<u>28,227</u>
Total	\$54,320,325	\$46,694,551	\$46,025,578	\$(8,294,747)

Engrossed HB 1001 was placed on the Seventh order of business on the calendar.

**MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)**

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: SB 2024.

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

**REPORT OF CONFERENCE COMMITTEE**

REP. GERNTHOLZ MOVED that the conference committee report on Engrossed HB 1001 be adopted, which motion prevailed.

Engrossed HB 1001, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

HB 1001: A BILL for an Act to provide an appropriation for defraying the expenses of various elected officials, the securities commissioner, the legislative council, and the insurance tax payments to fire departments; to create and enact a new section to chapter 54-12 of the North Dakota Century Code, relating to the authority of the attorney general to borrow funds to obtain evidence for law enforcement; to amend and reenact section 5-03-01, subsection 3 of section 26.1-01-07.1, subsection 7 of section 49-02-02, sections 53-06.1-12.1, 54-12-17, 54-12-18, and 60-06-06.1 of the North Dakota Century Code, relating to an exemption to wholesale liquor license requirements, the operation of the insurance regulatory trust fund, regulation of public utilities by the public service commission, deposit of the games of chance tax, operation of the attorney general refund fund, and the name of the consumer fraud and antitrust division; and to repeal sections 49-06-18, 49-06-19, 49-06-20, 49-06-21, 49-06-22, and 49-06-23 of the North Dakota Century Code, relating to costs of hearings for purposes of valuing public utility property and the public utility valuation fund.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 96 YEAS, 0 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

YEAS: Aarsvold; Allmaras; Bateman; Belter; Berg, J.; Bernstein; Bodine; Boehm; Boucher; Brodshaug; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Cleary; Coats; Dalrymple; DeWitz; Dobrinski; Dorso; Drovdal; Freier; Froseth; Gates; Gerntholz; Glassheim; Goffe; Gorder; Gorman; Grosz; Grumbo; Gulleston; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Kilichowski; Klein; Kretschmar; Kroeber; Kunkel; Laughlin; Mahoney; Maragos; Martin; Martinson; Monson; Mutzenberger; Nelson; Ness; Nicholas; Nichols; Oban; Olsen, D.; Olson, A.; Payne; Poolman; Porter; Price; Pyle; Rennerfeldt; Ring; Rydell; Schindler; Shide; Sitz; Skarphol; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

ABSENT AND NOT VOTING: Austin; Henegar

Engrossed HB 1001 passed and the title was agreed to.

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**HOUSE ENGROSSING AND ENROLLING REPORT**

The following resolution was enrolled: HCR 3074.

**CONSIDERATION OF MESSAGE FROM THE SENATE**

REP. DALRYMPLE MOVED that the House do concur in the Senate amendments to Engrossed HB 1519 as printed on HJ pages 2135-2136, which motion prevailed.

Engrossed HB 1519, as amended, was placed on the Eleventh order of business on the calendar.

**SECOND READING OF HOUSE BILL**

HB 1519: A BILL for an Act to provide an appropriation for defraying the expenses of the North Dakota university system and the various institutions of higher learning under the supervision of the state board of higher education, to provide an exemption to the provisions of section 54-44.1-11, and to authorize the state board of higher education to convey certain state-owned land to Ramsey County, North Dakota.

**ROLL CALL**

The question being on the final passage of the amended bill, which has been read, the roll was called and there were 76 YEAS, 20 NAYS, 0 EXCUSED, 2 ABSENT AND NOT VOTING.

**YEAS:** Aarsvold; Allmaras; Belter; Bernstein; Boucher; Brown; Byerly; Carlisle; Carlson, A.; Carlson, C.; Christopherson; Clayburgh; Dalrymple; DeWitz; Dobrinski; Dorso; Freier; Froseth; Gates; Gerntholz; Goffe; Gorder; Gorman; Grumbo; Gulleson; Hagle; Hanson; Hausauer; Hokana; Holm; Howard; Huether; Jacobs; Johnson; Kaldor; Keiser; Kelsch; Kempenich; Kerzman; Klein; Kretschmar; Kroeber; Kunkel; Mahoney; Maragos; Martin; Martinson; Monson; Nicholas; Nichols; Olsen, D.; Olson, A.; Payne; Porter; Price; Rennerfeldt; Rydell; Schindler; Shide; Sitz; Soukup; St. Aubyn; Stenehjem; Stenson; Svedjan; Sveen; Thorpe; Timm; Tollefson; Torgerson; Wald; Wanzek; Wardner; Wentz; Wilkie; Speaker R. Berg

**NAYS:** Bateman; Berg, J.; Bodine; Boehm; Brodshaug; Cleary; Coats; Drovdal; Glassheim; Grosz; Kilichowski; Laughlin; Mutzenberger; Nelson; Ness; Oban; Poolman; Pyle; Ring; Skarphol

**ABSENT AND NOT VOTING:** Austin; Henegar

Engrossed HB 1519 passed and the title was agreed to.

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**SIGNING OF BILLS AND RESOLUTIONS**

The Speaker signed the following enrolled resolution: HCR 3074.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

MADAM PRESIDENT: The Speaker has signed and your signature is respectfully requested on: HCR 3074.

**MOTION**

REP. MARTINSON MOVED that the House message HB 1519 and HB 1001 to the Senate immediately, which motion prevailed.

**ANNOUNCEMENT BY THE SPEAKER**

SPEAKER R. BERG ANNOUNCED that the House would stand in recess until 7:00 p.m.

**REPORT OF CONFERENCE COMMITTEE**

SB 2024, as engrossed: Your conference committee (Sens. Dotzenrod, Kinnoin, Teneffos (refused to sign) and Reps. Timm, Wardner, Nelson) recommends that the HOUSE RECEDE from the House amendments on HJ page 1061, adopt amendments as follows, and place SB 2024 on the Seventh order:

That the House recede from its amendments as printed on page 988 of the Senate Journal and page 1061 of the House Journal and that Engrossed Senate Bill No. 2024 be amended as follows:

Page 1, line 16, replace "A" with "For taxable year 1993, a taxing district may elect to levy at most three percent more than the amount levied in dollars in the base year. For taxable year 1994, a" and remove "in the"

Page 1, line 17, remove "budget year"

Renumber accordingly

Engrossed SB 2024 was placed on the Seventh order of business on the calendar.

#### REPORT OF CONFERENCE COMMITTEE

**HB 1416, as engrossed:** Your conference committee (Sens. Marks, W. Stenehjem, Andrist and Reps. Kelsch, Drovdal, Allmaras) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1493-1516, adopt amendments as follows, and place HB 1416 on the Seventh order:

That the Senate recede from its amendments as printed on pages 1493-1516 of the House Journal and pages 1296-1319 and page 1328 of the Senate Journal and that Engrossed House Bill No. 1416 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 53-06.1-01, subsection 1 of section 53-06.1-01.1, sections 53-06.1-01.2, 53-06.1-02, 53-06.1-02.1, 53-06.1-03, 53-06.1-03.3, 53-06.1-05, 53-06.1-05.1, 53-06.1-06, 53-06.1-07, 53-06.1-07.1, 53-06.1-07.2, 53-06.1-07.3, 53-06.1-07.4, 53-06.1-08, 53-06.1-08.1, 53-06.1-09, 53-06.1-10, 53-06.1-10.1, 53-06.1-11, 53-06.1-12, 53-06.1-12.2, 53-06.1-13, 53-06.1-13.1, 53-06.1-14, 53-06.1-15, 53-06.1-15.1, 53-06.1-15.4, 53-06.1-16, 53-06.1-16.1, 53-06.1-16.2, 53-06.1-17, and subsection 5 of section 53-06.2-11 of the North Dakota Century Code, relating to games of chance and the gaming commission.

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

**SECTION 1. AMENDMENT.** Section 53-06.1-01 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

##### **53-06.1-01. Definitions. As used in this chapter:**

1. "Adjusted gross proceeds" means, ~~except in the case of the for~~ games of draw poker and stud poker authorized under section 53-06.1-07.2, gross proceeds less cash prizes ~~or and~~ the price of merchandise prizes ~~and, less~~ the charitable gaming tickets pull tab excise tax imposed by section 53-06.1-12.2, and less the amount of federal excise tax and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401]. In the games of draw poker and stud poker, "adjusted gross proceeds" means the time buy-ins or tournament fees collected by the eligible licensed organization.
2. "~~Bona fide guest~~" means ~~a person who is not a member of an eligible organization, but who is allowed to use the facilities of the organization when invited by a member of the organization in accordance with the eligible organization's bylaws, articles of incorporation, charter, rules, or other written statement.~~

- 3- ~~"Charitable gaming ticket" means the game piece used in pull tab games or jar ticket games.~~
- 4- "Charitable organization" means any ~~nonprofit~~ an organization operated incorporated as a nonprofit corporation whose primary purpose is for the relief of poverty, distress poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or other condition of public concern within this state, which has been so engaged actively fulfilling its primary purpose within this state for the two immediately preceding years.
- 5- 3. "Civic and service club organization" means any branch, lodge, or chapter of a nonprofit national or state organization which is authorized by its written constitution, charter, articles of incorporation, or bylaws to engage in a civic or service purpose within this state, and which shall have existed in has been actively fulfilling its primary purpose within this state for the two immediately preceding years. ~~"Civic and service club"~~ The term also means a similar local nonprofit organization, not affiliated with a state or national organization, which is recognized by resolution adopted by the governing body of the city in which the organization conducts its principal activities, or by the governing body of a county if ~~such~~ the organization conducts its principal activities outside the limits of a city ~~but~~ within a county. Such ~~club~~ organization ~~shall~~ must have existed ~~in~~ been actively fulfilling its primary purpose within this state for the two immediately preceding years.
- 6- 4. "Commission" means the state gaming commission.
- 7- 5. "Distributor" means a person, ~~firm, corporation, association, or organization~~ which that sells, markets, or otherwise distributes ~~raffle tickets, bingo gaming equipment, or any other implements of gambling~~ usable in the lawful conduct of games of chance under this chapter. ~~"Distributor"~~ The term does not include a resident printer who prints raffle tickets at the request of a licensed ~~or~~ authorized organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to ~~such~~ the organization.
- 8- 6. "Educational, charitable, patriotic, fraternal, religious, or other public-spirited uses" are:
- a. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting those organizations that are exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code.~~ Uses for stimulating and promoting state and community-based economic development programs within the state which improve the quality of life of community residents.
  - b. ~~To the extent used for purposes enumerated in subdivisions c through l, uses benefiting an organization registered with the North Dakota secretary of state under chapter 50-22.~~ Uses for developing, promoting, and supporting tourism within a city or the state.
  - c. Uses benefiting an indefinite number of persons by bringing them under the influence of education, cultural programs, or religion which include disbursements to provide:

- (1) Scholarships for students, if the disbursement is deposited in a scholarship fund for defraying the cost of education to students and the scholarships are awarded through an open and fair selection process.
  - (2) Supplementary assistance to a public or private nonprofit educational institution registered with or accredited by any state.
  - (3) Assistance to libraries and museums.
  - (4) Assistance for the performing arts and humanities.
  - (5) Preservation of cultural heritage.
  - (6) Youth community and athletic activities.
  - (7) Adult amateur athletic activities within the state, such as softball, including uniforms and equipment.
  - (8) Maintenance of places of public worship or support of a body of communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.
  - (9) Scientific research.
- d. Uses benefiting an indefinite number of persons by relieving them of disease, suffering, or constraint which include disbursements to provide:
- (1) Relief to an individual or family suffering from poverty or homelessness.
  - (2) Encouragement and enhancement of the active participation of the elderly in our society.
  - (3) Services to the abused.
  - (4) Services to persons with an addicted behavior toward alcohol, gambling, or drugs.
  - (5) Funds to combat juvenile delinquency and rehabilitate ex-offenders.
  - (6) Relief for the sick, diseased, and terminally ill and their physical well-being.
  - (7) Funds for emergency relief and volunteer services.
  - (8) Funds to nonprofit nursing homes and other nonprofit medical facilities.
  - (9) Social services and education programs aimed at aiding ~~the~~ emotionally and physically distressed, handicapped, elderly, and underprivileged persons.
  - (10) Funds for crime prevention, fire protection and prevention, and public safety.
- e. (1) Fraternal uses, consistent with uses and ~~priorities~~ enumerated in subdivisions e a through ~~7~~ and ~~section 53-06.1-02~~ m, specified by an

organization's constitution, charter, articles of incorporation, or bylaws and not of direct benefit to the eligible organization.

- (2) Fraternal uses or disbursements to perpetuate the memory and history of the dead.
- f. Uses increasing comprehension of and devotion to the principles upon which the nation was founded, not of direct benefit to the eligible organization or any member thereof which include disbursements to aid in teaching the principles of liberty, truth, justice, and equality. However, beauty pageants are excluded from receiving ~~charitable gaming funds~~ net proceeds under this subdivision or any other provision of this chapter.
- g. The erection or maintenance of public buildings or works, public utilities, or public waterworks.
- h. Uses otherwise lessening the burden of government which include disbursements to any entity that is normally funded by the city, county, state, or United States government and disbursements directly to a city, county, state, or the United States government, or any agency, political subdivision, or instrumentality thereof.
- i. Uses benefiting a definite number of persons who are the victims of loss of home or household possessions through explosion, fire, flood, or storm and the losses uncompensated by insurance.
- j. Uses benefiting a definite number of persons suffering from a seriously disabling disease or injury causing severe loss of income or incurring extraordinary medical expense which is uncompensated by insurance.
- k. Uses, for community service projects, by chambers of commerce exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code. A project qualifies as a community service project if it promotes the common good, enhances the social welfare of the community, and benefits an indefinite number of persons. The specific goals of a community service project may be to develop or promote public services in areas such as education, housing, transportation, recreation, crime prevention, fire protection and prevention, safety, and health. Uses that directly benefit a chamber of commerce do not qualify.
- l. Uses for or of benefit to efforts in support of the health, comfort, or well-being of the community which include disbursements to provide:
  - (1) Funds for adult bands, including drum and bugle corps.
  - (2) Funds for trade shows and conventions conducted in this state.
  - (3) Funds for nonprofit organizations that operate a humane society, zoo, or fish or wildlife propagation and habitat enhancement program.
  - (4) Funds for public transportation and recreation.

m. To the extent the net proceeds are used toward the primary purpose of a charitable, educational, religious, or public-spirited organization, that has obtained a final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(3) of the Internal Revenue Code, the organization may establish a special trust fund as a contingency for funding or maintaining the organization's future program services should the organization discontinue conducting games of chance or dissolve. The commission may adopt rules for the establishment of special trust funds.

Such uses do not include the erection, acquisition, improvement, maintenance, or repair of real, personal, or mixed property owned or leased by an organization unless it is used exclusively for one or more of the stated eligible uses. Eligible Except for uses related to an eligible organization's primary purpose, eligible uses do not include any activities consisting of attempts to influence legislation, or promote or oppose referendums or initiatives, or. Eligible uses do not include participation in any political campaign on behalf of any active official or person who is or has been a candidate for public office. In addition, the licensing authority commission may adopt rules to limit or restrict eligible use disbursements to ensure that funds net proceeds are best utilized for educational, charitable, fraternal, religious, patriotic, or other public-spirited purposes.

- ~~9-~~ 7. "Educational organization" means any nonprofit public or private elementary or secondary school, two-year or four-year college, or university in this state which has been ~~in~~ existence active for the two immediately preceding years.
- ~~10-~~ 8. "Eligible organization" means bona fide nonprofit veterans, charitable, educational, religious, ~~and fraternal organizations,~~ civic and service clubs, public safety, and ~~other~~ public-spirited organizations as defined by this ~~chapter~~ section, which may be licensed by the attorney general or ~~authorized~~ issued a local permit by the governing body of a city or county to conduct games of chance under this chapter.
- ~~11-~~ "Entire net proceeds" or "net proceeds" means ~~the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.~~
- ~~12-~~ 9. "Fraternal organization" means ~~a nonprofit an~~ organization within this state, except college and high school fraternities, which is incorporated as a nonprofit corporation and which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. Such The organization shall must have existed been actively fulfilling its primary purpose within this state for the two immediately preceding years, and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.

- 13- 10. "Gross proceeds" means all moneys collected or received from conducting games of chance and from games of chance admissions thereto.
- 14- 11. "Licensee" "Licensed organization" means an eligible organization licensed under this chapter by the attorney general to conduct bingo, raffles, calcuttas, pull tabs, punchboards, twenty-one, poker, and sports pools.
- 15- 12. "Licensing authority" means ~~the attorney general.~~ "Local permit" means a permit issued to a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county that authorizes the organization to conduct only bingo, raffles, and sports pools in that city or county.
- 16- 13. "Manufacturer" means a person who designs, assembles, fabricates, produces, constructs, or who otherwise prepares a product or a component part of a product of any implement of gambling usable in the lawful conduct of games of chance under this chapter. "Manufacturer" The term does not include a resident printer who prints raffle tickets at the request of a licensed or authorized organization or an organization that has been issued a local permit, and who sells or otherwise distributes such raffle tickets to such an the organization.
14. "Manufacturer's distributor" means a wholesaler of a manufacturer of electronic-mechanical pull tab dispensing devices and associated equipment who maintains a parts inventory, who sells at wholesale dispensing devices and associated equipment directly to a licensed distributor, and who does not sell or otherwise provide these items to a licensed organization.
- 17- 15. "Member" means a person who has qualified for and been admitted to membership in an eligible organization pursuant to its bylaws, articles of incorporation, charter, rules, or other written statement, and who pays regular monthly, annual, or other periodic dues or is a fully paid life member of the eligible organization. "Member" includes auxiliary members, but excludes social and honorary members.
- 18- "Other public spirited organization" means ~~a nonprofit organization which has been in existence within this state for two years and is recognized by the governing body of a city or county by resolution as public spirited and eligible to conduct games of chance under this chapter.~~
16. "Net proceeds" means the adjusted gross proceeds less such expenses and taxes as are specifically authorized under this chapter.
- 19- 17. "Person" means any person, firm, partnership, corporation, association, or organization.
18. "Public safety organization" means an organization incorporated as a nonprofit corporation whose primary purpose is to actively engage in firefighting, ambulance service, or similar disaster assistance, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years.

19. "Public-spirited organization" means an organization incorporated as a nonprofit corporation whose primary purpose is for scientific research, amateur sports competition, safety, arts, agriculture, preservation of cultural heritage, educational activities, educational public service, youth, or similar organization, and which does not meet the definition of veterans, fraternal, charitable, educational, religious, civic and service, or public safety organization, which has been actively fulfilling its primary purpose within this state for the two immediately preceding years and is recognized by the governing body of a city or county by resolution as public spirited. However, a nonprofit organization recognized as a public-spirited organization by a governing body of a city or county for obtaining a local permit does not need to meet this definition.
20. "Pull tab" means the game piece used in deals of pull tabs.
- 20- 21. "Religious organization" means any nonprofit organization, church, body of communicants, or group gathered in common membership incorporated as a nonprofit corporation whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances which has been actively so gathered or united in this state for the two immediately preceding years.
- 21- 22. "Veterans organization" means any congressionally chartered organization within this state, or any branch or lodge or chapter of a nonprofit national or state organization within this state, the membership of which consists of individuals who were members of the armed services or forces of the United States. ~~Such organizations shall~~ The organization must have been in existence actively fulfilling its primary purpose in this state for the two immediately preceding years and must have obtained an advance ruling or final determination from the internal revenue service as qualifying for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code. However, if the organization's gross receipts in each tax year are normally not more than twenty-five thousand dollars, the organization is not required to have obtained an advance ruling or final determination from the internal revenue service.

**SECTION 2. AMENDMENT.** Subsection 1 of section 53-06.1-01.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

1. The state gaming commission consists of the chairman and four other members appointed by the governor, with the consent of the senate. The members serve three-year terms and until a successor is appointed and qualified. If the senate is not in session when the term of a member expires, the governor may make an interim appointment, and the interim appointee holds office until the senate confirms or rejects the appointment. A member appointed to fill a vacancy arising from other than the natural expiration of a term serves only for the unexpired portion of the term. The terms of the commissioners must be staggered so that one term expires each July first.

**SECTION 3. AMENDMENT.** Section 53-06.1-01.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-01.2. Duty of attorney general to participate in certain hearings - Employment of private counsel by commission. The attorney general shall represent the state in all hearings before the commission and shall prosecute all criminal proceedings arising from violations of chapters ~~53-06.1 and 53-06.2~~ this chapter. The commission may employ private counsel for ~~adoption of rules and to ensure that its hearings are conducted fairly.~~

SECTION 4. AMENDMENT. Section 53-06.1-02 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02. Organizations eligible under chapter - Use of net proceeds. Nonprofit veterans, charitable, educational, religious, and fraternal organizations, civic and service clubs, public safety, and public-spirited organizations, as ~~those terms are defined by this chapter~~, are eligible to conduct games of chance under the ~~conditions of this chapter~~. The ~~entire~~ net proceeds of such games of chance are ~~to~~ must be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter. Notwithstanding any other provision of this chapter, an eligible organization, ~~which is not required to be licensed by the attorney general, that has been issued a local permit~~ may use the net proceeds ~~of such games of chance~~ to directly benefit the eligible organization.

SECTION 5. AMENDMENT. Section 53-06.1-02.1 of the North Dakota Century Code is amended and reenacted as follows:

53-06.1-02.1. Waiver of two-year existence active requirement - Local permit. An organization that has not been ~~in existence actively fulfilling its primary purpose~~ within this state for ~~the two immediately preceding years~~ becomes an eligible ~~may be recognized as a public-spirited organization~~ for purposes of this section upon approval by the governing body of the city, if the organization will conduct games of chance ~~only~~ within that city, or upon approval by the board of county commissioners, if the organization will conduct games of chance within the county. An organization that ~~becomes an eligible is recognized as a public-spirited organization~~ under this section is not eligible for licensure by the attorney general until it has ~~been in existence actively fulfilled its primary purpose~~ within this state for ~~the two immediately preceding years~~ and may only conduct games of chance under a local authorization permit as provided in subsection 1 of section 53-06.1-03 until it ~~becomes an eligible organization as otherwise provided in this chapter.~~

SECTION 6. AMENDMENT. Section 53-06.1-03 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

53-06.1-03. ~~Licensure - Exceptions for raffles, sports pools, and bingo - City and county authorization local permits and site authorizations - Licensure by attorney general - Fees - Suspension and revocation.~~

1. ~~Except as otherwise provided in this section, eligible organizations desiring to conduct games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except for those organizations whose average annual gross proceeds do not exceed twenty five thousand dollars, for which the fee is one hundred dollars.~~
2. A nonprofit organization shall obtain a local permit as follows:

- a. Any ~~A~~ nonprofit organization recognized as ~~public spirited~~ public-spirited organization by the governing body of a city or county may obtain ~~a~~ local authorization permit to conduct only raffles or bingo in which the primary prize does not exceed one thousand dollars, and the aggregate ~~does~~ prizes do not exceed six thousand dollars annually, ~~or~~ and to conduct sports pools, for professional sports only, in which the total wagers do not exceed five hundred dollars for each pool.
- b. A nonprofit organization that conducts a city or county festival or celebration may be recognized as a public-spirited organization by the governing body of a city or county and may obtain a local authorization permit to conduct raffles in which the primary prize does not exceed one thousand dollars and the aggregate ~~does~~ prizes do not exceed two thousand dollars. For purposes of this subdivision, a "city or county festival or celebration" means an event:
- (1) In celebration of local heritage, anniversary of establishment of the political subdivision, or other significant local event recognized as public spirited by the governing body of the city or county; and
  - (2) Supported by significant community participation.
- c. To obtain a local authorization permit, the nonprofit organization shall apply directly to the governing body of the city in which ~~it conducts its principal activities the site is located where the raffle, sports pool, or bingo activity will be conducted or, if its principal activities are conducted the raffle, sports pool, or bingo activity is conducted at a site located in a county but outside the limits of a city, it the organization~~ shall apply to the board of county commissioners. ~~Applications~~ Application for the conduct of games of chance subject to authorization by a city or county a local permit must be made on forms provided by the attorney general. The governing body may by ordinance or resolution establish ~~authorization fees a~~ local permit fee not to exceed twenty-five dollars for each ~~authorization~~ local permit.
- d. For purposes of ~~this subsection~~ issuing a local permit, the determination of what is a ~~"public-spirited" organization~~ "public-spirited organization" is within the sole discretion of the governing body of the city or county.
2. Except as otherwise provided in this section, an eligible organization desiring to be licensed to conduct lawful games of chance shall apply annually for a license from the attorney general before July first on forms provided by the attorney general and shall include with the application a one hundred fifty dollar license fee, except the fee is one hundred dollars for an organization whose average annual gross proceeds do not exceed twenty-five thousand dollars. An organization shall provide clear and convincing evidence that the organization qualifies as an eligible organization. If a licensed organization amends its primary purpose as stated in its articles of incorporation or changes its basic character in a material manner, the organization shall reapply for licensure with the attorney general.

3. The attorney general shall license eligible organizations that conform to the requirements of this chapter by issuing licenses as follows:
  - a. ~~A class A license to an eligible organization that is prohibited because of its nature or purpose for existence from expending charitable gaming net proceeds for the organization's own purposes or benefit and is, therefore, required to disburse its net proceeds to beneficiaries for educational, charitable, patriotic, fraternal, religious, or other public spirited uses a fraternal, veterans, or civic and service organization.~~
  - b. ~~A class B license to an eligible organization that is permitted because of its nature or purpose for existence to expend charitable gaming proceeds for its own educational, charitable, patriotic, fraternal, religious, or other public spirited uses a charitable, religious, educational, public spirited, or public safety organization.~~ The attorney general may deny a class B license to an otherwise eligible organization if the organization is connected, directly or indirectly, to the holder of a North Dakota retail alcoholic beverage license. An eligible organization that qualifies for a class A license may not also be issued a class B license.
  - c. ~~A class C license to an eligible organization that conducts games of chance on not more than two occasions per year.~~
  - ~~d.~~ The attorney general shall commission may establish by rule no more than two additional classes of licenses based on the frequency of gaming, the types of games of chance conducted by the eligible licensed organization, and the adjusted gross proceeds collected or expected to be collected by the eligible licensed organization.
4. ~~Games A licensed organization may conduct games of chance may be operated or conducted only on premises or sites an authorized site set forth in the application as follows:~~
  - a. ~~License applicants~~ A licensed organization shall first secure approval of the proposed site ~~or sites on at~~ which it intends to conduct lawful games of chance ~~under this chapter~~ from the governing body of the city, if within city limits, or the county, if outside city limits, where the site ~~or sites are is~~ located. This approval ~~or permit, which may be granted at the discretion of the governing body, must be recorded on a site authorization form which is to accompany the license application to the attorney general for final approval.~~ The governing body may charge a one hundred dollar fee for ~~this permit~~ the site authorization.
  - b. Rented premises are subject to rules adopted by the ~~attorney general~~ commission.
  - c. Only one eligible licensed organization or organization that has been issued a local permit at a time may be ~~authorized to conduct games of chance at a specific location authorized site,~~ except that a raffle drawing may be conducted for special occasions when one of the following conditions are met:

- (1) When the area for the raffle drawing is physically separated from the area where gaming is conducted by the regular licensee.
  - (2) Upon request of the regular licensee, the licensee's license is suspended for that specific day by the attorney general or commission.
- d. Licenses, rules of conduct and play, state gaming stamps, and state identification devices registration stamps must be displayed on forms and in the manner specified in rules adopted by the attorney general commission.
- e. No licensed organization or closely connected licensed organizations as a unit may have more than thirty authorized sites unless granted a waiver by the attorney general. However, after June 30, 1995, no licensed organization or closely connected licensed organizations as a unit may have more than twenty-five authorized sites unless granted a waiver by the attorney general. If the attorney general finds that there is no other licensed organization willing to conduct gaming at a site for which a waiver is being sought, the attorney general may approve the waiver. The attorney general may not grant a licensed organization a waiver for more than five sites. Closely connected licensed organizations are two or more organizations which have unitary characteristics that may include common primary purposes, members on boards of directors, officers, management, employees, bookkeepers, program services, integrations of gaming activities, and shared facilities.
5. The attorney general may, by motion based on reasonable ground or upon written complaint, suspend, deny, or revoke under chapter 28-32, any license granted under this chapter for violations by the licensee, or any officer, director, agent, member, or employee of the licensee, of this chapter or any rule adopted under this chapter. Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this subsection unless that organization conducts gaming determined to be in violation of chapter 12.1-28 or subsection 1 of section 53-06.1-07.
6. The attorney general or the commission may impose monetary fines on licensed organizations, distributors, manufacturers' distributors, and manufacturers for failure to comply with any provision of this chapter or any rule adopted under this chapter. The monetary fine for each violation by an organization is a minimum of twenty-five dollars and may not exceed two percent of the organization's average quarterly gross proceeds, or five thousand dollars, whichever is greater. The monetary fine for each violation by a distributor or manufacturer's distributor is a minimum of one hundred dollars and may not exceed five thousand dollars. The monetary fine for each violation by a manufacturer is a minimum of five hundred dollars and may not exceed two hundred fifty thousand dollars. This fine may be in addition to or in lieu of a license suspensions suspension or revocations revocation.

**SECTION 7. AMENDMENT.** Section 53-06.1-03.3 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-03.3.** ~~Charitable gaming ticket~~ Pull tab sites -- Limit on rent. For all purposes associated with the privilege of conducting games of chance at a site other than a site where bingo is the primary game of chance conducted, the monthly rent may not exceed:

1. If the game of twenty-one is conducted on the site, in addition to the rent allowable for the game of twenty-one, one hundred twenty-five dollars.
2. If the game of twenty-one is not conducted on the site, two hundred twenty-five dollars.

**SECTION 8. AMENDMENT.** Section 53-06.1-05 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-05.** Local approval permit for educational organizations, college fraternities, and sororities for raffles, sports pools, and bingo. An educational organization, college fraternity, or sorority shall apply in writing to the governing body of the city in which it is located, or to the board of county commissioners if the educational organization or the college is located outside the ~~geographical limits of a city~~ limits, for permission a local permit to conduct raffles, sports pools, or bingo at least thirty days ~~prior to~~ before each occasion. The application must state the time, place, and educational, charitable, patriotic, fraternal, religious, or other public-spirited uses to which the net proceeds will be devoted. An applicant fraternity or sorority shall include a signed acknowledgment by the administration of the college or university that the applicant is a recognized fraternity or sorority. The governing body ~~may~~ at its own discretion by ordinance or resolution, and upon application, ~~grant permission may issue a local permit~~ for raffles, sports pools, and bingo to be held at specifically designated times and places for specific uses covering a one-year period. The governing body ~~may~~ by ordinance or resolution may establish ~~authorization fees a local permit fee~~ not to exceed twenty-five dollars for each authorization. ~~If the governing body, at its own discretion, chooses to authorize raffles, sports pools, or bingo pursuant to this chapter, the governing body may do so by resolution~~ local permit.

**SECTION 9. AMENDMENT.** Section 53-06.1-05.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-05.1.** Regulation by city or county of number of twenty-one tables per site and number of sites per eligible licensed organization. Cities, for sites ~~or locations~~ within city limits, or counties, for sites ~~or locations~~ outside city limits, may establish by ordinance or resolution a maximum number of tables for twenty-one per site and a maximum number of sites upon which ~~an eligible a licensed~~ organization may conduct games of chance within the city or county.

**SECTION 10. AMENDMENT.** Section 53-06.1-06 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-06.** Persons permitted to conduct games of chance - Premises Gaming site - Equipment - Compensation.

1. No person, except a member or employee of ~~an eligible a licensed~~ organization or an organization that has been issued a local permit or a member of an organization auxiliary to ~~an eligible a licensed~~ organization or an

organization that has been issued a local permit, may assist in the holding, operating, or conducting of any game of chance under this chapter. In the conduct of pull tabs through an electronic-mechanical dispensing device, the attorney general may allow employees of licensed alcoholic beverage establishments to provide limited assistance to an ~~authorized a class B license holding eligible licensed~~ organization the whose adjusted gross proceeds of ~~which do~~ does not exceed sixty eighty thousand dollars per quarterly reporting period of operation or to any class A ~~license holding eligible licensed~~ organization. However, a volunteer of an eligible organization may sell raffle tickets.

2. Except when authorized by the attorney general, no games of chance may be conducted with any gaming equipment other than gaming equipment owned by an eligible organization or rented at a reasonable rate by an eligible organization from a licensed distributor.
3. The governing board of an eligible organization is primarily responsible and may be held accountable for the proper determination and distribution of the ~~entire~~ net proceeds of ~~any game games~~ of chance held ~~in accordance with this chapter~~.
4. The ~~premises gaming site~~ where any game of chance is being held, operated, or conducted, or where it is intended that the game will be held, must be open to inspection by the attorney general, ~~the attorney general's agents and employees, by representatives of the governing body authorizing games of chance, and by peace officers of any political subdivision~~ law enforcement officials of this state.
5. When any merchandise prize is awarded in a game of chance, its value is its current retail price.
6. Equipment, prizes, and supplies for games of chance may not be purchased or sold at prices in excess of the usual price thereof.
7. ~~The A class A organization must devote the entire net proceeds derived from the holding of conducting games of chance must be devoted~~ within three months from the date end of the quarter in which such proceeds were earned to the eligible uses permitted by this chapter. Any A class A organization desiring to hold the net proceeds ~~of games of chance~~ for a period longer than three months ~~from the date such proceeds were earned must~~ shall apply to the licensing authority or governing body, as the case may be, attorney general for special permission, and upon good cause shown, ~~the licensing authority or governing body~~ attorney general may grant the request.
8. No person who has pled guilty to or been found guilty of a felony may sell or distribute equipment, or conduct or assist in games of chance under this chapter for five years from the date of the conviction or release from incarceration, parole, or probation, whichever is the latter. No person determined by the attorney general to have participated in organized crime or unlawful gambling, may be permitted to sell or distribute equipment, or conduct or assist in games of chance under this chapter for a period determined by the attorney general.

9. Any person involved with the conduct of games of chance must be:
  - a. A person of good character, honesty, and integrity.
  - b. A person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental to the conduct of gaming.
10. The attorney general or commission may prohibit a person from playing games of chance if the person violates ~~any provision of~~ this chapter or any rule adopted under this chapter.
11. The attorney general or commission may require a licensed organization to pay a bingo or raffle prize to a player based on a factual determination, after opportunity for the parties to be heard, by the attorney general or commission.
12. If bingo is the primary game of chance conducted at an authorized site, no licensed organization may pay bingo prizes in which the aggregate of the bingo prizes for a quarter exceeds the total bingo gross proceeds for the quarter at that site. However, a bingo prize that equals or exceeds ten thousand dollars is excluded from the computation of the aggregate of the bingo prizes.

**SECTION 11. AMENDMENT.** Section 53-06.1-07 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07. Games of chance allowed.**

1. Eligible Only eligible organizations licensed by the attorney general ~~shall be permitted to~~ may conduct bingo, raffles, calcuttas, ~~charitable gaming tickets~~ pull tabs, punchboards, twenty-one, paddlewheels, ~~poker, and sports pools for professional sports only.~~ These games may only be conducted and played at gaming sites authorized by a local governing body and approved by the attorney general.
2. ~~College fraternities or sororities may conduct raffles, sports pools, and bingo.~~
3. ~~Eligible organizations shall be permitted to conduct draw poker in accordance with section 53-06.1-07.2.~~
4. ~~In electronic video gaming device play of any game of chance permitted by this section, the maximum prize per play is five hundred dollars.~~
5. Any The game using ~~charitable gaming tickets of pull tabs~~ may be conducted only through use of commingled games ~~after June 30, 1991.~~

**SECTION 12. AMENDMENT.** Section 53-06.1-07.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.1. Limitations on hours and participation in games of chance.** A person under twenty-one years of age may not participate in placing a wager in the directly or indirectly play games of charitable gaming ~~tickets pull tabs, punchboards, twenty-one, calcuttas, sports pools, paddlewheels, or poker.~~ A person under eighteen years of age ~~not accompanied by an adult~~ may not participate in directly or indirectly play the game of bingo unless the person is accompanied by an adult, the bingo game is ~~locally authorized under section 53-06.1-03~~ conducted by an organization that has been issued a local permit, or the game's prize structure does not exceed ~~those that allowed under subsection 1 of section 53-06.1-03~~ for locally authorized games local permits. The games of ~~charitable gaming tickets pull tabs, punchboards, twenty-one, paddlewheels, or~~ and sports pools may be conducted only during the hours when alcoholic beverages may be dispensed in accordance with applicable regulations of the state or the ~~political subdivision~~ county or city.

**SECTION 13. AMENDMENT.** Section 53-06.1-07.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.2. Draw poker and stud poker - Limited authorization.** ~~An eligible~~ A licensed organization may conduct the game of draw poker on not more than two occasions per year as follows:

1. The eligible organization may supply the dealer.
2. The maximum single bet is one dollar.
3. Not more than three raises, of not more than one dollar each, may be made among all the players in each round of bets. Otherwise the normal rules of draw poker and stud poker apply.
4. The eligible organization shall assess each player a fee not to exceed two dollars per half hour of playing time by that person, collected in advance. A fee may be charged each player for entry into a tournament for prizes which fee may be in lieu of or in addition to the fee assessable at one-half hour intervals.

**SECTION 14. AMENDMENT.** Section 53-06.1-07.3 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.3. Calcuttas.** ~~An eligible~~ A licensed organization may allow the playing of conduct a calcutta ~~on the authorized site.~~ ~~Calcuttas are allowed for professional or amateur sporting events held in this state, but not for elementary, secondary, or postsecondary education sports events.~~ The eligible organization shall post at the gaming site all rules affecting the conduct and play of calcuttas ~~or requirements of participants.~~ ~~An eligible~~ The organization may not have an interest in the outcome of the calcutta. A ~~participant who places~~ player must place a wager in the calcutta auction pool ~~must be~~ at the authorized site. No more than one wager per competitor may be allowed in any calcutta pool. The amounts paid to calcutta pool ~~participants~~ players in prizes may not exceed ninety percent of the gross proceeds. No competitor in a calcutta pool may be under eighteen years of age.

**SECTION 15. AMENDMENT.** Section 53-06.1-07.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-07.4. Paddlewheels.** ~~An eligible~~ A licensed organization may conduct the game of paddlewheels ~~on the authorized~~

~~site. The eligible organization shall post at the site all rules affecting the conduct of paddlewheels and requirements of players. A paddlewheel is a mechanical vertical wheel marked off into equally spaced sections that contain numbers or symbols, and which after being spun, uses a pointer or marker to indicate the winning number or symbol. The maximum price per paddlewheel ticket may not exceed two dollars. No money may be allowed on the playing table. A table must be used to register a player's wagered paddlewheel ticket when a cash prize is a variable multiple of the price of the paddlewheel ticket. No player may place more than ten paddlewheel tickets valued at more than twenty dollars on each spin of the paddlewheel. Cash, chips, or merchandise prizes may be awarded. No single cash prize, value of chips, or the current retail price of the merchandise prize to be awarded for a winning paddlewheel ticket may exceed one hundred dollars. The monthly rent for each paddlewheel playing table may not exceed the amount authorized by law for a twenty-one table.~~

SECTION 16. AMENDMENT. Section 53-06.1-08 of the North Dakota Century Code is amended and reenacted as follows:

~~53-06.1-08. Punchboards and charitable gaming tickets pull tabs - Sale of chances - Maximum price per ticket pull tab. Unless all of the highest denomination of winners top tier winning pull tabs or punchboard punches have been sold redeemed, or unless otherwise permitted by the attorney general, a no person or organization engaged in the selling of chances from conducting games of charitable gaming tickets pull tabs or punchboards under this chapter may not discard the chances from any close the game of charitable gaming ticket or punchboard once the contents of that game of charitable gaming ticket or punchboard are have been offered for sale to eligible participants players. The maximum sales price per charitable gaming ticket pull tab and punchboard punch may not exceed two dollars.~~

SECTION 17. AMENDMENT. Section 53-06.1-08.1 of the North Dakota Century Code is amended and reenacted as follows:

~~53-06.1-08.1. Limitation on charitable gaming ticket pull tab prizes. An eligible A licensed organization may not conduct a game of charitable gaming tickets pull tabs in which the highest denomination winner prize value of the top tier winning pull tab exceeds five hundred dollars.~~

SECTION 18. AMENDMENT. Section 53-06.1-09 of the North Dakota Century Code is amended and reenacted as follows:

~~53-06.1-09. Sports pools - Control by licensee - Rules posted - Limitation on prizes. An eligible A licensed organization or organization that has been issued a local permit may allow the playing of conduct sports pools on the premises or authorized site. Sports pools are allowed for professional sports only. If sports pools are allowed, they must be conducted and controlled by the eligible organization. The eligible licensed organization or organization that has been issued a local permit shall clearly post any rules affecting the conduct of sports pools or requirements of participants players. The maximum wager on any sports pool is five dollars. The amounts paid to sports pool participants players in prizes may not exceed ninety percent of the gross proceeds.~~

SECTION 19. AMENDMENT. Section 53-06.1-10 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

~~53-06.1-10. Twenty-one - Sale of chips - Redemption - Wager - Limit - Rules of play - Tips. Any licensee A licensed organization may conduct and shall control the playing of the card game twenty-one~~

on ~~the its~~ authorized site ~~of the licensee, but at no other location.~~ No money may be allowed on the table. The licensee organization shall provide playing chips of various denominations to ~~the participants~~ players. Chips must be redeemed by the licensee for their full value. The maximum limit per wager may be set by the licensee or eligible organization at not more than five dollars and wagers in increments of one dollar must be accepted up to the maximum limit. A player may not play more than two hands at the same time. Only the player actually playing a hand may place a wager on any hand. Twenty-one is a card game played by a maximum of seven players and one dealer. The dealer must be a representative of the eligible organization sponsoring the game of chance. Each player plays the player's hand against the dealer's hand. In order to remain in the hand being dealt, neither the player nor the dealer may play a hand with a count greater than twenty-one. A count of twenty-one obtained with two cards is termed a natural twenty-one and is an automatic payout except in case of a tie count with the dealer. Players may double down on a natural twenty-one. In the case of matching or tie count between the player and the dealer, no winner is declared and the player keeps the player's wager. A licensee may allow the pooling of tips received by dealers at an authorized site. Any requirement to pool tips is within the sole discretion of each licensee and may not be imposed or encouraged by the ~~licensing authority~~ attorney general or commission. Each licensee conducting twenty-one shall post rules relating to the conduct of the game in a conspicuous location near where the game is played. After December 31, 1993, except for an organization's authorized site that has twenty-one gross proceeds averaging less than ten thousand dollars per quarter, no organization may conduct twenty-one at an authorized site with wagers exceeding two dollars unless the organization has first installed video surveillance equipment as required by rules adopted by the commission and the equipment is approved by the attorney general. The commission may delay the requirements for surveillance required by this section for good cause shown if the commission specifically finds that the delay would allow the installation of video surveillance equipment of superior technological capability and enhanced enforcement value. In no event may the delay extend beyond July 1, 1994.

**SECTION 20. AMENDMENT.** Section 53-06.1-10.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-10.1. Raffles - Limitation - Prizes.** Prizes for raffles may include any property which may be legally owned and possessed, but may not include real estate. Cash prizes may be awarded in raffles ~~conducted under this chapter~~ provided the value of no single cash prize exceeds one thousand dollars, and provided further that ~~no eligible organization may award total cash prizes totaling more than~~ do not exceed three thousand dollars in ~~the aggregate during any one~~ day.

**SECTION 21. AMENDMENT.** Section 53-06.1-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-11. Statement of receipts - Expenses.**

1. All moneys collected or received from games of chance and admissions thereto, except cash prizes of one hundred dollars or less paid immediately, must be deposited in a special account of the eligible licensed organization which contains only that money. Cash prizes of an amount to be determined by the attorney general, ~~the~~ and purchase prices of merchandise prizes, ~~and all expenses for such games of chance~~ must be withdrawn from such account by consecutively numbered checks duly signed by a specified officer or

officers of the eligible organization and payable to a specific person or organization. There must also be written on the check the nature of the expense or prize for which the check is drawn. No check may be drawn to "cash" or a fictitious payee. In the case of a cash prize of more than one hundred dollars, the prize may also be issued by an accountable receipt or nonnegotiable instrument approved by the attorney general.

2. No part of the net proceeds after they have been given over devoted to another organization an eligible use recipient may be used by the donee organization to pay any person for services rendered or materials purchased in connection with the conducting conduct of games of chance by the donor organization.
3. Subject to the limitations of this subsection, expenses incurred for games of chance may be deducted from adjusted gross proceeds, to the extent that total expenses for games of chance do not exceed fifty percent of the first two hundred thousand dollars of adjusted gross proceeds per quarter and forty-five percent of the adjusted gross proceeds in excess of two hundred thousand dollars per quarter. However, for an authorized site at which the game pull tabs is the only game of chance conducted and the conduct of pull tabs is through an electronic-mechanical dispensing device, expenses incurred for this game of chance may be deducted from adjusted gross proceeds, based on the average adjusted gross proceeds of all of an organization's authorized sites at which the game of pull tabs is conducted through electronic-mechanical dispensing devices, according to the following:
  - a. On average adjusted gross proceeds not exceeding eight thousand dollars per quarter, an expense limitation of fifty percent.
  - b. On average adjusted gross proceeds exceeding eight thousand dollars per quarter, but not exceeding twelve thousand dollars per quarter, an expense limitation of forty-five percent.
  - c. On average adjusted gross proceeds exceeding twelve thousand dollars per quarter, but not exceeding sixteen thousand dollars per quarter, an expense limitation of forty percent.
  - d. On average adjusted gross proceeds exceeding sixteen thousand dollars per quarter, an expense limitation of thirty-five percent.

After December 31, 1989, cash Cash shorts incurred in games of chance are classified as expenses toward the expense limitation. Notwithstanding the limitations of this subsection, in addition to the expenses allowed to be deducted from adjusted gross proceeds, an eligible a licensed organization may deduct as an expense federal excise taxes and interest imposed under section 4401 of the Internal Revenue Code [26 U.S.C. 4401] and incurred or paid by the organization for the period beginning January 1, 1986, and ending as of July 1, 1991 capital expenditures for security or video surveillance equipment used for controlling games of chance if the equipment is required by section 53-06.1-10 or rules adopted by the commission and the equipment is approved by the attorney general. The figure

used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for taxes. This subsection does not authorize violations of the rent limitations contained in this chapter.

**SECTION 22. AMENDMENT.** Section 53-06.1-12 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12. Tax based on adjusted gross proceeds.** A tax as provided in this section upon the total adjusted gross proceeds received by a licensed eligible organization must be paid to the attorney general on a quarterly basis ~~in the manner and upon the tax return forms as prescribed by the attorney general by rule.~~ The figure used for adjusted gross proceeds is as determined in subsection 1 of section 53-06.1-01 before any reduction for expenses. The amount of this tax must be paid from adjusted gross proceeds and may not be charged against the percentage limitation of expenses. The tax is hereby imposed upon every eligible licensed organization, to be levied, collected, and paid quarterly with respect to the adjusted gross proceeds of the eligible organization as provided in this section, computed at the following rates:

1. On adjusted gross proceeds not in excess of two hundred thousand dollars per quarter, a tax of five percent.
2. On adjusted gross proceeds in excess of two hundred thousand dollars per quarter but not in excess of four hundred thousand dollars per quarter, a tax of ten percent.
3. On adjusted gross proceeds in excess of four hundred thousand dollars per quarter but not in excess of six hundred thousand dollars per quarter, a tax of fifteen percent.
4. On adjusted gross proceeds in excess of six hundred thousand dollars per quarter, a tax of twenty percent.

**SECTION 23. AMENDMENT.** Section 53-06.1-12.2 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-12.2. ~~Charitable gaming tickets~~ Pull tabs excise tax in lieu of sales and use taxes.** In addition to any other tax provided by law and in lieu of sales or use taxes, there is imposed a tax of two percent on the gross receipts proceeds from the sale at retail of ~~charitable gaming tickets pull tabs~~ to a final user. A Gross proceeds and a sale at retail for purposes of this section includes charitable gaming tickets include pull tabs sold and charitable gaming tickets given pull tabs provided a player in return exchange for another charitable gaming ticket as authorized under this chapter. ~~Gross receipts for purposes of this section includes the face value of all charitable gaming tickets sold or given in return for another charitable gaming ticket redeemed winning pull tabs.~~ The tax imposed by this section must be paid to the attorney general at the time tax returns are made filed and taxes are paid by the eligible licensed organization under section 53-06.1-12.

**SECTION 24. AMENDMENT.** Section 53-06.1-13 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-13. Examination of books and records.** The attorney general ~~and the attorney general's agents,~~ and representatives of the governing body of a city or county with respect to eligible ~~organizations authorized~~ a licensed organization or organization that

has been issued a local permit by that governing body, may examine or cause to be examined the books and records of any eligible licensed organization licensed or authorized organization that has been issued a local permit to conduct games of chance under this chapter to the extent that such books and records may directly or indirectly relate to any transaction connected with holding, operating, or conducting any game of chance.

**SECTION 25. AMENDMENT.** Section 53-06.1-13.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-13.1. Financial statements.** Every eligible A licensed organization receiving gaming gross proceeds of two hundred thousand dollars or more in the organization's annual accounting period shall file with the attorney general on or before the fifteenth day of the fifth month following the end of the accounting period a financial statement, including accompanying notes and footnotes, and a copy of the internal revenue service's form 990 titled return of organization exempt from income tax required to be filed under section 501(c) of the Internal Revenue Code. The financial statement must at least include a schedule of the sources of total revenue, total expenses, listing of the names of nongaming and gaming employees who received any form of compensation amounting to thirty thousand dollars or more during the accounting period, including specific sources of the compensation paid to each employee, and any information as required by the attorney general.

**SECTION 26. AMENDMENT.** Section 53-06.1-14 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-14. Distributors and manufacturers - Licensure.**

1. Every A manufacturer of ~~charitable gaming tickets pull tabs,~~ every manufacturer of paper bingo cards, manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer's distributor of electronic-mechanical pull tab dispensing devices, and every distributor shall apply annually for a license upon a form prescribed by the attorney general before the first day of April in each year and shall submit the appropriate license fee. Each applicant shall provide such necessary and reasonable information as the attorney general may require. The license fee for a distributor is one thousand five hundred dollars, ~~and the~~ The license fee for a manufacturer's distributor is five hundred dollars. The license fee for a manufacturer of electronic-mechanical pull tab dispensing devices, manufacturer of charitable gaming tickets pull tabs, paper bingo cards, or both a manufacturer of pull tabs and paper bingo cards, is two thousand dollars.
2. No distributor may sell, market, or otherwise distribute raffle tickets or equipment for games of chance except to other licensed distributors, licensed manufacturers' distributors, licensed organizations, organizations that have been issued a local permit, gaming schools, or other persons authorized by the attorney general. A manufacturer of ~~charitable gaming tickets pull tabs~~ or paper bingo cards may not sell, market, or otherwise distribute ~~charitable gaming tickets pull tabs~~ or paper bingo cards, other than to a licensed distributor. A distributor of ~~charitable gaming tickets pull tabs~~ or paper bingo cards must purchase or otherwise receive ~~charitable gaming tickets pull tabs~~ or paper bingo cards only from a licensed manufacturer or

licensed distributor. A manufacturer of electronic-mechanical pull tab dispensing devices may not sell, market, or otherwise distribute pull tab dispensing devices other than to a licensed distributor or a licensed manufacturer's distributor. A licensed distributor and licensed manufacturer's distributor of electronic-mechanical pull tab dispensing devices may purchase or otherwise receive pull tab dispensing devices only from a licensed manufacturer, licensed manufacturer's distributor, or licensed distributor.

3. Every eligible organization shall acquire all raffle tickets or equipment for games of chance from a distributor licensed under this chapter, unless the raffle tickets or equipment for games of chance are printed, manufactured, or constructed by the eligible organization or unless the raffle tickets are obtained from a resident printer who has printed the raffle tickets at the request of the organization. No game of ~~charitable gaming tickets~~ pull tabs, punchboards, sports pool boards, calcutta boards, or a series of paddlewheel ticket cards may be sold without a North Dakota gaming stamp being affixed to them. North Dakota licensed distributors shall purchase the North Dakota gaming stamps from the attorney general's office and the cost for each stamp may not exceed twenty-five cents.
4. No licensed ~~or authorized~~ eligible organization ~~or organization that has been issued a local permit~~ may be a distributor. No North Dakota wholesaler of liquor or alcoholic beverages may be a North Dakota distributor. No North Dakota licensed manufacturer may be a North Dakota distributor ~~or have any financial interest in a North Dakota distributor.~~ No North Dakota distributor may have any financial interest in a North Dakota licensed manufacturer.
5. The attorney general ~~or commission~~ may, ~~by motion~~ based on reasonable grounds or on written complaint, suspend or revoke a an organization's local permit or an organization's, distributor's, or manufacturer's license for violation, by the licensee organization, distributor, or manufacturer or any officer, director, agent, member, or employee of the licensee organization, distributor, or manufacturer, of this chapter or any rule adopted under this chapter.
6. In addition to the basic license fee, the attorney general may require payment of any additional fee necessary to defray the actual costs of a background investigation of applicants. The attorney general may require payment of the estimated additional fee in advance as a condition precedent to beginning the investigation. The attorney general shall notify the applicant as soon as possible after a determination is made that the additional fee is necessary and shall also notify the applicant of the attorney general's best estimate of the amount of the additional license fee. Any applicant may then withdraw the application in lieu of paying the additional cost. The estimated cost must be placed into the attorney general's refund fund for use to defray the actual expenses of the background investigation. The remainder of ~~such~~ the funds must be returned to the applicant within thirty days of the conclusion of the investigation.

**SECTION 27. AMENDMENT.** Section 53-06.1-15 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15. Form and display of license and local permit.** Each license ~~or authorization~~ required under this chapter and local permit must contain a ~~statement of the name and address of the licensee or authorized eligible licensed organization or organization that has been issued a local permit~~ and such other information as the ~~licensing attorney general or authorizing authority~~ local governing body may designate ~~require~~.

Each license ~~or resolution~~ issued for the conduct of any game or games of chance and local permit must be conspicuously displayed at the place where the same is to be conducted at all times during gaming site when any game of chance is conducted and for at least thirty minutes thereafter. The sale of a raffle ticket does not require the display of the license or ~~authorizing resolution~~ local permit.

**SECTION 28. AMENDMENT.** Section 53-06.1-15.1 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15.1. Powers and duties of the attorney general.** The attorney general ~~or the agents of the attorney general~~ may:

1. Inspect and examine all premises in which gaming is conducted or gaming devices or equipment are manufactured, sold, or distributed.
2. Inspect all equipment and supplies in, upon, or about such premises.
3. Seize and remove from such premises and impound any gaming related equipment, supplies, games of chance, or books and records for the purpose of examination and inspection. When books or records are seized, the attorney general shall provide copies of those records or books within twenty-four hours of a specific request by the organization for a copy of the books or records seized.
4. Demand access to and inspect, examine, photocopy, and audit all books and records of applicants, licensees, lessors, manufacturers, and distributors, including any affiliated companies on their premises and in the presence of the applicants, licensees, lessors, manufacturers, distributors, or agents concerning any income or expense resulting from any gaming business, and require verification of income or expense, and all other matters affecting the enforcement of the policy and provisions of this chapter.
5. Audit and inspect any other books and records of eligible organizations conducting games of chance for the purpose of determining compliance with applicable statutes, rules, and constitutional provisions regarding distribution devotion of net proceeds from games of chance.
6. Enter into a reciprocal agreement with the commissioner of the internal revenue service of the United States for exchange of information for state tax administration purposes.

**SECTION 29. AMENDMENT.** Section 53-06.1-15.4 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-15.4. Conditional license - Issuance.** The attorney general, upon application and at the attorney general's discretion, may issue a conditional license to conduct games of chance to an eligible

organization whose regularly issued license has been suspended or revoked for a violation of this chapter or rules adopted under this chapter. The attorney general shall designate the time period for which the conditional license is valid and may impose any conditions for issuance of the license as the attorney general determines necessary. Section 53-06.1-16.2 does not apply to an eligible organization to whom a conditional license is issued pursuant to this section.

**SECTION 30. AMENDMENT.** Section 53-06.1-16 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-16. Violation of chapter or rule - Misdemeanor - Forfeiture of licensure - Ineligibility.** Any person who knowingly makes a false statement in any application for a local permit, license, or authorizing resolution or in any statement annexed thereto, or who fails to keep sufficient books and records to substantiate the receipts, gross proceeds, prizes, expenses, or uses devotion of net proceeds resulting from games of chance conducted under this chapter, or who falsifies any books or records so far as they relate to any transaction connected with the holding, operating, and conducting of any game of chance, or who violates ~~any of the provisions of this chapter, any rule adopted under this chapter, or of any term of a local permit or license~~ is guilty of a class A misdemeanor. If convicted, the person forfeits any license or ~~authorizing resolution~~ local permit issued to it pursuant to this chapter and is ineligible to reapply for a license or ~~authorization~~ local permit for a period of time ~~to be determined by the attorney general or commission.~~ Notwithstanding section 5-02-02, an eligible organization that possesses a license issued under chapter 5-02 may not have that license suspended, revoked, or denied in consequence of action taken under this section.

**SECTION 31. AMENDMENT.** Section 53-06.1-16.1 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-16.1. Bogus chips, marked cards, cheating devices, or fraudulent schemes unlawful - Penalty.** It is unlawful for any person playing or conducting any authorized game of chance conducted by a licensed organization:

1. To use bogus or counterfeit chips or ~~charitable gaming tickets~~ pull tabs, or to substitute or use any game, cards, ~~or charitable gaming tickets~~ pull tabs, or game piece that have been marked or tampered with.
2. To employ or have on one's person any cheating device to facilitate cheating in any game of chance.
3. To willfully use any fraudulent scheme or technique, including when an operator or player of games of ~~charitable gaming tickets~~ pull tabs directly or indirectly solicits, provides, or receives inside information of the status of a game for the benefit of either person.
4. To alter or counterfeit a site authorization, gaming license, or North Dakota gaming stamp.
5. To knowingly cause, aid, abet, or conspire with another person or to cause any person to violate ~~any provision of~~ this chapter or any rule adopted under this chapter.

A person violating this section is guilty of a class A misdemeanor unless the amount gained through the use of these items, schemes, or techniques resulted in a person obtaining over five hundred dollars, then the offense is a class C felony. However, if a person uses a fraudulent scheme regarding soliciting, providing, or receiving inside information involving the game of pull tabs or uses a fraudulent scheme or technique to cheat or skim involving the games of twenty-one or bingo, regardless of the amount gained, then the offense is a class C felony.

**SECTION 32. AMENDMENT.** Section 53-06.1-16.2 of the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-16.2. License suspension or revocation by attorney general or commission - Ineligibility for local authorization permit.** Any person whose class A or class B A licensed organization that has its license is suspended or revoked by the attorney general or commission or a licensed organization that has not devoted its net proceeds is ineligible for a local authorization permit to conduct raffles, sports pools, or bingo during the period of suspension or revocation.

**SECTION 33. AMENDMENT.** Section 53-06.1-17 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

**53-06.1-17. Rules.** The commission shall adopt rules in accordance with chapter 28-32, relating to, but not limited to, methods of play, conduct, and promotion of games of chance; methods, procedures, and minimum standards for accounting and recordkeeping; requiring reports by ~~licensees and authorized~~ licensed organizations; methods of competition and doing business by distributors, manufacturers, and manufacturers' distributors; marking or identification of raffle tickets, ~~charitable gaming tickets~~ pull tabs, bingo equipment, ticket pull tab receptacles, punchboards, or any other implements of gambling used or distributed in this state to implement or effectuate the provisions and purpose of this chapter; quality standards for the manufacture of ~~charitable gaming tickets~~ pull tabs, pull tab dispensing devices, and paper bingo cards; to ensure that the entire net proceeds of games of chance are devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses as defined by this chapter; to protect and promote the public interest; to ensure fair and honest games of chance; to ensure that fees and taxes are paid; to impose monetary fines and establish appeal procedures; and to seek to prevent or detect unlawful gambling activity.

**SECTION 34. AMENDMENT.** Subsection 5 of section 53-06.2-11 of the 1991 Supplement to the North Dakota Century Code is amended and reenacted as follows:

5. A licensee may not use any of the portion deducted for expenses under subsections 1 and 2 for expenses not directly incurred by the licensee in conducting parimutuel racing under the certificate system. After paying qualifying expenses, the licensee shall use the remainder of the amount so withheld only for eligible uses allowed to charitable gambling organizations under subsection 7 6 of section 53-06.1-01."

Renumber accordingly

Engrossed HB 1416 was placed on the Seventh order of business on the calendar.

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report on HB 1136.

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed: HB 1004, HB 1212, HB 1518.

## MESSAGE TO THE HOUSE FROM THE SENATE (CAROL SIEGERT, SECRETARY)

MR. SPEAKER: The Senate has adopted the conference committee report and subsequently passed, and the emergency clause carried on HB 1389.

## REPORT OF CONFERENCE COMMITTEE

HB 1007, as engrossed: Your conference committee (Sens. Robinson, Redlin, Lips and Reps. Gerntholz, Carlisle, Laughlin) recommends that the SENATE RECEDE from the Senate amendments on HJ pages 1469-1470, adopt amendments as follows, and place HB 1007 on the Seventh order.

That the Senate recede from its amendments as printed on pages 1469-1470 of the House Journal and pages 1250-1251 of the Senate Journal and that Engrossed House Bill No. 1007 be amended as follows:

Page 1, line 12, replace "2,057,920" with "2,104,453"

Page 1, line 13, replace "18,810" with "20,389"

Page 1, line 14, replace "2,167,701" with "2,114,275"

Page 1, line 19, replace "6,719,172" with "6,884,523"

Page 1, line 21, replace "5,140,849" with "5,293,384"

Page 2, line 1, replace "17,777,416" with "18,089,988"

Page 2, line 2, replace "11,308,863" with "11,590,028"

Page 2, line 3, replace "6,468,553" with "6,499,960"

Page 2, line 4, replace "\$500,000" with "\$570,000"

Renumber accordingly

## STATEMENT OF PURPOSE OF AMENDMENT:

DEPARTMENT 540 - ADJUTANT GENERAL

CONFERENCE COMMITTEE - This amendment makes the following changes:

- The salaries and wages line item is increased by \$46,533, of which \$45,753 is from the general fund and \$780 is from other funds. An amount of \$30,000 from the general fund is for the addition of one FTE for the Veterans Cemetery and \$16,533, of which \$15,753 is from the general fund and \$780 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018.
- The information services line item is increased by \$1,579 from the general fund in accordance with the provisions of House Bill No. 1018.
- The operating expenses line item is decreased by \$53,426, of which \$20,374 is from the general fund and \$33,052 is from other funds, to remove the indirect cost allocation payments to the Office of Management and Budget.

- The Army Guard contract line item is increased by \$165,351, of which \$36,404 is from the general fund and \$128,947 is from other funds. An amount of \$25,351, of which \$1,404 is from the general fund and \$23,947 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018 and \$140,000, of which \$35,000 is from the general fund and \$105,000 from other funds.
- The tuition fees line item reflects a funding source change of \$70,000. The general fund portion of the tuition fees is reduced by \$70,000, from \$400,000 to \$330,000, and the other funds are increased by \$70,000, from \$500,000 to \$570,000.
- The Air Guard contract line item is increased by \$152,535, of which \$38,045 is from the general fund and \$114,490 is from other funds. An amount of \$12,535, of which \$3,045 is from the general fund and \$9,490 is from other funds, is to reflect the \$60 per month salary increase in accordance with the provisions of House Bill No. 1018 and \$140,000, of which \$35,000 is from the general fund and \$105,000 from other funds.

In total, this amendment increases the appropriation to the Adjutant General by \$312,572, of which \$31,407 is from the general fund and \$281,165 is from other funds.

Engrossed HB 1007 was placed on the Seventh order of business on the calendar.

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

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

MADAM PRESIDENT: The House has adopted the conference committee report and subsequently passed: HB 1001.

**MESSAGE TO THE SENATE FROM THE HOUSE (ROY GILBREATH, CHIEF CLERK)**

MADAM PRESIDENT: The House has concurred in the Senate amendments and subsequently passed: HB 1519.

**MOTION**

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

**MOTION**

REP. FREIER MOVED that the House stand adjourned until 8:00 a.m., Saturday, April 24, 1993, which motion prevailed.

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

ROY GILBREATH, Chief Clerk